

Commonwealth of Virginia



Request for Sealed Proposals

Title: iLottery System, Services, and Support

Due Date: September 23, 2026

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Proposal Due Date and Time: September 23, 2026; 3:30 PM EST

The Virginia Lottery does not discriminate against faith-based organizations or against an Offeror because of race, religion, color, sex, national origin, age, disability or any other basis prohibited by state law relating to discrimination in employment. The Virginia Lottery encourages firms to provide for the participation of small businesses and businesses owned by minorities and women through partnerships, joint ventures and subcontracting opportunities.

Complete Legal Name of Offeror's Firm:



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I. PURPOSE:

The Virginia Lottery (“Lottery”) is seeking a vendor partner to provide a best-in-class iLottery program and related services (the System) with the following key objectives:

- Maintain the Lottery’s position as the highest grossing U.S. iLottery program.
- Continue to produce annual growth in iLottery sales and profits.
- Provide innovative solutions and strategies to expand the Lottery’s gaming market share against other online gaming options.
- Drive acquisition and retention of Lottery players.

II. BACKGROUND:

The current version of the Lottery’s iLottery program was introduced on July 1, 2020 when eInstants and single ticket draw game purchases became available to Virginia players in addition to existing draw game subscriptions. In FY2025 (July 1, 2024 to June 30, 2025), the Lottery had sales of approximately \$5.77 billion and generated more than \$901 million for K-12 education. The iLottery program accounted for approximately 60% of the sales. For a breakdown of sales, prizes, retailer compensation, operational expenses, and proceeds by fiscal year, and to access the most recent annual report and more, please visit: <https://www.valottery.com/playingmatters/givingback>. For additional statistics specifically on the iLottery program’s performance in FY25, please review Attachment One – *Current iLottery Program Information*.

The iLottery program is composed of multiple conjoining parts that are supported by various partners. The following is a brief description of the most significant parts of the iLottery program. Offerors are recommended to register and review the iLottery program offerings.

1. Platform with Player Account Management
 - Vendor: NeoPollard Interactive (NPi)
 - Description: The digital platform is the software, service, and hardware that permits Lottery players to securely purchase lottery games, account for associated wagers and winnings, and manage their player account in a user-friendly manner. The platform provides the ability for players to deposit and withdraw funds.
2. Player-facing Website and Mobile App
 - Vendor: Lottery managed with support from WillowTree.
 - Description: The website and mobile app are platforms where players navigate to engage with their player account, Lottery games, Lottery Rewards, and additional features and information. Players utilize the mobile app for scanning tickets to determine if they have a winning ticket along with entering it into Lottery Rewards or other promotional drawings.
3. eInstant Games
 - Vendors: Direct contract with Instant Win Gaming (IWG) with direct integration into the platform. Through the NPi agreement, NeoGames Studio content is directly integrated into the platform. Through the NPi agreement, content from EQL, Scientific Games (SGI), Inspired Entertainment, Pollard Banknote (Pollard), and Brightstar Lottery are currently available through Pariplay aggregation services. AGS and Allodium are planned to be available through Pariplay aggregation services prior to the end of the current contract.
 - Description: eInstant Games (called Online Games to players) are instant-win style games available for players to purchase using funds deposited to their account. New games are launched at least twice monthly, and the theoretical payout is between 85% and 90%.



4. Draw Games
 - Vendor: NPi
 - Description: Through platform widgets, players may purchase online tickets for the following draw games: Powerball, Mega Millions, Cash 5 with EZ Match, Pick 5 with Fireball, Pick 4 with Fireball, Pick 3 with Fireball, Millionaire for Life, and online-only raffles. Players may select their own numbers and purchase tickets as either a one-time purchase or using deposited funds. Players may select to auto-renew a draw game purchase so that it will automatically be purchased on a biweekly basis.
5. Lottery Rewards (Loyalty)
 - Vendor: Zeta
 - Description: Using a registered online account, players accumulate points, either through online play or by scanning a retail-purchased ticket, to redeem for retail coupons, online credit, promotional drawings, or other prizing. Lottery Rewards supports multiple tiers and badges for players based on participation.
6. Customer Relationship Management (CRM)
 - Vendor: NPi
 - Description: Using a customized version of the Bloomreach platform, the Lottery team communicates directly with players through both automated and customized SMS and emails that can include a number of different promotional offers.
7. iLottery Customer Service
 - Vendor: NPi
 - Description: To support the Lottery's internal customer relations team, the NPi Player Support Center (PSC) works directly with players specifically on iLottery account management and/or game issues.
8. Affiliate Program
 - Vendor: Income Access through the NPi agreement
 - Description: As a player acquisition tool, the Lottery has an affiliate program that compensates partners that sign up and then advertise the iLottery program to their customers.

In addition to the list above which highlights direct support of the iLottery program, the Lottery's retail system partner, Brightstar Lottery, is a relevant contributor to initiatives that crossover from online to retail and vice versa. For technical development and integrations, the Lottery uses the Microsoft stack of technologies.

More information about the Lottery's current iLottery program can be found in Attachment One – Current iLottery Program Information.

III. STATEMENT OF NEEDS:

As the current highest grossing and highest per capita iLottery program in the United States, the Lottery wants to build upon its existing success to continue to grow the iLottery program in the face of increasing online gaming competition. Given the Lottery's existing success, the Lottery is looking to expand upon its capabilities through innovation in technology, products, and partnerships while maintaining the current iLottery program functionality and offerings that have been instrumental to player satisfaction. The Lottery is not looking for an existing turn-key solution; rather a solution custom designed to match the Lottery's current robust capabilities and improve upon them. While Offerors shall have the ability to collaboratively work with the Lottery to identify opportunities to grow the program, Offerors should highlight and explain new opportunities in detail that can keep the Lottery as



the best performing iLottery program in the United States.

To minimize tech stack complications and improve technical performance, the Lottery wishes to integrate Lottery Rewards into the iLottery program as a native solution that can handle unique Lottery purchasing behavior online and at retail. To ensure continuity with the existing program, the awarded Offeror shall be the contracting body for any third-party programs or offerings until an alternative is developed (if necessary) that does not remove functionality from the current iLottery program.

The Lottery does not view players as either “online” or “retail” players but rather Lottery players; therefore, Offerors shall demonstrate willingness to work with the Lottery’s existing retail system provider to maintain current crossover functionality as well as establish a direct connection between the retail system and the iLottery program as defined by the Lottery.

Offeror shall be able to deliver all existing functionality, features, and games of the Lottery’s iLottery program at time of start of implementation at no additional cost or development hours to the Lottery. In the event that any additional development time is required by the Offeror to fulfill any existing requirement of the iLottery program, the Offeror shall not invoice, charge, or otherwise seek compensation from the Lottery for any such hours or costs necessary to meet said requirement.

The anticipated contract term is a five (5) year base contract with a potential for up to three (3) 3-year renewals. iLottery requirements are listed below:

A. INFORMATION TECHNOLOGY REQUIREMENTS

1. System Overview

a.) Industry Standards

The Offeror shall have the ability to commit to updating all major hardware, software, and other components to be equivalent to or better than current industry standards. This includes, without limitation, transaction processing, payment processing, networking, testing, diagnostics, programming formats, servers, and methods of integration. Updates shall follow recognized frameworks such as ISO/IEC 20000 for IT service management and NIST SP 800-53 & VITA SEC530 for security controls, where applicable.

Additionally, the Offeror shall have the ability to ensure that all equipment has been or will be inspected for safety, approved by a reputable testing laboratory, and is in compliance with applicable regulations and certifications, including but not limited to FCC (U.S.), CE (EU), TÜV (Germany), UL (U.S.), and PCI DSS for payment systems. All new components shall meet these standards prior to deployment.

Offeror may be required to provide documented proof of certification, inspection, or other documentation deemed appropriate by the Lottery, including but not limited to SOC 2 Type II reports, ISO certifications, or independent lab testing results. The Lottery reserves the right to audit such documentation and request remediation if standards are not met.

b.) System Hardware and System Software Upgrades

All system hardware and system software shall be replaceable at any time by more modern models or versions through system upgrades, provided such upgrades do not disrupt ongoing operations. All system hardware and system software shall be fully supported by the respective manufacturer or supplier throughout the Contract term and for a period of twelve (12) months thereafter.



In the event that support for any hardware module, component, or system software is discontinued by the manufacturer or supplier, the Offeror shall have the ability to notify the Lottery immediately upon announcement of such discontinuation. If required by the Lottery, the Offeror shall have the ability to replace the affected hardware or software components prior to the end of support, at no cost to the Lottery.

Upgrades necessary to maintain minimum performance standards or service level agreements (SLAs) shall not be charged to the Lottery. Similarly, upgrades required to replace outdated, unsupported, or defective equipment or software shall not be charged to the Lottery. The only upgrades that may be charged to the Lottery are those that enable functionality not originally required under the Contract, and only to the extent that the upgraded equipment or software directly supports the new functionality. If the upgraded component supports both required and new functionality, the cost shall be prorated based on the approximate percentage of use attributable to the new function.

All upgrades shall be approved in writing by the Lottery prior to implementation. The Offeror shall provide a schedule of planned upgrades for equipment located at data centers. All equipment shall be refreshed within five (5) years of being placed into service, or prior to reaching end-of-life or warranty expiration, whichever occurs first.

c.) Time Zones

All Lottery-facing and customer-facing functionality in the system and related support from the Offeror shall be aligned with Virginia local time (Eastern Time).

d.) Time Alignment

The system shall be able to adjust to any Lottery designated business start and end times, days, weeks, months, quarters, and years to align reporting and balancing with other vendors as directed by the Lottery. Additionally, Offeror shall be available during Lottery designated business hours (Monday through Friday from 8:00am to 5:00pm, Eastern Time Zone).

2. Infrastructure

a.) Primary Data Center

The primary data center shall conform to all federal, state, and gaming regulatory requirements, and shall be located in the continental United States. The primary data center shall also conform to any relevant Payment Card Industry (PCI) requirements and all security requirements as directed by the Lottery and any associations [e.g., Multi-State Lottery Association (MUSL)] that provide game oversight. Offerors are advised that placing equipment in co-location facilities is permissible. Any cloud proposal shall conform to VITA SEC 530 standards.

Further, any proposed solution shall provide geographically distributed availability zones across multiple U.S. regions to ensure redundancy and resiliency. These regions may include, but are not limited to, East, West, Central, or South. The architecture shall support an Active/Active configuration across at least two distinct regions to maintain continuous operations and minimize downtime in the event of a regional failure.

b.) Backup Data Center

- i. The backup data center shall conform to all federal and state regulatory requirements and shall be located in the continental United States. The backup data center shall also conform to any relevant PCI requirements or security requirements imposed by the Lottery and any associations (e.g., MUSL) that provide game oversight.



- ii. The backup data center shall be located in an area that minimizes and separates risk of concurrent failure with the primary data center such as isolation on separate power grids. Additionally, the backup data center shall be tested every six (6) months for readiness in a planned failover. The backup systems shall be of the same processing capacity, configuration, storage capacity, and architecture as the primary data center systems. They shall be a “mirror” of the primary data center system.

The Offeror shall have the ability to provide two (2) or more remote backup systems that can take over for the primary data center systems, if necessary. Data transferred to and recorded at the remote backup systems shall always contain the most recent transactions, thereby allowing a takeover. The backup data center shall be configured to allow for an automated data center switch. The Wide Area Network (WAN) connection shall provide routing of transactions to the backup as well as the primary data center. Central gaming system functions shall be available at the backup data center, as well as being available remotely via communications from the primary data center. This includes, but is not limited to, Lottery (PDC and BDC) connectivity related to Back Office, Testing, Dashboard, Databases, SFTP, etc. Utilization of a Development, Quality Assurance (QA), User Acceptance Testing (UAT), or Customer Acceptance Testing (CAT) system shall not be an acceptable backup system.

c.) Mission Critical Servers

Servers providing mission-critical gaming and back-office support shall be supported by protective redundancy for high-availability processing. Data storage redundancy shall also be ensured. All operating systems and associated critical server software shall maintain or exceed a release posture of N-2 (not more than two (2) levels off the latest release level). All critical security software patches shall be applied in less than forty-eight (48) hours from release. A component failure in one (1) system shall not cause a failure in any other system. Additionally, a component failure in one (1) system shall not result in the loss of a transaction. To meet this requirement, records of transaction data sold on the Central Gaming System (CGS) exist in not fewer than two (2) distinct locations to process (i.e., minimally log) transactions as approved by the MUSL Committee [see MUSL Rule 2.18].

d.) Parallel Data Centers

As an alternative to a primary and backup solution, Offerors may propose using parallel data centers. Parallel data centers shall conform to all federal and Commonwealth of Virginia regulatory requirements and shall be located in the continental United States. Both data centers shall also conform to any relevant PCI requirements and all security requirements as directed by the Lottery and any associations (e.g., MUSL) that provide game oversight. If parallel data centers are used, both data centers shall be tested every six (6) months. The test shall include a planned failover to each data center to verify the system can run on either data center without loss of any functionality or performance.

e.) Failover and Disaster Recovery

The System shall be equipped with redundancy in a manner that mitigates risk (e.g., backup on different electric grid, hard copies of code kept securely within the continental United States, etc.) and ensures continuous operations. A disaster recovery plan shall be provided and approved by the Lottery prior to the startup date and on an annual basis. In case of a failure in an active server at primary, the remaining System(s) will immediately provide access to players and other System users, assuming the load without loss or corruption of any data and transactions received prior to the time of the failure. Should implementation of any portion of a disaster recovery or contingency plan become necessary, all costs required to restore the



System shall be borne by the Offeror.

In the event of irreparable damage at the primary data center or of an unplanned, extended abandonment of the primary data center, the Offeror shall have the ability to provide, at no additional cost, those servers, facilities, and other components necessary to resume operations under an operational scenario using backup data center(s). Such servers, facilities, and other components shall be furnished, installed, and operational at all times. Facilities shall meet the Lottery-approved environmental and security measures.

f.) System Performance and Scalability

The System shall have the ability to be designed to maximize performance and speed across a wide variety of devices and connection types. The System shall be scalable to meet the needs of the Lottery and shall not experience degraded performance.

g.) System Availability and Monitoring

The System and production software environment shall be available on an ongoing basis without interruption (i.e., 100% uptime, 24/7, all year). Offeror shall obtain written approval from the Lottery at least five (5) business days prior to any planned downtime for system maintenance or any other reason. If maintenance is required, it shall be done during predefined maintenance windows as defined by the Lottery.

h.) Communication Networks

System shall have the ability to secure connectivity between the data centers, the Internal Control System (ICS), and any player-facing sites or mobile apps.

i.) Time-Synchronizing

All servers shall have a time-synchronizing mechanism to ensure consistent time recording and reporting of events and transactions.

j.) Logging

Offeror shall have the ability to support the system and user logging to allow for troubleshooting of various issues to better support player issues and concerns. Logging shall be supported for security purposes, recording any user sessions (authorized or unauthorized) to allow the Lottery to validate any specific user sessions as required. The Offeror shall have the ability to provide Intrusion Detection System (IDS) and Intrusion Prevention System (IPS) reports on attempted access to data. The Offeror shall have the ability to provide a Security Information and Event Management (SIEM) solution and grant access to Lottery designated team members. All logs, including audit logs, shall be available and archived. Active logs shall be available for a minimum of six (6) months. All logging shall meet MUSL Rule 2 requirements.

3. System Security

a.) Risk Assessment and System Security Plan

Prior to system go-live and annually thereafter, Offeror shall cooperate with the Lottery to complete and document risk assessments and system security plans to ensure compliance with Commonwealth of Virginia Information Security Standards.

b.) Penetration Testing

Prior to system go-live and annually thereafter, or following an environment change, Offeror shall conduct penetration testing and provide the Lottery with a report detailing the results.



- c.) System Access Approval
All systems and users requiring access shall be approved by the Lottery. The System shall support controls and procedures that allow the Lottery to audit all System access. The System shall provide the ability for the Lottery to administer the Lottery user access to user functions within the System including, but not limited to, content management, player management, back-office system, games management, retailer affiliate programs, customer service software, and other functions that Lottery users will access.
- d.) Authentication, Authorization and Access Controls
The System shall have controls related to user authentication, authorization, and access controls for using and operating the system. The System shall be compliant with all requirements found in VITA SEC 530 and Attachment Two – Information Security Terms and Conditions.
- e.) Principle of Least Privilege
System users shall only be granted access to the information in the Application and Licensed Services needed to perform their job functions as designated by the Lottery as defined in Attachment Two – Information Security Terms and Conditions.
- f.) Protection against Unauthorized Access or Service Disruption
Offeror shall have the ability to ensure the System is not vulnerable to unauthorized access, malware, and other threats.
- g.) Other System Controls
Offeror shall have the ability to provide any additional information on other systems security components and controls that will be implemented including, but not limited to, operating system hardening, vulnerability scanning, penetration testing, login and password controls, system security log management, patch and policy management for system components, incident response, contingency planning and disaster recovery, system backup and recovery, remote access security procedures if remote access is used for tasks such as server administration, and intrusion detection mechanisms. Additionally, the System shall log all changes, and the logs shall be available to the Lottery upon request as required by Commonwealth information security standards as required by SEC 530. All data shall be retained for any term designated by the Lottery.
- h.) Notifications
Offeror shall have the ability to notify the Lottery on all actions taken to prevent fraud and other security issues.
- i.) Auditing
The System shall have the ability to maintain a log of transactions for the lifetime of the contract that are subject to auditing for appropriate usage and free from error. The Lottery shall have access to an audit log of transactions. This shall include the users who made any modifications to the system. The Lottery requires access to audit logs for review at any time. All materials related to the Lottery shall be maintained for a period of 12 months in active storage and 18 months in cold data storage after the contract has concluded.
- j.) Transaction Research
Authorized Lottery personnel shall be able to research transactions as needed. Reports on transaction log entries shall allow standard queries and sorts. Data shall be immediately accessible in real-time and shall be available to the Lottery from a browser-based reporting system. Further, at least twenty-four (24) months of historical transaction detail, from the latter



of the date of sale or redemption, shall be immediately accessible to the Lottery from a web-accessible reporting system.

In the event that a new vendor is selected after contract expiry and the Offeror is also the current vendor, the Offeror shall transfer all applicable data to the new vendor and the Lottery so data can be retained by the Lottery.

k.) Unique Transaction Numbers

All transaction serial number assignment methods used by the Offeror shall account for the fact that transactions may reside for extended periods in the system and numerous sources. Transaction serial numbers shall be unique over the term of the contract.

l.) Transactions Protected

The System shall ensure that transactions cannot be tampered with, including but not limited to winner files and transaction log files.

m.) Unauthorized Access and Irregular Activity

The system shall not be vulnerable to unauthorized access.

The Offeror's system and network monitoring solution shall monitor the network for data network status information, unauthorized access attempts, manipulation of components, and data within the network. The System shall ensure that no part of any transaction can be corrupted, altered, or manipulated.

Any irregular activity on the system or network shall be detected and handled in a manner that prevents the irregular activity from further occurring. This includes controls that detect irregular deposits into or withdrawals from a player account to which the System responds automatically by locking out the player and ceasing the irregular activity until the Offeror can intervene for investigation.

n.) System Integrity

The System shall ensure integrity wherein no action, either operational or by tampering, can permit duplicate or unauthorized user or player identities or addresses to be established.

o.) Software Checksums

Checksums or standard hash algorithms shall verify the integrity and authenticity of executable programs on the servers for auditing purposes. This requirement also applies to the test system and ICS system. Checksum information shall be provided to the Lottery upon request.

p.) Game Monitoring

Real-time monitoring of gaming transaction traffic and system utilization shall be provided. The Lottery shall receive immediate notification of abnormal system operations and their causes, such as game loading problems, communication difficulties, system downtime, etc. The Lottery shall reserve the right to view dashboards of real-time monitoring within the iLottery System.

q.) Secure On-Site and Off-Site Storage

The Offeror shall have the ability to provide secure on-site and off-site storage of the System's critical files, software, and backup data, subject to the approval of the Lottery. Stored materials retention shall follow a schedule approved by the Lottery. Data stored in archives shall be checked and/or exercised periodically to ensure physical integrity and validity. At the direction



of the Lottery, the Offeror may be directed to restore a backup file to a test system to ensure viability.

r.) Compliance with Security Requirements

The System shall be compliant with all requirements as defined by VITA SEC 530 and Attachment Two – *Information Security Terms and Conditions*.

4. *Software Development*

a.) Software Development Methodology

Offeror shall be able to use the agile or comparable methodology for software development.

b.) Software Planning

Offeror shall have the ability to plan new software releases including the development of new features. The Lottery shall be the final decision maker on release date regardless of holidays and other priorities.

c.) Release Cycles

Offeror shall have the ability to utilize release cycles to enhance and adapt the software after implementation as well as be responsible for periodic system changes to accommodate integrations.

d.) Software and Hardware Documentation

Offeror shall have the ability to provide detailed documentation of every change to software and/or hardware in any environment that may affect testing in any environment and/or affect any third parties integrated with the system prior to issuing the release.

e.) Testing Plans

Offeror shall have the ability to provide recommended testing plans along with any hardware and/or software updates as designated by the Lottery.

f.) Software Development Resources

- i. Offeror shall have the ability to provide ample resources to modify the system during the Contract Term. System change requests outside of contract requirements shall be estimated by the Offeror using a standard methodology.
- ii. Offeror shall provide a minimum of 6,400 hours or points (depending on methodology) for software changes per year of the Contract after the System startup date. Offeror shall have the ability to provide a plan in which the amount of development can scale up during a given period (e.g., month, quarter, year) within 120 days of the Lottery's request to increase the velocity of development. Offeror may propose more than 6,400 annual hours/points.

***No software development hours or points shall be used to provide functionality, features, games, etc., that exist within the Lottery's iLottery platform at start of implementation. ***



g.) Multi-Tenant.

Where the Offeror has a function or feature that is already developed, including those developed for other clients, the Offeror shall only apply development hours/points to the time necessary to customize the function or feature to the Lottery-specific System. Offeror shall have the ability to partially credit the Lottery hours back on functions or features developed for the Lottery, which is later used by Offeror's other clients. Offeror shall describe the method of calculation that will be used for the credit.

h.) Current Technology.

System shall have the ability to be regularly updated to meet requirements of new devices, new versions of operating systems, etc., without extra cost or deduction of development hours/points. This requirement is to ensure no degradation in the user experience as technology is updated and expanded.

i.) Unused hours.

Any unused hours or points in a given period shall roll forward into subsequent periods and shall never expire during the term of the contract. The Lottery may elect to take a credit against unused hours/points at any time. Hours and points may not be applied to any software deliverables or services in the RFP that are specified as required, or that have been proposed free of charge by the Offeror.

5. *Testing and Quality Assurance*

a.) Quality Assurance Environment

Offeror shall have the ability to provide at least one (1) distinct quality assurance environment for the purposes of its own testing, Lottery testing, and third-party testing of software prior to delivery to the Lottery for acceptance testing. This environment shall mirror the Lottery's production environment to every extent possible. This environment shall have an up-time (functional for the use of testing) of 99.999% or better, with the exception of planned maintenance downtime. Planned maintenance downtime shall never exceed twenty-four (24) hours for a single occurrence and no more than ninety-six (96) hours in any 365-day period unless otherwise directed or agreed to by the Lottery. The Offeror shall have the ability to have a system in place to alert the Lottery and all Lottery designated third parties of any downtime within 10 minutes of the start of the downtime, whether planned or unplanned. Planned downtime, shall be communicated at least five (5) business days in advance to the Lottery and all Lottery designated third parties.

b.) Lottery Testing Environment

Offeror shall have the ability to provide a distinct user acceptance testing environment to the Lottery, which is exclusively used for testing by the Lottery or its authorized designees. This environment shall mirror the Lottery's production environment to every extent possible. The System shall allow for time travel. This environment shall have an up-time (functional for the use of testing) of 99.999% or better, with the exception of planned maintenance downtime. Planned maintenance downtime shall never exceed eight (8) hours for a single occurrence and no more than a total of 32 hours in any 365-day period unless otherwise directed or agreed to by the Lottery. The Offeror shall have the ability to have a system in place to alert the Lottery and all Lottery designated third parties of any downtime within ten (10) minutes of the start of the downtime, whether planned or unplanned. Planned downtime shall be approved by the Lottery and communicated at least five (5) business days in advance to the Lottery and all Lottery designated third parties. No Personally Identifiable Information (PII) shall be allowed on any test environment.



c.) Production Testing

To the extent testing is necessary in production, the Offeror shall have the ability to provide secure test accounts that do not allow testers to win prizes. Alternatively, the Offeror shall have the ability to provide a method to ensure any prizes won during production testing are removed from the test account and added back into the prize pool.

d.) Operational Ownership and Continuous Improvement

The Offeror shall have the ability to support:

- Ongoing maintenance of test suites;
- Regular updates as platform features evolve;
- Continuous improvement of test coverage and effectiveness; and
- Knowledge transfer to Lottery personnel, where applicable.

e.) Test Accounts

Offeror shall have the ability to provide test accounts for all environments or provide a method by which the Lottery can create test accounts. All access to environments and all test accounts shall be approved by the Lottery and logged in case of audit. The Offeror shall have the ability to provide a method (such as third-party contract approved by the Lottery or designated Lottery employee) to facilitate tests in production.

f.) Regulatory Compliance Testing

The Offeror shall have the ability to conduct periodic testing, quarterly at a minimum, to ensure age verification and geolocation technologies are performing as expected, and in compliance with all regulatory requirements.

g.) Automated Testing Capabilities

The Offeror shall have the ability to provide a comprehensive automated testing framework that supports the following test types:

- Functional Testing (gameplay, transactions, user flows);
- Regression Testing (existing features and games);
- Integration Testing (APIs, third-party systems, payment providers, CRM, loyalty);
- Performance and Load Testing (peak usage, scalability, stress scenarios);
- Security Testing (vulnerability scanning, policy validation);
- Data Integrity Testing (transaction accuracy, reporting, accounting controls); and
- Configuration Validation (environment parity checks).

h.) Change Control and Configuration Management

The Offeror shall have the ability to implement and maintain a formal, robust, automated, and documented change control and configuration management procedure practices for all environments. The Offeror shall develop control procedures for software change management and documentation, including updating of service and operational manuals, written procedures, and updating the source code maintained in an escrow account. This may not impede or slow the development process. Configuration management practices, as described below, shall apply to all of the following components:

- Documentation,
- Procedures,
- Specifications,
- Program application source and object code,
- Operating systems,
- Database platforms,



- Third-party applications,
- Systems and network hardware,
- Major hardware components,
- Application code changes,
- Configuration changes,
- Game releases and enhancements,
- Platform upgrades and patches,
- Infrastructure or cloud environment changes,
- API and integration updates,
- Security, compliance, and performance-related changes, and
- Any other major iLottery System components.

The Offeror's change control and automated testing capability shall be fully integrated into the Offeror's software delivery and change management lifecycle.

i Generate Change Request

The Offeror shall have the ability to generate a document describing any requested change and why it is required. Each change request shall include impact analysis, risk assessment, rollback procedures, and testing plans. All change requests shall be approved in writing by the Lottery. The Offeror shall have the ability to maintain a centralized change request repository accessible to the Lottery.

ii Approved Changes Only

The Offeror shall have the ability to ensure, through procedural and iLottery System controls, that only Lottery-approved changes, on an approved schedule, can be made. The Offeror shall enforce change gating mechanisms (e.g., CI/CD pipeline controls, access restrictions) to ensure only Lottery-approved changes are deployed. Audit trails shall be retained for a minimum of 3 years. Reports and displays shall be available to the Lottery to review all related change and configuration management activities.

iii Change Introduction

All changes to servers, network devices, or applications shall first be completed on the related testing systems. All changes approved and completed for production systems shall also be completed on the backup system. Changes shall follow a staged deployment process. The Offeror shall use automated deployment tools where feasible to reduce human error and ensure consistency.

iv Software Checksums

Checksums shall be required for software at the time it is released for Lottery testing and shall be available at any time for testing applications and for the production systems. Checksums shall be generated using secure hashing algorithms (e.g., SHA-256) and validated during each deployment. The Offeror shall maintain checksum logs for all releases and provide verification tools to the Lottery.

v Component Identification

iLottery System components shall be documented with version and release numbers, patch versions, or model and serial numbers. All components shall be cataloged in a Configuration Management Database (CMDB) or equivalent system, with versioning and lifecycle status clearly indicated.



- vi **Traceability of Components**
iLottery System components shall be traceable, identifying the history, use and location of a component. The Offeror shall maintain traceability records that link components to their change history, deployment dates, responsible personnel, and associated tickets or approvals.
- vii **Change Tracking**
The Offeror shall have the ability to track all changes made to iLottery System components, provide reports showing when and by whom a change was made and for what purpose, and shall avoid update conflicts. Change logs shall reference associated planning documents and approvals. Change tracking shall be automated where possible, with integration into the Offeror's ITSM platform. Reports shall be exportable in standard formats (e.g., CSV, PDF) and include timestamps, user IDs, and change rationale.
- viii **Configuration Status and Inventory**
The Offeror shall have the ability to produce a configuration status report identifying the current configuration of any iLottery System component, as well as an inventory report including all iLottery System components. The Offeror shall provide real-time configuration status dashboards and periodic inventory reports (monthly or as requested). These shall include asset health, patch status, and compliance indicators.
- ix **Documentation**
The Offeror shall have the ability to provide and maintain comprehensive iLottery System documentation, including, but not limited to, network diagrams, security standards and processes, multi-jurisdictional security standards compliance documents, change control processes and procedures, data dictionaries, third-party licensing documentation, etc. Documentation shall be version-controlled and updated within five (5) business days of any approved change. The Offeror shall provide access to a secure documentation portal with role-based permissions.

6. *Data Integrations*

- a.) **Player Database Integration**
The System shall have the ability to integrate with internal Lottery systems as required by the Lottery. Data shall be provided to the Lottery in real-time or near real-time. The player database shall include, but is not limited to:
 - i **Player Data**
The system shall have the ability to support a player database, central to iLottery management functions. Database elements may include, but are not limited to, player ID, name and address, telephone number, email address, bank account information required for EFT transactions, debit card information, status and history, W-2G(s), federal and Commonwealth of Virginia tax reporting information, account status, and any outstanding debt setoffs. Any changes to player data shall be logged in the System with associated details such as date, timestamp, Portal type being accessed, and logging the user making changes (e.g., Lottery employee identifier or player-initiated change).
 - ii **Funds Transfer Activity**
The System shall have the ability to record all internal and external funds transfers, including transaction type, amount, date, timestamp, applicable fees, funding source and



funding destination.

iii Wager and Winnings Activity

When a player purchases a wager or wins a prize, the account record shall have the ability to maintain a history of the player's wagers and prizes. Non-winning results and expired wagers may be removed, subject to the expiration policies set by the Lottery.

iv Promotions History

When a player receives a promotion offer from the Lottery, the System shall have the ability to reflect the activity in the database.

v Responsible Gaming Activity

The System shall have the ability to record all changes made to responsible gaming controls.

vi Survey Attributes/Attribute Modeling

The player database application shall have the ability to store and report player responses to surveys, other research activities, and player activity segmentation.

vii Data Conversion

As directed by the Lottery, the Offeror shall be required to convert existing player database(s) to maintain common sign-on credentials for current players.

viii Signature Capture

The System shall have the ability to store a digitized signature for the player.

ix Reporting and Download

The system shall have the ability to support real-time queries and reporting on the player database, and downloads to Excel of player database information.

x Rewards Activity

The player database application shall have the ability to store and report player data relating to Rewards activity

b.) Communication Systems Integration

The System shall have the ability to be readily integrated with external communication systems in order to trigger player communications such as email, SMS, or push notifications. Some data will be required to be provided in regular intervals to third party communications partners for external campaign development and triggering.

c.) Analytics Systems Integration

The System shall have the ability to provide support for analytics tracking mechanisms, such as Google Analytics, advertising pixels, etc., on all pages or UI components that are provided by the System. This shall support the ability to establish and track conversion funnels with the capability to pass parameters in order to relate purchase value back to specific campaigns or site conversion paths.

The Offeror shall have the ability to provide data analysis services to the Lottery throughout the term of the contract. This shall include canned and standard iLottery reports from the iLottery System and the ability for the Lottery to create its own in-house reporting and analysis using the main database/data warehouse.



The Offeror shall have the ability to assist the Lottery with the following:

- i Data Integrations
The ability to automatically extract or acquire data from external sources on a defined schedule or incrementing real-time basis. This shall entail a complete feedback loop, meaning the data can be connected from an acquisition source to player registration and all transactional activity, to marketing campaigns and the resulting trackable actions (e.g., app open, email open, etc.).
 - ii Player Normalization
The ability to recognize the same player from two (2) or more different data sources, and to merge or make the data relational to a single controlling player profile.
 - iii Business Rules
The ability to define and apply business rules, as established by the Lottery, to the data sources. For example, the ability to indicate a priority for 'source of truth' for two (2) data sets that contain the same data types.
 - iv Data Access
The ability for the Lottery to readily access, query, and export analysis reports or segmented player lists based on the universe of data available.
 - v Process Automation
The ability to automate specific recurring processes, such as a daily extract file (e.g., a player segment file for a recurring email campaign) that is sent to a third-party.
- d.) Other Systems Integration
The System shall have the ability to provide support for integrations with other third-party systems to provide services such as retail systems, MUSL provided systems, payment processors, third-party loyalty programs (i.e., corporate accounts, MUSL, etc.), online game providers, SMS and push notification providers, external CRM programs, call center solution, digital data reporting systems, etc. Additionally, the Offeror shall have the ability to develop and provide system integration solutions as they become identified and required by the Lottery. Offeror shall have the ability to use the NASPL API if and as directed by the Lottery.
- e.) Data Warehouse
The Offeror shall have the ability to provide a data warehouse solution that shall include support for and connections to iLottery, existing retail systems, and all the Lottery's data sources, which includes at a minimum, the following:
- Gaming systems provider;
 - Retailer information and physical location;
 - Retail sales, validations, shopping cart, coupons, vouchers, cross promotions, etc.;
 - Mobile application;
 - Second chance;
 - Rewards provider;
 - Affiliate program; and
 - Financial transactions (i.e., deposits and withdrawals).

The connections shall include, but are not limited to, the following tasks: import data, provide data cleansing/formatting functions, and link to a suite of analysis and visualization tools such



as, but not limited to, Excel, Tableau, PowerBI or analytical tools that are part of the data warehouse solution.

7. *Retail Sales Support*

Offeror shall the ability to support Lottery sales at brick-and-mortar retailers as described below:

a.) Retail Integrations

Offeror shall have the ability to support the existing and planned retail sales program available at the time of start of implementation, such as withdraw vouchers, digital wallet use at retail, integrations to support communication with central gaming system, coupon validation, dissemination of digital products, QR code deep linking, connecting to retailer shopping carts, integrations with retailer websites and mobile apps to display games, cross-promotion using redemption codes, etc. The System shall have the ability to track and report on all available data related to retail support programs.

b.) Coupon System

Offeror shall have the ability to provide a coupon management system that can support cross-promotional strategies. The coupon management system shall be able to scale to handle all Rewards and other Lottery promotions. Coupons shall be printable as well as available digitally and provide an overall image template and barcode in a format designated by the Lottery. The coupons need to be available on-demand and at any denomination. Coupons shall have enforceable expiration dates tracked within the System. Offeror may need to provide APIs or other method (as designated by the Lottery) to integrate with the Lottery's retail sales system to support validation of coupons at retail.

c.) Affiliate Program

Offeror shall have the ability to provide an Affiliate Program designed to expand and enhance online and retail partnerships. The Affiliate Program shall maintain all currently available affiliates and payment requirements. Specific requirements are listed below:

- i Affiliate Program shall have the capability to capture performance of advertising as it relates to affiliates.
- ii Offeror shall have the ability to be responsible for the technical requirements including licensing, asset management, commission management (to ensure affiliate commissions match with Lottery reporting), reporting, and affiliate retailer portal.
- iii Affiliate Program shall have the ability to provide web-accessible software to manage the workflow for the Affiliate licensing process (e.g., accepting applications, holding for review, accepting/rejecting by Lottery, etc.) along with appropriate logging, tracking, and reporting of licensing activities.
- iv Affiliate Program shall have the ability to provide web-accessible software for Lottery to manage program assets and materials that can be downloaded or viewed (e.g., approved banner ads) by affiliates.
- v Affiliate Program shall have the ability to provide web-accessible software for Lottery to set commission rates globally and by affiliate.



- vi Affiliate Program shall have the ability to provide a web-accessible reporting system for Lottery to obtain comprehensive reports related to the Affiliate Program.
- vii Affiliate Program shall have the ability to provide a secure website (login with authentication method) for affiliates to view their metrics, performance activity, financials, and approved assets (e.g., approved banner ads) available for download and immediate use.
- viii Offeror shall be responsible for reconciling payments to all affiliates.

8. Reporting Services

Offeror shall have the ability to provide the following reports. The Lottery is interested in additional reporting as well.

a.) General Services

- i Offeror shall have the ability to provide ongoing support for reporting development, customization, and distribution to the Lottery. Certain reports shall be required to be automated and scheduled on a recurring basis. Delivery methods and timing of reports shall conform to Lottery specifications.
- ii System shall have the ability to provide standardized wager and validation reports as well as customized and ad hoc reports as determined by the Lottery that can be printed or exported electronically in a variety of formats without Offeror assistance.
- iii Offeror shall provide a dashboard to report performance data down to the transaction level to the Lottery that includes but is not limited to sales by game and/or player, as well as trend and forecasting capabilities.
- iv System shall provide reporting in a graphical format at the transaction level.
- v At the direction of the Lottery, Offeror shall have the ability to procure and integrate new or additional third-party analytics systems that offer tracking, analysis, data modeling, data segmentation, or other services to the Lottery.
- vi Offeror shall provide reporting features to allow for monitoring of authentication rates on a real-time basis and provide standard dashboard reporting capabilities.
- vii Offeror shall provide up to 300 additional customized reports to be automatically delivered via email to the Lottery without the cost of hours/points.

b.) Reconciliation Reporting

The System shall have the ability to generate a reconciliation report that applies to all financial conditions, including NGR and invoice calculations to determine an exchange of funds due to the Offeror from the Lottery.

c.) Balancing Reports

The System shall be able to generate reporting that enables the Lottery to perform all balancing functions between the central gaming system and the ICS. A mirror copy of all financial reports shall be configured on the ICS.



d.) Daily Online Play Reporting

Reports shall be automated and provide visibility into daily online play activities such as new registrations, returning players, deposits, withdrawals, chargebacks wagers, bonuses, prizes paid, prizes pending, Gross Gaming Revenue (GGR), Net Gaming Revenue (NGR), payout percentage, and breakdowns for the various sales channels (e.g., desktop, mobile, app, etc.) as designated by the Lottery. Reporting should reconcile with daily financial ledger transactions. Offeror may be required to develop other financial reports as required by the Lottery.

e.) iLottery Game Reporting

The System shall have the ability to provide reporting related to wagers and wins of all games. This includes any third-party games that are integrated with the System. Reporting shall be separated by game provider in a way that facilitates easy tracking of sales, prizes, bonuses, etc., to aid in calculating commission rates.

f.) Rewards Reporting

Offeror shall have the ability to track player engagement, including points accumulated, points balance, ticket entries, drawing entries, and other behavior within Rewards. The System shall have the ability to provide robust capabilities to provide site analytics, real-time data analysis, and reports to the Lottery, including demographics and player information as desired by the Lottery.

g.) Tax Reporting

The System shall have the ability to export files in a format, as specified by the Lottery, which can be combined with retail claim center data in order to create all required tax reporting.

h.) Expired Prizes Reporting

The System shall have the ability to export a file of expired prizes, as defined by the Lottery, which have not been claimed by a player.

i.) Expired Player Wallet Reporting

The System shall have the ability to expire Player Wallet balances after a defined period of player inactivity, as designated by the Lottery. Any expired Player Wallet balances will be subject to State regulations and reporting.

j.) Redemption Code and Promotions Reporting

The System shall have the ability to report on all promotions and redemption code activities such as number of redemptions, value awarded, any bonuses, and subsequent activity.

k.) Payments Reporting

The System shall have the ability to report on payment activities including funding source, type, amounts, number of transactions, status, and other metrics as designated by the Lottery.

l.) Geolocation Reporting

The System shall have the ability to provide reporting related to the performance of geolocation services such as the number of successful and blocked connections and shall be available on a player-specific basis. At the Lottery's request, the Offeror shall, within five (5) business days, provide reasons for all failures, including internal failures and external to the geolocation system.

m.) Identity Verification Reporting

The System shall have the ability to log any parameters associated with identity verification



and shall be available on a player-specific basis. At the Lottery's request, the Offeror shall, within ten (10) business days, provide reasons for all failures, including failures internal and external to system. An immediate export of failure reasons shall be logged and made available to the CSC in order to inform customer support activities. Additionally, the System shall have the ability to provide reports detailing the failure messages from registration attempts by quantity and type.

n.) Online Claims Reporting

The System shall provide reporting related to online claim center activities, such as a detailed report of all prizes paid and the method of claim authorization (e.g., automated or manual), including any staff member that authorized the claim. Reports shall be provided in real-time in a manner that meets the operational needs and requirements of the Lottery.

o.) Back Office User Reporting

The System shall have the ability to provide reporting that allows the Lottery to pull a manifest of all active and disabled users of the back-office system, along with the assigned roles and permission settings by user.

p.) Business Intelligence Reporting

The System shall have the ability to be integrated with Business Intelligence (BI) software application, approved by the Lottery, which can provide adaptable reporting, scheduling, and automation to the Lottery. User seat licenses to the BI software application shall be provided to any staff designated by the Lottery. The Offeror shall create BI reports customized to the Lottery specifications within 30 calendar days of the written request of the Lottery. Offeror shall provide estimated time needed for creating customized BI reports.

q.) Responsible Gaming Reporting

The System shall have the ability to provide reports on the use of responsible gaming tools and related data as designated by the Lottery.

r.) Other Reporting

The Offeror shall have the ability to provide reports on all activities including sales, prizes, promotions, etc., occurring on any other integrated system or platform as directed by the Lottery at any time.

s.) Customization

All reports identified in this RFP shall be capable of modification and shall be modified at the Lottery's request within a reasonable time period of the request, not to exceed 30 days from the date of the request. The Offeror shall confirm that customization of reports will be agile, will not use development hours/points, and that there is no cap or limit to the number of modifications the Lottery may request. Reports shall be aligned to the business times, days, weeks, and years as specified by the Lottery.

9. *Alerting*

The Offeror shall have the ability to develop, configure, and implement different alerts to include but not limited to the following:

a.) Payment alerts

Offeror shall have the ability to have alerts configured to notify Offeror, the Lottery, and any Lottery designees of any out-of-norm payment issues for each individual payment method.



- b.) Data Breach Alerting
The Offeror shall have the ability to notify the Lottery within 24 hours of a suspected or known data breach. Additionally, Offerors shall have the ability to comply with Code of Virginia § 18.2-186.6. *Breach of personal information notification.*
- c.) Production Software and Hardware Alerts
The Offeror shall have the ability to provide alerting to the Lottery for any material/significant changes to the Production environment.
- d.) Account Alerts
The System shall include configurable reporting to automatically raise alerts for multiple accounts on one (1) device, multiple accounts using same payment method, and attempts to register more than one account to the same name, date of birth, social security number, and/or any other unique identifier. Lottery Security Department shall receive notification from the Offeror of any suspected fraud. The Offeror shall have the ability to investigate and address suspected fraud, ID theft, or multiple accounts and shall notify the Lottery of actions taken.
- e.) Anti-Money Laundering Alerts
The System shall be set up to meet Anti-Money Laundering (AML) standards. Offeror shall report any suspected infractions to the Lottery. Offeror shall have the ability to investigate and address suspected AML infractions.
- f.) File Failure Alerts
The System shall have a method of alerting the Lottery and third parties to the failure of file transfers sent and received by the System necessary for functionality of integrations.
- g.) Report Alerts
The System shall have a method of alerting the Lottery and third parties to the failure of reports sent by the System as designated by the Lottery.
- h.) Other Alerts
The Offeror shall have the ability to notify the Offeror, the Lottery, and Lottery designees of any other risks to the operations or other anomalous activity (wagering, traffic, logins, website outages, etc.).

10. Audit Requirements

Offeror shall agree to all audit requirements as defined by the Lottery, the Commonwealth of Virginia Auditor's Office, or other outside entity (i.e., MUSL). At a minimum, the Offeror shall meet the following specific auditing and accounting obligations:

- a.) Financial Audit
Offeror shall have the ability to provide, as soon as it is available, to the Lottery on an annual basis, a copy of its audited financial statements for such year.
- b.) Operations Audit
The Lottery requires (and will retain) an electronic and hardcopy of an annual third-party audit of the Offeror's operations, internal controls, system controls for online play compliance, and related activities, which includes, but is not limited to, SSAE 18 (SOC I) type 2 & SOC II Type 2 audits reports (or the latest version of such audits as defined by American Institute of Certified



Public Accountants (AICPA)). The Lottery also requires a SSAE 18 (SOC 1) Type 2 & SOC II Type 2 report from any subservice organizations.

c.) System Changes Audit

The Offeror shall have the ability to facilitate, at the Lottery's request, an audit of all systems to confirm regulatory compliance and to confirm absence of unknown or unapproved changes – for example, if the Offeror uses hashes in tracking unique changes, a third-party verification may be required to show that the hashes match known changes.

B. PLAYER ACCOUNTS

1. *Player Account Management System*

The System shall be a “mobile first” player interface that handles all player activity including registration, authentication, depositing, transacting, Rewards earning and redemption, and more as directed by the Lottery. The System shall be accessible through the most commonly used computer and mobile operating systems and web browsers. All historical player data shall be maintained and available.

a.) Age and Identity Verification

The System shall be able to provide a frictionless registration process for new players while maintaining strong fraud protections and identity/age authentication. Identity authentication and age verification shall be performed on all new registrations across all platforms and devices. Offeror shall use all available resources to prevent and detect fraudulent activity. Offeror shall ensure that players are only able to create one (1) account per person for use in online purchasing and Rewards. Know Your Customer (KYC) services will be maintained at the highest regulated gaming industry standards.

b.) Player Registration

The System shall provide capabilities to support the registration of players and shall be designed to ensure that only one (1) account can be created per person. Player accounts are multi-purpose and enable online play, Rewards, and all other present and future programs that require registration.

c.) Secure Upload Center

The System shall allow for registered players, and certain qualified failed registrations, to upload and transfer documents in a secure manner to the Lottery.

d.) Geolocation

The System shall accurately determine and validate the physical location of all players at the time of purchase. The System shall correlate location data, including but not limited to IP address information and device-level location signals, with player identity information to ensure all wagering and iLottery transactions occur only within the Commonwealth of Virginia, in accordance with all applicable laws and regulations.

i Connection Types & Coverage

The System shall perform geolocation of players across all connection types, including land-based internet, Wi-Fi, cellular networks, and any additional methods designated by the Lottery. The geolocation solution shall have the ability to, at a minimum, the following:

- Apply the most stringent controls to ensure that wagering occurs only within Virginia's geographic boundaries and does not occur within any Lottery-designated exclusion zones within the state.



- Allow wagers to be placed in as much of the Commonwealth of Virginia as technically and legally permissible while retaining the capability to block traffic within a Lottery-defined distance from the Virginia border.
- Support the configuration of exclusion zones and border buffer distances by the Lottery or at the Lottery's direction.

ii Security, Compliance & Performance Standards

Geolocation services shall have the ability to, at a minimum, the following:

- Detect and prevent the use of virtual private networks (VPNs), proxy services, location spoofing tools, or other anonymizing or obfuscating technologies for the purpose of conducting transactions.
- Be maintained in accordance with the highest regulated gaming industry standards, including applicable regulatory and technical standards for online gaming and iLottery geolocation.
- Be continuously updated and improved to address newly identified exploits, changes in network routing, device operating systems, and other emerging risks that may impact the accuracy or integrity of location determination.
- Provide robust audit trails and reporting sufficient to demonstrate compliance with geolocation requirements, including logs of location determinations and blocked attempts, upon request by the Lottery.

If, at any time, the Lottery determines that the geolocation solution does not meet or exceed the required standards or fails to comply with applicable regulatory requirements, the Offeror shall, at its sole expense, replace, enhance, or otherwise remediate the geolocation solution to the Lottery's satisfaction. The geolocation solution shall be subject to final approval by the Lottery.

iii Player Experience

The geolocation solution shall function with the least possible intrusion to the player experience while maintaining full compliance with all security and regulatory requirements. Location checks shall be performed efficiently so as not to cause excessive delays, error loops, or unnecessary interruptions to the player's interaction with the platform.

e.) Player Authentication

The System shall support a secure method to login users, including mandating minimum password security criteria, including multi-factor authentication (MFA), as designated by the Lottery. Additionally, the System shall support single sign-on for player application integration such as Rewards and purchasing on both the web and mobile application. The System shall have capabilities to restrict player accounts from login for any Lottery-specified reason. The MFA shall be established on initial full-registration and available for players to adjust within their accounts upon passing additional security and verification checks.

f.) Password Reset

The System shall support a secure method for players to initiate and complete password resets. The System shall also allow for mass password resets to be initiated at any time by the Offeror, at the Lottery's direction, to protect player accounts. The System shall set a schedule for automated forced password resets as directed by the Lottery. The System shall disallow players from using a set number of most recent previous passwords.



g.) Player Information

The System shall support a player's ability to update their account information such as address, phone, email, and password.

h.) Player Wallets

The System shall provide an electronic wallet that allows for deposits, single ticket purchases, auto-renewal purchases, and prize payments. Players shall have the ability to monitor and track all deposits and claims. The electronic wallet shall allow deposits and payments through a variety of options including but not limited to ACH Bank Transfer, Apple Pay, Master Card, Online Banking, PayNearMe, PayPal, Venmo, Visa, and Online Cash. If a deposit method is not currently available, Offeror shall identify when it would be made available.

Player Wallets shall have the ability to use Balance Classifications for withdrawable and non-withdrawable funds. Additionally, the various Balance Classifications shall be available for display to players and Lottery back-office users through user interface ("UI") components.

i.) Player Account Security

The System shall securely store and maintain players' personally identifiable information (PII) such as name, address, phone number, social security number, etc. The System shall have multiple back-office user roles to limit access to player account information and history to only the staff who need it to perform their respective job duties.

j.) Fraud Accounts

The System shall catch, flag, and prevent fraudulent accounts such as accounts that are set up under false names, stolen information, payment sharing, etc. Offeror shall have the ability to cover all actual costs associated with fraud, including player make goods.

k.) Player Data and History

The System shall store all player information, deposits, winnings, claims, uploaded documentation, wagers, prizes, promotional activity, Rewards activity, responsible gaming tools, and any other such information as requested by the Lottery. Players shall be able to update their information after passing additional security checks. This data and history shall be made accessible to players and back-office users through UI components.

l.) Data Ownership

The Lottery will be the exclusive owner of all data that is recorded on the System and the Offeror shall have the ability to have a limited use license to the data during the term of the Contract. The Offeror is restricted from utilizing any player data for any other purpose than to provide service under the Lottery contract.

m.) Limited Access Accounts

The System shall mark an account as a limited account and limit certain activities, as designated by the Lottery, such as wagering, depositing, purchasing, earning entries, and receiving promotions. This is to allow for the Lottery to have risk-free staff production accounts to train staff, retailers, and players in the use of the System.

n.) Other Player Account Management Requirements

i Offeror shall have the ability to provide solution that enables direct API access to information contained within individual system widgets (account management, registration, draw game purchases, etc.). This access shall allow for real-time data retrieval



and integration with external systems, enhancing flexibility for account management, registration, draw game purchases, and other core features within the mobile app.

- ii The System shall allow for a view of overall account activity with configurable timeframes.
- iii The System shall support a pre-paid program ("Online Cash") that enables Lottery retailers to sell Online Cash vouchers in a secure and accountable manner through Lottery terminals. System shall track outstanding and expired Online Cash vouchers.
- iv The Offeror shall be willing to act as the merchant of record on behalf of and for the benefit of the Lottery.
- v The Offeror shall provide a System that is agile, flexible, and easily enhanced through frequent (no less than monthly) releases based on requirements developed in conjunction between the Lottery and Offeror. Offeror shall provide recommendations on improvements to their System at least annually that follows a mutually agreed upon roadmap.
- vi The System shall provide single sign-on for Lottery back-office users in coordination with other third-party applications and Lottery applications.
- vii System shall allow for deep linking to/from the Account Widget so players can see winning numbers, purchases, etc.
- viii Offeror shall provide player account customization capabilities including but not limited to avatars, photographs, personalized messages, and color schemes at no additional cost/hours/points.
- ix The System shall ensure that every transaction has a unique transaction number over the term of the contract. The transaction shall be able to be tracked and reviewed as required by the Lottery Customer Service and Security Departments.
- x The System shall be able to handle the following capacities:
 - a. 350,000 concurrent iLottery players and provide a scalable solution to handle increased player capacity.
 - b. 400,000 iLottery sale transactions per minute on a continuous basis and provide a scalable solution to handle increased transaction capacity.
 - c. 5,000,000 unique wagering accounts and provide a scalable solution to handle increased number of accounts.

2. *Responsible Gaming*

The System shall set configurable player account funding limits for daily, weekly, and monthly timeframes as determined by the Lottery. The Lottery has the sole discretion to designate funding limits. The Offeror's Customer Support Center shall have the ability to exclude players for set periods. Lastly, the player shall also have the option to easily set cool-off periods and self-exclusion periods themselves through their account.

a.) Responsible Gaming Standards

The Offeror shall meet the Internet Responsible Gambling Standards as directed by the Lottery. Offerors shall meet the North American Association of State and Provincial Lotteries and



National Council on Problem Gambling (NASPL/NCPG) Responsible Gambling Verification Program Standards as directed by the Lottery. The Offeror shall meet any other industry standards, including the World Lottery Association (WLA), as directed by the Lottery.

b.) Voluntary Self-Exclusion

The System shall implement voluntary self-exclusion that allows a player to exclude himself/herself from participating in games on the website and mobile app for a user-defined period. The self-exclusion shall be able to be applied to individual games, all games, type of game, or any activity.

System shall also identify any player with an established account who is enrolled in the official Voluntary Exclusion Program (VEP) maintained by the Lottery pursuant to 11VAC5-60-30, prevent the player from logging in to the System, and exclude the player from all promotional messaging and other activities during the period of time the player remains on the VEP. The System shall prevent any person enrolled in VEP from establishing a new account. System will re-enable a player's account upon the player's removal from the VEP. Options and restrictions may be periodically updated as required by applicable law and regulation.

The System shall allow players to define periods of exclusion from accessing the System for a minimum of twelve (12) hours with player selected increments as designated by the Lottery. The System shall ensure during the exclusion period, the player will not be able to access any part of the iLottery system. The System shall ensure that any Balance Classifications eligible for withdrawal can be issued back to the player during exclusion by the Lottery. Additionally, the System shall update all communication systems (including any third-party systems) in real-time of a player exclusion event and provide a subsequent update when that exclusion period has expired. The System shall not automatically notify the player when the self-exclusion has expired unless designated by the Lottery.

c.) Gaming Limits

The System shall allow players to set spending, deposit, and wager limits based on Lottery direction. The RG controls shall allow the Lottery to establish minimum, maximum, and default responsible gaming settings for player accounts. The system shall provide capabilities for players to define personal limits, within defined time periods, for deposit and loss amounts, and any other function as designated by the Lottery. The RG controls shall allow players to instantaneously enable stricter settings (e.g., smaller deposit limit) while imposing buffer periods (e.g., forty-eight (48) hour waiting period) for any attempts to increase limits.

d.) Time limits

The System shall allow players to assign play session time limits or other limits as designated by the Lottery. Time limits may include daily, weekly and monthly limits. The System shall also automatically trigger prompts that remind the player how long they have been playing in a session. The System shall provide RG messaging after one hour of play or assign other limits as designated by the Lottery.

e.) Total Play Time Display

The System shall continuously display a timer that appears on the play screen for the duration of game play.



f.) Win/Loss Display and Statement

The System shall display a player's "Amount Won" and "Amount Played" fields during a play session as required by the Lottery. The System shall allow for players to access a Win/Loss statement with configurable timeframes.

g.) Responsible Gaming Integration

RG tools and exclusion shall be capable of integration into any game platform or third-party service or function as designated by the Lottery. The System shall integrate into an external self-exclusion verification system or gambling blocking software should such system be available.

3. *User Interface Components and Integration*

The Lottery requires that a single and integrated web, mobile, and app experience is provided to players for Rewards, play, and all other player-facing features. The System shall not require players to migrate to a different URL domain or mobile app to engage with any individual aspect of the iLottery program.

a.) Central and Persistent Authentication

Offeror shall have the ability to work with Lottery and/or designated web and app teams to provide a method whereby a player can login to the site one time and remain logged in throughout the entire experience, including any Lottery maintained or third-party portions of the site.

b.) UI Components

UI components shall be provided for each player-facing feature of the System (e.g., games available, PAM features, transaction history, payment features, loyalty features, etc.) that can be integrated into Lottery sites and mobile apps in a manner that is responsive to device type and screen size. Transaction history shall include, but not be limited to, deposits, withdrawals, purchases, Rewards points, and promotional entries. The UI components shall be customized to meet Lottery brand guidelines and existing web and app style guidelines. Software Development Kits (SDKs), Swift Package Manager (SPM), or other relevant method shall be provided to allow seamless integration of the System's UI components into the Lottery mobile app.

c.) Mobile-first Design

Offeror shall have the ability to design all UI with a mobile-first focus, meaning consideration of smaller screen size and functions native to mobile devices rather than assumption of keyboard and mouse.

d.) Shopping Cart Functionality

- i The System shall support shopping cart sessions for users, whereby products such as draw game plays and deposit amounts can be added, edited, or removed into/from a virtual shopping cart and purchased in a standardized checkout flow that is conventional to modern e-commerce sites.
- ii The System shall provide functionality allowing players to select and save favorite numbers. This feature shall enable players to quickly access and use their preferred numbers during purchase, streamlining the transaction process and enhancing ease of use. Favorite numbers selection shall be accessible across web, mobile, and app platforms, and



- be integrated with shopping cart and checkout flows.
- iii The System shall provide the ability for players to enter and apply promotional codes during the shopping cart and checkout process. This feature shall validate codes in real-time, apply eligible discounts or offers, and display the resulting adjustments within the cart. Promotional code functionality shall be available across web, mobile, and app platforms, and integrate seamlessly with other shopping cart features to enhance the player experience.
 - iv Shopping cart functions shall be built in a manner by which they can be integrated into one or more shopping carts designs and platforms.
 - v Shopping cart functionality shall be supported, and customized, for non-logged in users, new registrants, and registered users with a Player Wallet balance.
 - vi The System shall provide capabilities to retain shopping cart contents for returning players, when a purchase is not completed.
- e.) API Services
Each of the UI components shall be made available as an API service that the Lottery, or its designated third parties, can integrate with to create fully customized UI components. The API services shall be highly scalable with constant availability and redundancy to support the capacity needs of the site. APIs shall support the shopping cart so that all draw games can be sold through a third-party shopping cart. Documentation and integration support related to the APIs shall be provided when directed by the Lottery. Additionally, Offeror shall have the ability to support APIs for all online play.
- f.) Messaging Center
The System shall include a notification area where secure messages can be sent to players with a prominent notification on the player UI. Messages may include promotional offers, requests for documentation, responsible gaming information, and other notifications.
- g.) Personalization
Offeror shall have the ability to provide personalization services, which may be provided through a Lottery approved subcontractor. The System shall have the ability for UI components to dynamically display content, images, game recommendations, and messaging that is personalized to individual players. The System shall support Lottery designed player journeys and back-end scenarios that will update in real-time.
- h.) UI and Content Testing
The System shall provide testing (A/B testing, concept testing, etc.) directly or through integration with a Lottery-approved UI and content testing system. This includes integration of the player-facing UI components of the System and content such as marketing banners in addition to any data integration that shall be passed back to the testing system for measurement.
- i.) Accessibility
Offeror shall have the ability to comply with the Virginians with Disabilities Act, Americans with Disabilities Act (ADA) Disability Civil Rights Act, Web Content Accessibility Guidelines (WCAG) 2.1 AA standards and all associated regulations, statutes and accessibility guidelines. Offeror shall ensure the System complies with any changes to accessibility statutes and regulations at no additional cost or hours. Offeror shall have the ability to continually assess accessibility compliance as an ongoing part of the regular software development process.



Offeror shall have the ability to provide quarterly automated scans and annual third-party assessments. Information provided to the Lottery should include unabridged detailed reports from the automated scans and the third-party assessor, and Offeror shall consult with the Lottery for prioritized areas of improvement.

C. GAMES

1. *General Games Services*

Offeror shall have the ability to sell draw, eInstant, and eDraw games through the system. The System shall provide the following minimum requirements:

a.) Game Integration Documentation

The System shall integrate draw and eInstant games (including eDraw games), and other online games from remote game servers. Offeror shall provide all materials necessary for game integrations to new designated third-party providers within thirty (30) calendar days of written Lottery notice.

b.) Consistent Navigational Interface Across All Games

The System shall provide a unified and consistent navigational interface for all games offered, regardless of the third-party game provider. This interface shall include, at minimum, standardized controls for closing the game, depositing funds, accessing demo or trial modes, and any other core functions required by the Lottery. The Offeror shall ensure that these interface elements are seamlessly integrated and maintain uniform appearance and operation across all game types—draw, eInstant, eDraw, and any others—so that players experience a familiar and intuitive journey regardless of the underlying game provider.

c.) Remote Game Server Integration

The System shall be integrated with third-party game providers within ninety (90) calendar days of the provision of documentation, end points APIs, and/or anything else necessary for the third party to finish its integration development. Offeror shall make the development and testing environment available to the game vendor for as long as necessary to accommodate testing.

d.) Third Party Game Contracts

Offeror shall have the ability to contract with third-party game providers as directed by the Lottery. Offeror shall have the ability to contract with third-party game providers on any additional agreements that are required to deploy a new game or feature with that provider. The contract rate and terms of the agreement will be standard terms as designated and approved by the Lottery with no additional markup to the Lottery or the third-party game provider. The Lottery shall maintain direct relationships with each third-party game provider, and Offeror shall agree to sign any additional terms with third-party game providers as directed by the Lottery as it relates to games and/or game features. Should the third-party game provider refuse to agree to the standard terms, the Offeror may not be required to contract with them. Offeror shall be responsible for adhering to the agreed upon project schedule including contracting, technical implementation, navigational framework, and performance of the games from third-party game providers as defined by the Lottery. Offeror shall be able to integrate third-party game providers directly into the System or through an aggregation solution at the sole direction of the Lottery. Offeror shall be able to provide third-party games from IWG, NeoGames/Aristocrat, EQL, SGI, Inspired, Pollard, Brightstar Lottery, AGS, and Allodium, at



the launch of the System. No game provider shall be guaranteed a minimum number of games. Offeror shall identify which third-party game providers currently have games actively sold through their System in a lottery jurisdiction.

Third-party game providers shall have the ability to provide customization and bespoke games at the request of the Lottery.

The Lottery shall maintain the final decision on the roadmap of games being launched and available.

In the event of breach, the Lottery will pursue recourse against the Offeror and the Offeror will be solely responsible to in turn seek recourse from third-party game provider. The Offeror is solely responsible for any legal or other expenses the Offeror incurs.

e.) Restrictions

Under no circumstances shall the Offeror enter into any agreement for the provision of games that purports to impose a minimum quantity, minimum sale duration, minimum guaranteed fee, or exclusivity. These and any similar provisions will be summarily rejected by the Lottery.

f.) Minimum Integrations

At launch, the System shall be integrated with all game providers listed above. The System shall also be integrated with a method to buy draw games that are sold on the Lottery's current platform, to include but not limited to Virtual Sports, Powerball with Power Play, Mega Millions, Pick 3 with Fireball, Pick 4 with Fireball, Pick 5 with Fireball, Millionaire for Life, and Cash 5 with EZ Match.

g.) Existing Integrations and Roadmap

If Offeror is unable to provide all integrations at launch, they may include a roadmap of third-party integrations that are planned but not yet available. For each game provider, Offeror shall indicate if it already has a contract in place or if that contract is yet to be established and the ability to renegotiate the commission rate to meet Lottery approval.

h.) Game Launch Controls

The System shall shut off any game at any time within 15 minutes of receiving notification from the Lottery. The System shall have controls to enable sales of a game only after the Lottery's direction as a precaution to prevent unplanned game launches.

i.) Game Reporting

The System shall provide reporting that is inclusive of third-party games and draw games. Minimum reporting requirements are as follows and shall be able to be sorted by platform (Mobile/Desktop/Web/iOS/Android), game provider, and game:

- Bet Amounts
- % of Bets Amounts
- # of Bets
- # of Tickets/Lines
- # of Free Tickets
- % of Bets
- % of Men Bets
- % of Women Bets
- Avg Men Bet



- Avg Women Bet
- Avg Bet
- # of Distinct Players
- # of Distinct Men
- # of Distinct Women
- Total Wins
- Bets – Wins
- Payout
- Total game sessions

These reports shall be able to be sorted by the following time configurations;

- Custom
- Today
- Yesterday
- Last Week
- This Month
- Last Month
- Previous Month

Additionally, Offeror shall have the ability to provide game monitoring and reporting which shall include visibility into game errors and failures, including the ability to view error occurrences with associated time stamps and correlation to game sessions and system logs.

2. Game Sales

Offeror shall have the ability to accommodate multiple game provider integrations that will facilitate the sale of eInstant and draw games, including multi-jurisdictional games. All games shall be developed with a mobile first approach. Offeror shall be able to adhere to the following minimum requirements:

a.) Game Compliance

Games shall meet all standards and requirements as imposed by the Lottery or any associations that are affiliated with a particular game, such as the Multi-State Lottery Association (“MUSL”).

b.) eInstant Game Requirements

System shall support the integration, installation, and selling of eInstants (including eDraw games) to registered players. System shall have the ability to have a Demo Mode (free play) that plays identical to the Money Mode version of the game, utilizing the same prize structure. Additionally, the System shall quickly add, modify, and remove games as required by the Lottery. Offeror shall have the ability to support at least five (5) new game launches a month. Offeror shall be able to support all current game mechanics including but not limited to multi-state progressive jackpots, linked progressive jackpots, and daily progressive jackpots.

The Lottery expressly reserves the sole and exclusive right to select, at its discretion, any and all games for inclusion in each game launch. In the event that the awarded Offeror maintains or operates a game studio, the Lottery shall not be obligated, nor shall it make any representation or warranty, to select or utilize any games developed or offered by the awarded Offeror’s game studio for any game launch.



c.) Draw Game Requirements

System shall support the selling of single ticket, multi-ticket, and auto-renewals/subscriptions of Draw Games. All currently available Draw Games including, but limited to, Virtual Sports, Mega Millions, Powerball with Power Play, Cash 5 with EZ Match, Millionaire for Life, Pick 5 with Fireball, Pick 4 with Fireball, Pick 3 with Fireball, and online raffles with experiential prize and progressive prize options shall be available at launch of the System. Offeror shall be able to update, modify, and add new Draw Games at the request of the Lottery. Minimum requirements for Draw Games are as follows:

- i Draw Game purchase criteria shall be managed by parameters, including but not limited to minimum play duration and maximum play per game, draw, Easy Pick options, or day.
- ii System shall correctly identify the winner(s), dollar amounts of the win(s), and the number of wins for each draw.
- iii System shall limit plays on sequence of numbers or play combinations based on liability parameters, managed by or at the direction of the Lottery.
- iv System shall offer parimutuel prizes as required or adjusted by the Lottery. System shall allow for the game to have multiple consecutive drawings that can also be stepped down if necessary.
- v System shall provide multiple sets of favorite numbers for the player to select from for each game.
- vi System shall offer Draw Games offered at retail that have short duration drawings (for example, every four minutes) without integration into the retail system.
- vii System shall provide support to sell games on an extended time period or renewal basis (“Autorenewal”) and shall manage any associated payment implications to support the automatic purchase without player intervention, provided that payment card information on file for the player is still valid and other Lottery designated criteria is met. The subscription functionality shall include easy cancellation by the player, backend cancellation availability to Customer Support, and auto-cancellation from the system for reasons designated by the Lottery, such as self-exclusion and lack of renewed geolocation.

3. Internal Control System

The Lottery requires the use of an Internal Control System (ICS). The ICS application shall be supplied to support iLottery operations and a near real-time data feed for all draw games by an independent, third-party ICS software subvendor, subject to the Lottery’s approval. The Lottery reserves the right to obtain documentation verifying the ICS subvendor’s independence from the Offeror and/or any of its affiliates. Credentials of the ICS subvendor shall indicate experience and qualification to provide this type of service and software. The ICS subvendor shall be compliant with MUSL Rule 2 Section 2.5, federal, state, and other multi-state lottery group regulations. The Offeror and ICS subvendor shall be responsible for obtaining a System and Organization II (SOC II) report and providing a copy to the Lottery on an annual basis. Both the Offeror and ICS subvendor shall integrate with the Lottery's broader change management processes.



a.) ICS Reporting

There shall be an automated balancing process to reconcile game activity, scheduled EFT balances and to identify any discrepancies. Reports shall be automatically generated and issued electronically. Reconciliation shall occur at intervals specified by the Lottery. Audit reports for balancing and reconciliation of iLottery sales shall also be provided. Reports shall be organized and formatted identically to their retail gaming system counterparts for efficient review and balancing.

b.) Near Real Time Processing

System transactions shall be transmitted to the ICS in a near real time manner. The System shall be able to make multiple attempts to connect and exchange all needed information. Offeror shall have the ability to use an automated method to prevent or correct a failure to receive or send information.

c.) Scope of Transactions

The System shall track and transmit all wagering, promotional, and prize related transactions, including certain deposit transactions, to the ICS, as directed by the Lottery.

d.) Third-Party Integration

The System and ICS shall track all wagering, promotional, and prize related transactions from third-party systems, including certain deposit transactions, as directed by the Lottery.

e.) Environments

The System shall send independent transactions to each of at least two (2) distinct environments, which includes a primary and secondary for the production environment. Additionally, the System shall include one instance of an ICS for the UAT environment.

f.) Balancing

The System shall use appropriate error handling to avoid being out of balance. The System shall immediately report any issues, such as being out of balance, failure to process, etc., and certain issues shall be handled as critical, requiring immediate correction, as designated by the Lottery.

g.) ICS Maintenance

The ICS subvendor shall be responsible for maintaining the ICS application software. This includes, but is not limited to, updating the application software whenever the Lottery implements a game or makes changes to a game that would affect ICS processing. In addition, the Lottery may require modifications to the application software to expedite system balancing. The Offeror or ICS subvendor shall obtain the Lottery's approval before making any enhancements or modifications to any software. The ICS subvendor is responsible for keeping the ICS application patched and running on current and supported hardware and Operating System (OS) software. It is the Offeror's obligation to acquire and install an appropriate upgrade with the Lottery's prior approval. If the ICS application requires modification or rewrite due to an upgrade (hardware or software), it is the responsibility of the Offeror to provide the new/modified ICS application. The ICS subvendor shall be available twenty-four (24) hours a day, seven (7) days a week, and three hundred sixty-five (365) days a year (remote availability is acceptable) to provide assistance in resolving any issues. The ICS subvendor shall be held to the service levels defined within Attachment Three – *Service Level Agreement and Liquidated Damages Provisions*. Backup/recovery capabilities for current or previous days' transactions shall exist to restore and reprocess in the event an error or out-of-balance situation occurs.



D. PAYMENTS

1. *Payment Requirements*

a.) Vendor Banking Services

All financial transactions (deposits, withdrawals, etc.) shall directly settle into a Commonwealth of Virginia owned or SPDA qualified bank (and account) that is collateralized. Reconciliation between the Offeror and the Lottery shall occur through electronic means at a frequency and day as designated by the Lottery. The bank account shall be FDIC insured and held in trust for the Lottery. Where banking deposits exceed 100% of FDIC insurance, the Offeror shall have the ability to have one or more methods to ensure funds remain secure against risks (e.g., bank failure, fraud, etc.). The Lottery shall be given access to bank account and payment processor records and permissions to request records directly from all banks used for player or Lottery funds. Successful deposits shall be available immediately for players. Approved withdrawals shall be debited to a separate Lottery funded bank account.

b.) Compliance and Risk Requirements

The Offeror shall have the ability to ensure compliance with all state, federal, AML, and Payment Card Industry (PCI) imposed regulations associated with the acceptance of payments and external transfer of funds. The Offeror shall be solely liable for all risks, such as chargebacks, fraud, etc., related to payment activities. The Offeror shall be responsible for creating, maintaining, balancing, and reporting for all payment systems.

c.) Merchant of Record

The Offeror shall act as the Merchant and is responsible for all payment acceptance, dispute resolution handling, indemnification of payment fraud, and all expenses associated with these services.

d.) PCI Certification

The Offeror shall meet PCI requirements that are necessary to conduct efficient operations in a manner that does not impede a player's ability to easily use the system. Proof of PCI certification shall be provided to the Lottery on an ongoing basis. The scope of PCI compliance shall not implicate the Lottery in any manner, and Offeror shall be required to modify its systems in a manner that absolves the Lottery from any PCI scope.

e.) Responsibility of Payment Fees

The Offeror shall be responsible for all fees, processing or otherwise, associated with the acceptance and transfer of payments to and from players, including fees associated with the implementation of any future payment methods added to the platform.

f.) Lottery Approval

All payment services, including Subcontractors, are subject to Lottery prioritization and approval. The System shall support open architecture for integrating banking services Subcontractors as necessary by either the Offeror or the Lottery.

g.) Failover Protection

The Offeror shall have the ability to maintain robust transaction routing capabilities for alternative banking services. For example, if "Bank A" changes a policy or experiences an outage, then the system would automatically switch over to "Bank B" to ensure no negative impact to player experience.



2. *Payment Acceptance*

a.) Payment Processing Services

The System shall provide all necessary components and services to accept financial transactions from players and to issue financial payments to players.

b.) Backup and Failover Capabilities

The payment acceptance system shall be configured in such a way that it can easily switch to additional service providers (e.g., payment processor, acquiring bank, etc.) to maintain uninterrupted payment operations.

c.) Player Wallet Funding Methods

Offeror shall have the ability to provide a solution that accepts payment from all major debit cards including without limitation Visa and Mastercard. The solution shall accept Automated Clearing House (ACH) bank transfers in a manner that provides the most immediate availability of funds to players. The System shall accept payments through PayPal, Apple Pay, Venmo, online banking, cash equivalent (i.e., PayNearMe) and any other payment method designated by the Lottery. The System shall accept a method of funding the wallet through vouchers as directed by the Lottery (i.e., Online Cash). The inclusion of additional payment options is highly desirable, including programs new to the market. Due to regulations, Credit cards are not accepted but may be integrated in the future.

d.) Prepaid Funding Methods

System shall be configured to enable the redemption of prepaid instruments (e.g., redemption codes, barcodes, QR codes, gift cards, etc.). Reporting shall also be made available to Lottery for each of the Prepaid options supported by the System.

e.) Funding Verification

Offeror shall have the ability to provide an account and owner verification process for funding.

f.) Player Facing Fees

Offeror shall have the ability to not assess fees against players, including but not limited to, payment errors, chargebacks, bounced payments, insufficient funds, etc., unless approved by the Lottery. All fees shall follow ecommerce best practices. Offeror shall have the ability to ensure players have every opportunity to avoid unnecessary fees.

g.) Single Funding and Purchase

Offeror shall have the ability to provide a feature that allows a registered player to purchase a game without funding a wallet (i.e., shopping cart).

h.) Minimum Purchases and Deposits

The System shall include the capability to configure minimum purchase and deposit amounts by payment method as directed by the Lottery.

i.) Player Refunds

The System shall issue refunds to players as directed by Lottery.

j.) Saved Payment Types

The System shall save previously used payment types in a manner that is secure and meets any PCI requirements. Players shall be able to remove a saved payment type from their profile, and the System shall retain any historical reporting in such cases.



k.) Payment Enablement and Disablement

The System shall place a specific payment instrument on hold within a player account while also supporting the ability to re-enable the payment type.

3. *Payment Issuance*

a.) Withdrawal Methods

The System shall provide methods by which a player can quickly withdraw winnings available in a Player's Wallet. The System shall provide all withdrawal methods available in the market that match the wallet funding methods, such as debit cards, ACH, PayPal, Apple Pay, Venmo, online bank transfers, and any other withdrawal method designated by the Lottery. Offeror shall ensure the System can process withdrawal requests in the timeliest manner within best industry standards. The System shall provide a method by which players can withdraw winnings at retail locations (e.g., Withdraw at Retail Vouchers).

The System shall allow the player to withdraw any denomination, including pennies. The System shall have a configurable minimum and maximum withdrawal amount by payment method as well as configurable frequency limits.

b.) Payment Holds

The System shall support the ability to place a specific payment instrument on hold within a player account while also supporting the ability to re-enable the payment type.

c.) Additional Payment Projects

The Offeror shall provide up to three (3) new payment methods (including deposit withdrawal) and three (3) payment enhancements (improvements on existing payment offerings) per year at no additional cost or reduction of development hours against other deliverables outside of payments.

d.) Anti-Money Laundering (AML) Compliance

The System shall provide all necessary validations to ensure that AML and any other regulatory validations are properly performed prior to the release of any payments.

e.) Withdrawal/Claims Tracker

System shall display separate claims statuses for multiple simultaneous claims and/or withdrawal requests, including verification of account information, verifying claim, approval and completion, and any other status required by the Lottery. The claims tracker shall also notify players of action required.

4. *Online Claim Center*

a.) Immediate Prize Payments

The System shall have configuration capabilities to issue immediate prize payment to a player without any manual intervention or with manual intervention by prize amount as designated by the Lottery. The Lottery may require prizes to be paid instantaneously to a Player Wallet, barring holds for fraud or other security related holds as directed by the Lottery.



b.) Large Prize Claim Thresholds

System shall support numerous claim thresholds as outlined in Attachment Nine - *iLottery Prize Payments Workflow*. Additionally, System shall support any future claim thresholds as required by the Lottery.

c.) Annuities

Offeror shall describe the System's capabilities to handle prizes that have a cash option or annuity prize option. System shall utilize the current Lottery annuity system to handle payments of annuity-type prizes that can be paid over a pre-determined period when an annuity prize is selected.

d.) Claim Center Back Office

The System shall handle processing of all prize payments to players. The System shall provide ease of use to the Lottery staff for prioritizing, searching, tracking, processing, and closing steps required to issue prizes to players, including annuities after compliance checks have been completed by the Offeror. Lottery staff shall be able to view any claims and details including tax withholdings, other withholdings, and amounts paid to Player Wallet.

e.) Message Exchanges

The System shall have the ability to trigger automated messages to players, as defined by the Lottery, to request any documentation necessary to complete a prize claim. The Lottery shall be able to view and download the correspondence or document upload and send a customized message to the player from within the back office.

f.) Offset Management

The System shall provide capabilities through API or other Lottery designated means, to apply an offset against a pending prize claim and log any necessary comments as designated by the Lottery. All offset payments shall be tracked separately in the System and made available within reporting to the Lottery. A debt setoff document link shall be provided within the player's account details. The System shall separately collect, manage, and track multiple offsets for a single prize payment claim and make them available within reporting to Lottery staff. A weekly export file of all offset payments by player shall be made available to the Lottery in a Lottery-designated format and file type.

g.) Tax Withholdings

The System shall be configured to automatically calculate tax withholdings for standard federal and state rates, as designated by the Lottery, including capabilities to handle non-resident alien tax rates. An export file of tax withholdings shall be available to the Lottery. This includes an annual file, rolled up by player for all wins, which will be transferred to the Lottery as required by the Lottery.

The System shall provide W2-Gs to players and any other required tax information players need related to the use of the System. W2-G information shall be readily accessible to players for at least the most recent three (3) years. The System shall allow the player to request one form per individual prize, a quarterly form rolled up for all wins, or an annual form rolled up for all wins for any time period in which the player was registered within the System. When applicable, all reports shall adhere to Federal Tax Information (FTI) rules.

The System shall provide reporting that summarizes total daily Federal and state withholdings.



h.) Prize Claim Hold

The System shall be configured to automatically place prize claims on hold based upon criteria/thresholds as defined by the Lottery. The hold shall only be lifted/bypassed by designated Lottery and Offeror personnel.

i.) Document Storage

The System shall retain any documentation related to claims for each player in a manner that is compliant with any state, federal, PCI, National Automated Clearing House Association (NACHA) or other regulations. When a player makes a subsequent claim, the System shall not trigger automated messages to players when required documentation is already on file. In these cases, the System shall allow the Lottery to expedite the prize claim process. Additionally, the System shall allow the Lottery to upload documents on behalf of the player.

j.) Completion of Prize Claim

The System shall remove any tax withholdings and offsets, and initiate a final credit to the Player Wallet that is available for immediate withdrawal. Above a Lottery designated threshold, the System shall allow the Lottery to mark a claim as approved, while removing any tax withholdings and offsets, and initiate a final credit to the Player Wallet that is available for immediate withdrawal. Above a Lottery designated threshold or prize type, the System shall support a two-person verification process before the claim is approved.

k.) Exceptions and Overrides

The System shall allow for exception claims and overrides that do not meet the defined workflow associated with a prize claim. This includes, but is not limited to, the ability to override default tax withholdings or to mark prizes as paid through external systems. An export file of exception claims shall be available to the Lottery.

l.) Remote Ticket Cashing

The System shall provide all necessary APIs, internal connections, and any other solutions necessary to facilitate online claims of tickets sold at retail. The System shall have the functionality and configurations to allow for online prize payments of any amount as designated by the Lottery. The System shall allow for Lottery to set minimum and maximum thresholds for retail prizes allowed to be claimed online. Prizes shall be awarded to players in the same manner and following the same guidelines as online prizes (e.g., tax withholding, W2G, debt setoff, etc.). Offeror shall have the ability to provide security measures to ensure proper validation of tickets, ownership of tickets, physical possession of tickets, etc., and to avoid potential fraud, multiple payments on the same ticket, or claims made on a ticket by someone who does not own or possess the ticket.

m.) Uncashed Winning Wagers

For any prizes, if a player does not claim their Lottery winnings after 180 calendar days from the date of the win, the System shall be required to automatically track and report these unclaimed prizes in accordance with the Lottery rules for prize expiration on a daily basis. Prizes do not expire until the end of 180 days. Unclaimed prizes for any and all multi-state games (i.e., Mega Millions and Powerball) shall need to have a report generated at the end of every month for all prizes expired during that month from the previous 180 days. Periodic reminders as required by the Lottery shall be sent to the player until the prize is claimed or 180 calendar days have passed.



E. CUSTOMER ENGAGEMENT

1. *Player Communication*

a.) Contact Methods

Offeror shall have the ability to provide services for email, short message service (SMS/text), push notifications, pop-ups, in-app messages, and other web notifications. This service may be provided through a Lottery-approved subcontractor. The System shall support sending messages through these means to players for a variety of designated transactional purposes (e.g., deposit receipts, registration confirmation, withdrawal information, etc.), responsible gaming, and marketing purposes.

b.) Player Communication Preferences

The System shall support capabilities for players to manage opt-in communication preferences including the ability to opt-in and opt-out of promotional email messaging, text messaging, and push notifications with fully configurable custom options based on criteria provided by Lottery. Preferences will be inclusive of online play, Rewards, jackpot alerts, winning number alerts by game, and all other facets of player communication.

c.) Player Notifications

Offeror shall have the ability to manage transactional notifications and marketing notifications (e.g., emails, text messages, etc.). Additionally, the Offeror shall be able to have certain UI components controlled by the PAM available to the Lottery, such as in-site dynamic notices or pop-up messaging.

d.) Email, SMS, and Push Notification Marketing

- i Offeror shall have the ability to provide a platform for direct use by the Lottery to easily send emails, SMS, and push notifications to its recipients. At a minimum, the platform shall allow for 390 million emails and 30 million SMS messages annually and be adaptable for increased volume and may handle communications to non-registered player recipients.
- ii The player communication platform shall maintain different workflows, triggers, templates, and campaigns simultaneously without any interruption in service or speed. The platform shall provide a notification module within the System that will trigger automatic player notifications. Triggers shall include those identified during other behaviors including but not limited to participation in Rewards.
- iii Offeror shall have the ability to provide the required dedicated Internet Protocols (IP) to ensure timely email delivery, such IP dedicated for the sole use of the Lottery.
- iv The platform shall establish customized and automated player segments based on a variety of criteria to include but not limited to: spend, time since last wager/log-in, agency-wide segmentation, Rewards, etc. Segmentation data shall be captured and stored within the System in real time.
- v Composing Emails
The Platform shall allow the Lottery to compose emails using both templates and custom messages. Specific details shall include, but are not limited to the following:
 - a. Platform shall import Hypertext Markup Language (HTML) templates. Additionally, the platform shall allow the Lottery to design and build customized email templates



- using a drag and drop “What You See Is What You Get” (WYSIWYG) style interface.
 - b. Platform shall allow the Lottery to use pre-built email templates as well as customize templates.
 - c. Platform shall allow the Lottery to personalize content blocks (including text and images) based on behavioral and demographic segmentation and predictive analytics using HTML template builders.
 - d. Platform shall allow the Lottery to compose emails for both desktop and mobile emails. Additionally, the platform shall allow the Lottery to preview emails for both desktop and mobile.
 - e. Platform shall be able to save and store Lottery templates for future use and customization.
 - f. Platform shall allow for dynamic elements based on personalization to be inserted per campaign.
 - g. Platform shall be able to schedule ad-hoc and triggered emails to send on specific days of the week or times of the day.
 - h. Platform shall have the ability to populate customizable fields in automated/triggered alert emails via an eXtensible Markup Language (XML) and JavaScript Object Notation (JSON) feed.
- vi Quality Control
- a. Platform shall allow the Lottery to preview HTML renderings across platforms and devices (both desktop and mobile) and send test emails to internal lists for review.
 - b. Platform shall allow the Lottery to conduct A/B testing and access email performance. At a minimum, the following shall be tested: (1) Subject Lines; (2) Email Templates; (3) Dates and Times Emails were sent; (4) Promotional Offers; and (5) From Name. Platform shall allow winners to be selected based on Click to Open Rate (CTOR), Open Rate, Read Rate, Click Rate, or Conversion Rate. Conversions shall be defined by the Lottery.
- vii Deliverability
- a. Offeror shall provide email deliverability services that provide recommendations and guidance for improving deliverability and communicate with email recipients on behalf of the Lottery to resolve deliverability issues to include but not limited to high bounce rates.
 - b. Offeror shall provide de-duplication capabilities to ensure that a single record does not receive the same email multiple times.
 - c. Platform shall allow for the Lottery to create and manage suppression lists (i.e., unsubscribe lists) within the platform.
 - d. Platform shall allow for prioritization of messaging in other campaigns in order to manage the number of touchpoints that each record receives.
 - e. Platform shall be able to customize email sends based on time zone and activity to allow emails to be delivered at the optimal time.
- viii Website Pop-Ups
- Offeror shall provide one (1) mobile-optimized pop-up form that requests an email address and up to five (5) additional segment fields; one (1) subscription confirmation pop-up; and syntax validation of email address (which requires the email address field to contain a syntactically valid email address [[x@x.xxx](#)] prior to submission). Platform shall allow for the pop-up to be triggered upon website entry.



ix Reporting

Platform shall provide the following reporting and analytic tools to measure effectiveness of campaign and marketing programs and revenue/sales growth. Platform shall be able to provide, at a minimum, the reports listed below:

- a. Number of emails sent and delivered. Delivered shall be defined as emails that were successfully accepted by an email recipient.
- b. Opens
 1. Open Rate; defined as the number of emails opened by recipients, divided by the number of emails sent minus bounces.
 2. Total Number of Unique Emails Opened; defined as one open recorded for each individual recipient who opened the email.
 3. Total Number of Emails Opened; may include multiple opens by the same recipient.
 4. Total Number of Emails Not Opened
- c. Clicks
- d. Unique Clicks
- e. Total Clicks
- f. Opens and Clicks Over Time. This report shall provide insights and detail the best time to schedule future emails based on email responsiveness from recipients.
 1. Report shall illustrate which days of the weeks, what hours, etc., email subscribers are most active.
 2. Report shall track link activity to include the average clicks per recipient and percentage of recipients who did not click on the links.
 3. Report shall provide a click map to see click percentages per link in a campaign.
- g. Bounce Rate
 1. Number of Bounces; defined as the number of email addresses that are not delivered successfully (soft or hard bounce).
 2. Bounce Rate; defined as Percentage of Bounces per email campaign.
- h. Complaints
 1. Number of recipients who marked email as spam.
 2. Unsubscribes; defined as Number of recipients who have unsubscribed from email campaign.
 3. Email Client Usage; defined as reports on what email recipients and devices subscribers use the most on various platforms.
- i. Benchmark Reporting
 1. Reports how an individual email campaign performed against previous campaigns.

2. Promotions

Offeror shall have the ability to enable and manage promotions on the System. The description shall address the following minimum requirements:

a.) Promotion Codes

The System shall define and accept a wide variety of promotion codes that can be redeemed by players to trigger an offer. The System shall issue multiple promotion codes concurrently. The promotion codes shall be captured by the System and available for reporting or extraction (to third-party systems or otherwise) on a per-player basis. The System shall allow settings such that Promotion codes can be issued as unique to a single player or available to all players. The System shall provide settings such that Promotion codes can set as a one-time use or multi-use. The System shall provide settings such that a single Promotion code can be used in all available



entry locations within the player-facing system (e.g., Registration, Deposit, Purchase, Pop-up, etc.) or be restricted for use in only one entry location.

b.) Free Games

The System shall assign free games to players (draw and eInstant). The System shall support variable parameters such as quantity, price point, or play settings associated with free games. The free games shall be assignable with a variety of criteria, such as immediate login, registration, deposit, or qualifying purchase. Free games assignment is required for all games that are provided through the System, including third-party games that are integrated with the System, as directed by the Lottery.

c.) Deposit Offers

The System shall configure offers that provide a percentage or fixed-value bonus in combination with a transaction to fund a Player Wallet (“Deposit”). This shall include the ability to assign a maximum limit for the Deposit bonus.

d.) Promotion Triggers and Conditions

System shall provide automated and manual bonuses. Automated bonuses shall apply based on different trigger types such as login, deposit, purchase, and immediate. Bonuses shall include free games, percent matches, bonus money, free draw game tickets, percent discount on tickets, wager on a specific game, watching Lottery video, Rewards activities, date-specific event such as a birthday and/or cart purchases. Automated bonuses are defined as being automatically attached to player accounts or through use of a promotional code created within the System. The System shall support any specifications as determined by the Lottery for each promotion such as eligibility dates, expiry dates, or limitations. The System shall ensure that self-excluded players do not receive promotional materials.

e.) Shopping Cart Discounts

The System shall provide fully configurable promotional setting to allow for discounts by percentage and/or fixed dollar amount for purchases made through the shopping cart. This shall include the ability to assign a maximum limit for the shopping cart discount.

f.) General Capabilities

Each promotion shall have a unique identifier (not promotion name) on the System to support reporting capabilities. The Lottery shall have the ability to run varying promotions concurrently on the System. The Lottery shall also have the ability to run reports at custom intervals (real-time, hourly, daily, weekly, etc.) based upon the specific promotional offers for any promotions (i.e., redemption of promotional offers).

g.) Other Promotions Requirements

- i System shall schedule promotions for different days of the week and times of the day. Automated promotions should have a 1-24 hour scheduling period for automatic attachment and up to 2 years for promotion codes.
- ii System shall create and target segment audiences as defined by the Lottery.
- iii System shall appeal to Non-Depositors with special offers. System shall provide free eInstant games, bonus money, or free draw games as a registration incentive.
- iv System shall run multiple promotions of the same type to different audiences concurrently. System shall run multiple promotions with promotion codes concurrently.
- v System shall award draw game autorenewals in 6- or 12-month increments as a promotional offer.
- vi Promotional capabilities shall be available for all games, regardless of game provider.



- vii Promotional capabilities shall have the ability to be personalized based on player activity and Lottery requirements.

3. Rewards Program

Offeror shall have the ability to include a full-scale Rewards Program within their proposed solution. The Rewards program shall be flexible and scalable (i.e., adding new reward/promotional types, new functionality, etc.). Additionally, it shall integrate with the same account as the Player Account Management system to track Rewards activity and points accumulation for players.

a.) Earning Rewards Points

The Rewards Program shall support multiple tiers through point accumulation. The Rewards Program shall reward players based on engagement and transactional activities, such as account creation, refer a friend, social media mentions, filling out surveys, milestones (i.e., birthday, anniversary, etc.), deposits, watching videos, and purchases. Offeror shall maintain currently existing functionality of the Lottery's Rewards program at launch including but not limited to the following: refer a friend, survey challenges, punch cards, badges, product specific promotions, and tiers. The Rewards program shall be able to consume purchases made at retail and online as well as offer coupons for both retail and online in addition to promotional drawings.

b.) Player Acquisition

The System shall allow for player acquisition using gamification campaigns and other engagement tools that run on social media, other third-party websites, and/or affiliates.

c.) Managing Rewards Points

The System shall track all points by player. The System shall have the capability to expire points and provide multiple prior notifications to players, based on rules and promotion periods. The point expiration period shall be configurable by number of calendar months (e.g., points expire six full calendar months after the month in which it was purchased). The System backend shall be provided to the Lottery that shows full player account history including points earned and redeemed. Lottery staff shall have ability to award points to players on an as needed basis for player makegoods, etc.

d.) Point Spending and Rewards

The System shall allow the redemption of points for rewards through direct UI interfaces or through a third-party web and app provider. The System shall allow points to be spent to earn any reward (e.g., bonus credit, free games, coupons, physical inventory, etc.) as determined by the Lottery.

e.) Ticket Entry Capabilities

The System shall directly or through end points used by third-party web and app developers provide point earning through ticket entry that includes all tickets, eInstant, scratchers, and draw, winning and non-winning, purchased through any channel and provide for automatic (scanning) methods only. The System shall allow for points to be assigned based on the purchase price of the ticket and the corresponding channel.

f.) Rewards Tiers

The System shall manage no less than nine (9) Rewards tiers. The System shall have configurability in respect to the number of points required to enter each tier. The System shall allow a player to move up to a new tier instantly after earning the required points. The System



shall allow for a player to move to a lower tier based on lower spending. The System shall have a configurable “grace period” before the tier is lowered.

g.) Drawing Tools

The Lottery intends to perform all drawing operations for the Rewards Program. The Offeror shall have the ability to integrate with Lottery systems to share drawing data. As a backup, Offeror shall have the ability to conduct drawings should the Lottery not be able to do so or decide not to do so according to Lottery drawing rules and regulations.

h.) Badge Program

The Rewards Program shall have the ability to support a robust badgification program for all player types to include retail and online or both.

i.) Rewards Online Community

The System shall have the ability to support an online community platform dedicated to the Rewards Program. The platform shall allow designated Rewards members, as determined by the Lottery, to join and participate in community activities. The System shall enable members to complete surveys and other engagement activities within the community interface. The System shall have the capability to award Reward points to members based on their participation in surveys and other approved activities, with full configurability for point assignment and activity eligibility as required by the Lottery.

j.) Rewards Program Access

The System shall provide authorized personnel with the capability to access and modify player Rewards accounts. Such personnel shall have the ability to view and report on points earned and redeemed by each player on a monthly basis, as well as review drawing entries. The System shall enable designated staff to make corrections to player accounts, merge duplicate accounts, and award Rewards points as necessary to resolve account-related issues. The aforementioned functionalities are representative examples and do not limit the scope of required capabilities under this provision.

k.) Data and Reporting

Offeror shall have the ability to share Rewards program data with the Lottery to be loaded into the Lottery’s Data Warehouse on an agreed upon cadence. All data relating to the Lottery’s Rewards Program shall be owned by the Lottery.

The Rewards Program shall provide reporting on agreed upon criteria to include the ability to perform queries. Additionally, the System shall provide a real-time dashboard for Lottery use dedicated to the Rewards Program KPIs, such as new members, active members, total points earned, total points redeemed, total points expired, etc. The System shall also allow the Lottery to view transactional and engagement information for specific players.

F. STAFFING AND SUPPORT

1. Customer Service

Offeror shall have the ability to provide customer service to Lottery players twenty-four (24) hours a day, seven days a week. The Customer Service Center (CSC) solution shall have the ability to be integrated into the mobile app/website help widget. Offeror shall allow players to make inquiries to include but not limited to telephone, email, chatbot, and live chat. The Lottery shall have the



ability to brand customer service templates to ensure a seamless face of the Lottery is presented to players. System shall allow tiered administrative access to the Lottery to process, track, and respond to all player inquiries as necessary.

a.) Accommodations

Offeror shall have the ability to communicate with multi-lingual players. Offeror shall have the ability to support multiple languages as required by the Lottery to include but not limited to English and Spanish.

b.) Support Availability

Offeror shall have the ability to provide 24/7 support without interruption over the term of the Contract.

c.) Data Retention

Any information that is gathered or utilized by the CSC shall be maintained and accessible for the life of the contract, in accordance with Lottery retention policies. Such information shall be available to electronically transfer and upload to a new contractor/solution upon expiration or termination of this contract.

d.) Satisfaction Measurement

Offeror shall have the ability to collect satisfaction sentiments from players based on CSC interactions and provide detailed reporting to the Lottery in a quantitative and qualitative manner.

e.) Staffing Levels.

Offeror shall have the ability to appropriately staff the CSC, at no additional cost to the Lottery, on an ongoing basis in a manner that scales to meet the capacity and service level requirements. In addition to other staff needed to meet operational needs and service levels, CSC shall maintain no less than one (1) operator per shift dedicated only to Virginia Lottery customer inquiries twenty-four (24) hours a day, seven (7) days per week.

Additionally, Offeror shall have the ability to provide dedicated account management staff in its customer service center to oversee all interactions with Lottery players and provide a single point of contact to Lottery personnel.

f.) Staff Information and Contacts

Offeror shall have the ability to provide a list of all staff and provide supervisor and team lead contact information for escalation. CSC shall provide the Lottery with direct contact number for player call transfers that originate with the Lottery but need to be handled by online team.

g.) Failover and Disaster Recovery

Offeror shall have the ability to provide staffing and technology redundancy in a manner that mitigates risk (e.g., backup CSC on different electric grid) and ensures continuous operations. A disaster recovery plan shall be provided and approved by the Lottery prior to the startup date and on an annual basis.

h.) Player Hotline

Offeror shall have the ability to provide an Interactive Voice Response (“IVR”) system, and dedicated toll-free hotline, which will be published for player inquiries. The System shall have an in-bound call system that includes call-back feature to limit player hold times and automated account lookup feature based on player data input.



i.) Email

Offeror shall have the ability to provide a robust email system capable of tracking and responding to player questions and concerns. The System shall have the ability to provide tracking that includes all aspects of the communication, including identifying the customer service representative handling each communication and the overall response time to each communication. The system should incorporate a library of scripted replies drafted by the Offeror that have been reviewed and approved by the Lottery. The System shall have the ability to handle automation scripts that provide immediate replies to certain player inquiries. The System shall allow for escalation to a manager and/or to the Lottery depending on the topic as designated by the Lottery. The Lottery shall have full access to the email system for handling retail-based player inquiries.

j.) Chat and Chatbot

Offeror shall have the ability to provide an intelligent interactive chatbot service that can handle player contacts and questions in a user-friendly manner. The chatbot shall be able to easily route players to helpful information and shall escalate to a customer service representative at points, as designated by the Lottery. The chatbot shall be customizable to meet Lottery requirements.

Additionally, the System shall provide the ability for players to access real-time chat support directly from within the shopping cart interface. This feature shall be available across web, mobile, and app platforms, enabling users to receive assistance without leaving the checkout flow. The chat support functionality shall be integrated seamlessly, ensuring that players can resolve questions or issues related to their shopping cart experience efficiently.

k.) System Access and Case Transfers

Offeror shall have the ability to provide the Lottery with direct access to CSC system components in a manner that meets all Lottery-specified requirements to establish operational efficiency and a seamless player experience. The System shall be able to receive and transfer case history notes and live calls between the CSC and the Lottery's designated internal systems.

l.) Subject Matters Supported

Offeror shall have the ability to train CSC staff to provide support for all features of the System and the iLottery program. Offeror shall have the ability to provide CSC staff with responsible gaming training and other training as designated by the Lottery to include, but not limited to, Lottery brand and customer service philosophy training. CSC staff shall have the ability to follow protocols and scripts as designated by the Lottery. CSC staff shall also answer and manage any calls related to winning numbers information and any questions that are of a general nature that do not require specialized training. CSC staff shall have the ability to handle general questions about the Lottery or route the player to another information source as directed by the Lottery.

m.) Player Account Access

The System shall allow designated staff, including Lottery staff, the ability to view any player information available in the System as directed by the Lottery. The System shall allow staff, as directed by the Lottery, to directly award a player with any bonus, Rewards points, coupon, or other awards available in the System.

n.) Communication Monitoring

Offeror shall have the ability to provide real-time monitoring of agent calls and activity and



allow the Lottery to re-deploy all communications provided to the player. The Offeror shall have the ability to provide a real-time customer service dashboard for the purpose of monitoring the key performance indicators related to agent and queued activities. Additionally, the Offeror shall have the ability to record player calls and provide the Lottery the ability to listen to the recordings upon request as well as providing email and chat communications to the Lottery.

o.) Reporting

Offeror shall have the ability to provide reports to the Lottery that include, but are not limited to, the following: call and chat abandonment rate, wait time for calls and chat, response time for email and chat inquiries, trends of customer inquiries, and other mutually agreed upon topics.

p.) Problem Resolution

Offeror shall provide a customer service system that allows the setup of problem cases, track resolutions, and establish follow-up protocols to ensure successful problem resolution in real-time.

q.) Compliance

Offeror shall have the ability to monitor and act to prevent fraud and address any issues related to player transactions that may require further compliance checks, including but not limited to:

- Approval and support of player financial transactions (to include deposit and withdrawal methods);
- Approval and release of the prize payment;
- Advancement of the prize payment to the next level of review by the Lottery;
- Denial of the prize payment; or
- Communication to the account holder identifying additional documentation required.

Offeror shall implement and maintain a system for categorizing compliance issues related to player transactions and account activities. The System shall enable the identification, classification, and documentation of compliance matters, including but not limited to suspected fraud, irregularities in financial transactions, identity verification concerns, and any other incidents requiring compliance review. Offeror shall ensure that all compliance issues are appropriately categorized to facilitate timely investigation, resolution, and reporting to the Lottery as required.

r.) CSC Location

The CSC shall be located in the Continental United States and shall disclose the location of its operational staff, noting if agents work remotely or otherwise. Any change in location of the Customer Support Center(s) shall be presented in writing to the Lottery at a minimum of sixty (60) days in advance of the change and is subject to Lottery approval.

2. Staffing Requirements

Offeror shall have the ability to provide, at a minimum, the following personnel, all of whom are assigned to work exclusively on services to be provided to the Lottery at no additional cost. The Offeror shall advise the Lottery of any impending changes to staffing assignments for resources assigned to work exclusively on services provided to the Lottery. While final staffing decisions rest with the Offeror, the Lottery shall have an opportunity for input prior to final decisions.

a.) Senior Account Manager

- i Mandatory location in Virginia, with preferred location in Richmond, VA.



- ii Serves as the primary contact and advocate on behalf of the Lottery to Offeror management on such items as project prioritization, escalation of resources to resolve issues and inquiries, and satisfaction of Lottery requests.
 - iii Independently and proactively identify, track, assess, and escalate issues to the relevant parties on behalf of the Lottery and provide frequent updates to the Lottery on the status to ensure that all issues get resolved satisfactorily and promptly.
 - iv Actively participate in the development of solutions to improve operations and performance of the Lottery and its offerings and Offeror's services in support thereof.
 - v Serves as a Subject Matter Expert or has access to Subject Matter Experts in all Offeror products and services offered in Virginia.
 - vi Work closely with other Subject Matter Experts to successfully deliver client projects and games with all of Offeror's contracted service providers.
 - vii Track and provide frequent updates on contract compliance as it relates to Offeror SLAs including documentation in the event of liquidated damages.
 - viii Empowered by Offeror management to resolve complaints, prevent additional issues by improving processes, and provide remedies in the event of non-SLA related incidents.
 - ix Empowered by Offeror to pull in necessary resources to solve critical problems in a timely manner.
 - x Maintain up to date knowledge of Lottery performance, functions, industry trends, and best practices to advise the Lottery team on opportunities for improvement.
 - xi Ensure that Offeror staff and contracted service providers are kept up to date and compliant on Lottery rules, policies, and requirements.
 - xii Coordinate annual Road Mapping session for strategic planning for Lottery with Offeror.
 - xiii Available 8:30am to 5:00pm ET on Monday through Friday. In the Lottery HQ offices at a minimum of three days per week.
- b.) Product Solution Manager
- i Preferred location is Richmond, VA.
 - ii Define, analyze, and document requirements. Clearly communicate translation of requirements from business and technical sources into technical design direction, using various means including specifications, white board discussions, UML modeling techniques, etc.
 - iii Work closely with remote product and development teams in all phases of software development life cycle to conceptualize, design, and implement end-to-end digital solutions that meet business objectives.
 - iv Work closely with executives, key departmental management and project stakeholders across the organization. Shall be able to work collaboratively and effectively with all levels of management and staff within the organization.
 - v Lead demo and feature overview meetings.
 - vi Research industry trends and best practices and develop recommendations of technologies and methods to stakeholders at all levels.
 - vii Researching and analyzing strategic and competitive information to constantly optimize the products and their performance.
 - viii Available 8:30am to 5:00pm ET on Monday through Friday.
- c.) Technical Project Manager
- i Preferred location is Richmond, VA.
 - ii Own the end-to-end project and/or program management of mid-scale, high-complexity, cross-functional products for the Lottery.
 - iii Engage with multiple teams in detailed scoping discussions, understanding the technological ecosystem changes being delivered.



- iv Conduct thorough project assessments, including risk analysis, resource planning, and feasibility studies, to identify potential obstacles and develop mitigation strategies.
 - v Lead and influence a team of diverse stakeholders to deliver projects on time by managing resources, risks, and expectations.
 - vi Demonstrate a deep understanding of technical knowledge by asking relevant questions to ensure risks are identified, and the project is tracking scope/outcome.
 - vii Clearly articulate and escalate appropriate risks, issues, and customer sentiment while moving the team and project forward.
 - viii Communicate flawlessly by tailoring information from multiple sources to keep all stakeholders informed and engaged with project progress in a variety of formats.
 - ix Present expert-level analysis of impact, dependencies, and risk for any project deviations.
 - x Distill and develop clear project plans, including milestones and deliverables, with minimal guidance for internal and external programs given a wide range of scope and information.
 - xi Proactively track action items, working with the team to overcome hurdles to keep projects on schedule.
 - xii Available 8:30am to 5:00pm ET on Monday through Friday.
- d.) Games Support Coordinator
- i Preferred location is Richmond, VA.
 - ii Supports day-to-day aspects of eInstant game development including contract compliance, delivery timeline, and accuracy of Lottery specifications.
 - iii Collaborates with the Lottery team and all game content providers to ensure accuracy and timely delivery of product requirement documents (working papers, help pages, text files, etc.) and game deliverables (prize structure verification, UAT testing, marketing assets, etc.).
 - iv Supports the testing of all eInstant games in UAT.
 - v Serves as a central resource between all game providers and Offeror on technical issues relating to system bugs or limitations relating specifically to eInstant games including promotional functionality.
 - vi Responsible for timely and accurate updates on issues as they relate to eInstant games.
 - vii Communicates game specific requests and manages implementation deadlines for eInstant games.
 - viii Participates in discussions concerning game design, delivery timelines, messaging, game play, themes, and prize structure.
 - ix Available 8:30am to 5:00pm ET on Monday through Friday.
- e.) Rewards Support Specialist
- i Preferred location is Richmond, VA.
 - ii Supports day-to-day aspects of the Rewards program including the development of personalized communications and prize drawings for priority segments and tiers and communications within the platform.
 - iii Collaborates with the Lottery team to monitor and maintain all Rewards program efforts and campaigns as well as provide support for and input on other omnichannel projects and initiatives.
 - iv Creates and manages Rewards drawing from initial planning to final deployment, including but not limited to design, copy, set-up, testing and activating.
 - v Assists in developing testing strategies and implementation plans for campaigns and personalized activities.
 - vi Participates in discussions concerning Rewards strategy, timelines, and messaging.
 - vii Available 8:30am to 5:00pm ET on Monday through Friday.



G. OPTIONAL REQUIREMENTS

The following requirements are considered optional by the Lottery and are intended to enhance the overall solution. These optional requirements will only be evaluated if the Offeror's proposal is determined to have met all mandatory requirements as specified in this RFP. The inclusion of optional requirements in the proposal is encouraged but not required and will not be considered during the initial evaluation of mandatory requirements. Offerors may propose additional features other than those listed below.

1. System

- a.) Offeror may propose a solution that allows electronic retailers to sell Lottery products through their mobile apps. The proposal cannot create couriers that purchase on behalf of players from the Lottery. The solution shall provide details on the technical requirements along with an existing Lottery retailer that is committed to developing the solution.
- b.) Offeror may propose a solution that allows anonymous play at retail using eInstant Games and built into the proposed System for financial reporting, reconciliation, and prize redemptions.

2. Player Wallet

Player Wallets may use Balance Classifications for deposit, promotion, credits, and winnings.

3. Check Writing

Offeror may propose the ability to provide check writing services for payments to players handled by the Offeror. Offeror shall also provide a checkwriter to the Lottery for prize payments from the System. Offeror shall have the ability to provide all upkeep, updates, and maintenance of the checkwriter.

4. eInstant Games

Offeror may offer eInstant games developed by a first-party studio. Offeror shall make available a demo of all first-party games along with data on sales performance in comparable jurisdictions on an individual game basis for average weekly sales over a complete 6 month period along with an average for all games offered in a jurisdiction over the same period.

5. Draw Games

- a.) Offeror may propose a method to sell the current retail-only raffles (such as New Year's Millionaire Raffle) on the iLottery System using one shared pool of available tickets (for example, 625,000 tickets available between both retail and iLottery).
- b.) Offeror may propose a method to sell current retail-only games Cash Pop and/or Keno through the iLottery System.
- c.) Offeror may propose a method to provide "group play" where multiple unrelated players are able to share the cost of purchasing Draw Game ticket(s) and if a prize is won, the prize is automatically awarded based upon the share that the player contributed into the cost.

6. Payment

- a.) Offeror may propose additional methods for accepting funds from players which may include Discover, American Express and other debit card providers as well as Samsung Pay, Google Pay, Amazon Pay, Play+.
- b.) Offeror may propose additional methods for issuing payments which may include Samsung Pay, Google Pay, Amazon Pay, Play+.
- c.) Offeror may propose a method where partnerships are used that allow third-party Rewards



points to be spent on Rewards purchases (e.g., frequent flyer miles, hotel points, etc.).

7. *Geolocation Services*

Offeror may propose an enhancement where the System provides platform-wide geolocation awareness that can be leveraged anywhere within the Lottery's digital properties (e.g., website, mobile web, and native applications). This capability should include the ability to display:

- a.) Real-time toasts, banners, or notifications informing players when they are not currently located within the Commonwealth of Virginia.
- b.) Proactive messaging before a player attempts to enter a game, initiate a wager, or begin a transaction, helping to reduce failed transaction attempts due to geolocation restrictions.
- c.) This optional feature should function across all relevant pages, menus, and screens within the platform and be configurable by the Lottery (e.g., text, frequency, and placement of notifications) to align with responsible gaming and customer experience objectives.

8. *Player Account Management*

Offeror may provide ways for account widgets to link to native digital wallet solutions.

9. *Rewards Program*

- a.) Offeror may propose a program that utilizes a physical and/or digital Rewards card that can be used at the retail point of sale to simplify the uploading of points to a player account.
- b.) Offeror may propose a program that incorporates the awarding of third-party prizes with other B2C companies that utilize a loyalty program (for example, Kroger points as a prize through Rewards).

10. *Responsible Gaming*

- a.) Offeror may provide advanced tools to identify and communicate with players that are demonstrating high-risk behaviors.
- b.) The Offeror may provide sample reports that the Lottery can access to monitor responsible gambling. Examples of reports may be included in the Offeror's response. Indicate if the reports can be accessed on demand or detail frequency.
- c.) The System shall not allow a player to reopen their account until the player completes an established reinstatement process.

11. *Integrations*

Offeror may provide an example of an integration with the Lottery's existing retail system as provided by Brightstar Lottery along with benefits of the shared connection between the retail and iLottery systems.

12. *Automated Prompt System*

Offeror may provide an automated prompt system that offers balance inquiries and other transactional support which shall be available twenty-four (24) hours per day, seven (7) days per week.

13. *Customer Service Center*

Offeror may provide the ability for the Lottery to monitor live customer interactions.



H. STRATEGIC RECOMMENDATIONS

1. Offeror shall have the ability to provide recommendations on strategies to grow the iLottery program, specifically targeting increased sales, higher profits, greater player registration, and growing first-time depositors. These recommendations shall include actionable insights for securing and expanding market share against competitors within the Commonwealth of Virginia. Recommendations shall include how to grow not only the iLottery program, but how that can translate to increase sales and profit at retail.
2. Offeror shall have the ability to analyze market trends, player behavior, cross-channel optimization and emerging technologies to identify innovative approaches for player acquisition and retention, with a focus on the unique characteristics of the Virginia gaming market.
3. Offeror shall have the ability to deliver periodic reports and presentations to the Lottery detailing the effectiveness of recommended strategies, including measurable outcomes related to sales, profits, registration, first-time depositors, and competitive positioning.

I. ONGOING MAINTENANCE AND SUPPORT

Offeror shall have the ability to provide ongoing maintenance and support services for the iLottery system, ensuring optimal system performance, reliability, and availability. Offeror shall have the ability to adhere to all Service Level Agreements (SLAs) and Liquidated Damages (LDs) requirements as specified in Attachment Three – *Service Level Agreement and Liquidated Damages Provisions*.

IV. PROPOSAL PREPARATION AND SUBMISSION REQUIREMENTS:

A. GENERAL REQUIREMENTS:

1. RFP Response

- a. The cover page of this solicitation indicates proposals will be accepted as sealed. Proposals will be received for this procurement, via electronic submission through the eVA vendor portal and paper copy. Submission in both formats is required. Emailed submissions will not be accepted.

- i. Digital Submission through eVA:

To be considered for selection, Offerors shall submit a complete response to this Request for Proposals (RFP). Submissions shall include the following:

- One (1) original electronic proposal; and
- One (1) electronic proposal with proprietary or confidential information redacted, as applicable and detailed in Section B.1(ii).

All digital submissions shall be submitted electronically through eVA at: www.eva.virginia.gov If an Offeror requires assistance with submitting an electronic response, the Offeror shall contact eVA Customer Care at: eVACustomerCare@dgs.virginia.gov. It is recommended that Offerors give themselves enough time to register and submit through eVA. Proposals that are not submitted by the due date and time due to technical issues will be deemed late and not accepted.

- ii. Paper Copy Submission:

To be considered for selection, Offerors shall submit a complete response to this Request for Proposals (RFP). Submissions shall include the following:

- One (1) original and six (6) copies of the proposal shall be submitted to the Lottery.
- One (1) other copy shall be submitted with all proprietary information removed as



detailed in Section B.1(ii);

IF PROPOSAL IS MAILED: Offeror shall mail proposal to the Virginia Lottery, Attention: Mike Gerdes, 22nd Floor, 600 East Main Street, Richmond, Virginia. The proposal shall be enclosed in an envelope or package and identified as follows: Name of Offeror: Due Date and Time: Offeror's complete address: RFP No. 13179MG RFP Title: iLottery System, Services, and Support. If a proposal is not identified as outlined above, the Offeror takes the risk that the proposal may be inadvertently opened and the information compromised, which may cause the proposal to be disqualified. No other correspondence or other proposals should be placed in the envelope.

PROPOSAL IS HAND DELIVERED (INCLUDING COURIER): Proposal shall be delivered to 600 East Main Street, Richmond, Virginia 23219. Due to increased building security, an Offeror shall only deliver a proposal to the Security Guard Station located on the Main Street entrance of the Lottery Headquarters, Main Street Centre (address above). However, the Security Guard is not responsible for identifying the date and time a proposal is received; only a Virginia Lottery employee can make that determination. The Security Guard will contact an appropriate Lottery employee for proposal receipt, and this process could take 30 minutes or longer.

- b. Late proposals will not be accepted.
- c. The Lottery does not conduct public openings.
- d. No other submission of the proposal shall be made by the Offeror.
- e. Offeror is requested to respond to each section/subsection in the order in which it appears in the RFP.
- f. Offerors shall also submit any additional information required within this solicitation

2. Proposal Preparation:

- a. Proposals shall be signed by an authorized representative of the Offeror. Additionally, all addenda associated with this RFP shall be acknowledged.
- b. Failure to submit all information requested may result in the Evaluation Team giving a lowered evaluation score of the proposal.
- c. An explanation describing how the Offeror will accomplish each requirement shall be included in the Offeror's proposal. The phrase "fully comply" without an explanation is unacceptable. If a requirement is not being provided, state "Not Provided." Proposals that are substantially incomplete or lack key information may be rejected by the Lottery.
- d. Ownership of all data, materials and documentation originated and prepared for the Lottery pursuant to the RFP shall belong exclusively to the Lottery and be subject to public inspection in accordance with the Virginia Freedom of Information Act. Trade secrets or proprietary information submitted by an Offeror shall not be subject to public disclosure under the Virginia Freedom of Information Act; however, the Offeror shall invoke the protections of §2.2-4342 of the Code of Virginia, in writing, either before or at the time the data or other material is submitted. The written notice shall specifically identify the data or materials to be protected and state the reasons why protection is necessary. The proprietary or trade secret material



submitted shall be identified by some distinct method such as highlighting or underlining and shall indicate only the specific words, figures, or paragraphs that constitute trade secret or proprietary information. **The classification of an entire proposal document, line-item prices and/or total proposal prices as proprietary or trade secrets is not acceptable and will result in rejection of the proposal.**

3. Oral Presentation:

Offerors who submit a proposal in response to this RFP may be required to give an oral presentation to the Evaluation Team. This provides an opportunity for the Offeror to clarify or elaborate on the proposal.

B. SPECIFIC PROPOSAL REQUIREMENTS:

Proposals shall be as thorough and detailed as possible so that the Lottery may properly evaluate Offeror’s capabilities to provide the required services. In addition to any other requirements imposed by Section III of this Request for Proposals, Offerors are required to submit the below items as a complete proposal. **Offerors should organize proposal content by sections as requested below.**

The Offeror's proposal shall not exceed **500 pages** in total. This limitation is inclusive of all sections of the proposal; no section is exempt from inclusion within the 500-page maximum. Screenshots, documentation, diagrams, and user interface examples are all encouraged, but do count towards page limits. The Lottery may not review or evaluate any documentation that exceeds the stated page limits. A page is defined as one side of a sheet, 8 1/2" × 11", with at least one-inch margins on all sides, using not smaller than 12-point type. Foldouts count as an equivalent number of 8 1/2" × 11" pages.

Any optional items proposed shall be clearly labeled as optional and placed at the end of the relevant section and shall count towards the 500-page limit.

1. Signed Proposal, Addenda, Proprietary Information and Exceptions to T/Cs

- a. A fully completed and signed Signature and Offeror Profile Sheet.
- b. A fully completed Proprietary Information table which indicates the page number(s) containing proprietary information:

Proprietary Information Table:

Section/Title	Page Number(s)	Reason(s) for Withholding from Disclosure

- c. The acknowledgement of any addenda released in reference to this RFP.
- d. Desired exceptions to any Special or Information Security Terms and Conditions within the RFP. An Offeror’s request to remove or modify a Special Term and Condition within the RFP does not guarantee the Lottery’s acceptance of the Special Term and Condition exemption or any modification of a Term or Condition. ****NOTE: The Lottery will not sign any Offeror’s**



documents, MSAs, or any other type of agreement(s). The Lottery's General Terms and Conditions shall not be negotiated.

- e. Offeror shall provide proof that they have secured both a Proposal Bond and a Protest Bond in accordance with Section VI. *Special Terms and Conditions*; 4. *Bond, Proposal* and 5. *Bond, Protest*. Both the Proposal Bond and the Protest Bond must be issued by a surety company which is legally authorized by the Virginia State Corporation Commission to do surety business in the Commonwealth of Virginia. Attachment Four – *Proposal Bond Form* and Attachment Five – *Protest Bond Form* shall be completed and submitted.

2. **Mandatory Requirements (1,080 total points)**

In Attachment Six – *Mandatory Requirements Yes/No Matrix*, the Offeror shall indicate its compliance with each mandatory requirement by selecting “**Yes**” (Complies) or “**No**” (Does Not Comply).

In Attachment Seven – *Mandatory Requirements with Jurisdiction Matrix*, the Offeror shall indicate its capability for each requirement by selecting one (1) of the following responses: (a) **Yes – Currently in Production** (Offeror can provide **and** the requirement is currently in production in a U.S. iLottery jurisdiction) and identifying the applicable jurisdiction in the designated column, (b) **Yes – Not Currently in Production** (Offeror can provide **but** the requirement is **NOT** currently in production/operation in a U.S. iLottery jurisdiction), or (c) **No** (Offeror cannot provide).

3. **System Capabilities (1,100 total points)**

- a. System Infrastructure and Security (200 points)

- i. System Overview

Offeror shall describe its ability to conform to and perform all requirements as detailed in RFP Section III *Statement of Needs*; A. *Information Technology Requirements*; 1. *System Overview*. The description shall clearly demonstrate how the proposed system meets or exceeds the specifications and expectations outlined in this section. Specifically, the Offeror shall provide the following specifics to the proposed solution:

- System architecture and design principles including cloud infrastructure, data infrastructure, security structure, and diagrams to support the proposed solution.
- Compliance with recognized frameworks and certifications.
- Approvals from independent testing laboratories.
- Upgrade methodology, schedule, and assurance of non-disruptive deployment.
- Confirmation of alignment to Virginia local time for support, reporting, and balancing.

- ii. Infrastructure

Offeror shall describe its ability to conform to and perform all requirements as detailed in RFP Section III *Statement of Needs*; A. *Information Technology Requirements*; 2. *Infrastructure*. The description shall clearly demonstrate how the proposed system meets or exceeds the specifications and expectations outlined in this section. Specifically, the Offeror shall provide the following specifics to the proposed solution:

- Description of primary and backup data centers.
- Evidence of U.S. location and regulatory compliance.
- Geographic redundancy and availability zones.
- Disaster recovery plan and testing cadence.
- Redundancy architecture for servers, networks, components.



- VITA SEC 530 compliance documentation.
- System performance benchmarks (latency, scaling, failover).

iii. System Security

Offeror shall describe its ability to conform to and perform all requirements as detailed in RFP Section III *Statement of Needs*; A. *Information Technology Requirements*; 3. *System Security*. The description shall clearly demonstrate how the proposed system meets or exceeds the specifications and expectations outlined in this section. Specifically, the Offeror shall provide the following specifics to the proposed solution:

- Compliance with all VITA SEC 530, Attachment Two – *Information Security Terms and Conditions*, and MUSL requirements.
- Access control administration and audit capabilities.
- Logging functionality, retention, and real-time reporting.
- Integrity controls (checksums, hash algorithms).
- Information sharing plan with third-parties.
- Incident detection, response, and recovery.

iv. Data Integrations

Offeror shall describe its ability to conform to and perform all requirements as detailed in RFP Section III *Statement of Needs*; A. *Information Technology Requirements*; 6. *Data Integrations*. The description shall clearly demonstrate how the proposed system meets or exceeds the specifications and expectations outlined in this section. Specifically, the Offeror shall provide the following specifics to the proposed solution:

- How the proposed system will support a centralized player database, log all player data, and maintain complete histories of player actions.
- How the proposed system will enable real-time or near real-time querying, reporting, and data export (including Excel) of player and transactional information for Lottery analysis and operations.
- How the proposed system will convert existing player databases while preserving credentials, histories, and single sign-on continuity.
- How the proposed system will integrate with communication platforms, data feeds, third-parties and other system components (such as Rewards, MUSL, affiliates, customer service, etc.).
- How the proposed data warehouse will integrate all Lottery sources, support data processing, allow analysis with leading tools, and ensure the Lottery owns and can fully access all data for reporting and export.

v. Reporting Services

Offeror shall describe its ability to conform to and perform all requirements as detailed in RFP Section III *Statement of Needs*; A. *Information Technology Requirements*; 8. *Reporting Services*. The description shall clearly demonstrate how the proposed system meets or exceeds the specifications and expectations outlined in this section. Specifically, the Offeror shall provide the following specifics to the proposed solution:

- Describe the Offeror's reporting architecture and ability to deliver automated, scheduled, and ad-hoc reports without Lottery or vendor assistance.
- Identify standard and customizable reports available for wagering, validation, financials, promotions, payments, rewards, and responsible gaming, including



supported export formats.

- Describe real-time dashboards available to Lottery staff, including transaction-level visibility, performance trends, and forecasting capabilities.
- Explain capabilities for reconciliation and balancing reporting, including NGR calculations and alignment between the central gaming system and ICS.
- Describe daily operational reporting (e.g., registrations, deposits, withdrawals, wagers, prizes, GGR/NGR) and reconciliation to financial ledgers.
- Describe reporting available for geolocation, identity verification, claims, payments, and back-office user access, including failure tracking and audit support.

vi. Alerting

Offeror shall describe its ability to conform to and perform all requirements as detailed in RFP Section III *Statement of Needs; A. Information Technology Requirements; 9. Alerting*. Specifically, the Offeror shall describe its alerting approach it will use, including (1) how alerts are detected and generated, (2) how alerts are delivered to the Lottery and any Lottery designees, (3) how incidents are escalated and tracked through closure, and (4) how alerting is tested and maintained in production. The description shall clearly demonstrate how the proposed system meets or exceeds the specifications and expectations outlined in this section to include but not limited to:

- Describe trigger logic/thresholds, data sources (logs/metrics/files), and whether detection is real-time or scheduled.
- Define severity levels (e.g., Critical/High/Medium/Low) and who is notified for each. Identify delivery methods (email/SMS/phone/portal) and required timelines for notify/acknowledge/escalate, including the 24-hour suspected/known breach notification. Include escalation paths and after-hours/on-call coverage.
- Identify monitoring/alerting tools (e.g., SIEM/observability/ITSM) and how they integrate with logging and ticketing. Describe alert de-duplication/correlation, false-positive tuning, and retention of alert history/audit logs (who did what/when) available to the Lottery.
- Describe the end-to-end workflow from alert to incident/case creation, triage, investigation, communication to the Lottery, and closure. Provide the reporting the Lottery will receive (e.g., alert/incident dashboard access, alert history export, root cause, corrective actions, and SLA/response-time metrics) and the cadence for routine operational reporting.
- Explain how alert rules are validated prior to production, how production alerting is periodically tested (including failover/DR, file transfer failures, and report failures), and how changes to alert thresholds/rules are approved, version-controlled, and rolled back.

vii. Audit Requirements

Offeror shall describe its ability to conform to and perform all requirements as detailed in RFP Section III *Statement of Needs; A. Information Technology Requirements; 10. Audit Requirements* including its ability to provide the required audits.

b. Software Development Process (150 points)

Offeror shall describe its ability to conform to and perform all requirements as detailed in RFP Section III *Statement of Needs; A. Information Technology Requirements; 4. Software Development* and *5. Testing and Quality Assurance*. The description shall clearly demonstrate how the proposed system meets or exceeds the specifications and expectations outlined in this section. Specifically, the Offeror shall provide the following specific to the proposed solution:



- i. Software Development Lifecycle (SDLC) methodology (to include but not limited to security, quality, and load testing) and release cadence (to include planned releases and emergency/bug fix releases). Describe how the Offeror manages a collaborative multi-team environment for reporting new feature sets and bug triage throughout the SDLC.
 - ii. QA, UAT, and pre-production environment descriptions and how code moves through the environments.
 - iii. Describe the proposed end to end testing process for games and features.
 - iv. Does testing include any automation and/or Artificial Intelligence (AI) and if so, describe the methodology.
 - v. Change control workflows and processes.
 - vi. Documentation practices.
 - vii. Development hour commitments proposed.
 - viii. Estimated hours and brief summary of the method for completing the game in Attachment Eight – *New Game Scenario*.
 - ix. Version control and configuration management practices.
- c. Retail Support (50 points)
Offeror shall describe its ability to conform to and perform all requirements as detailed in RFP Section III *Statement of Needs; A. Information Technology Requirements; 7. Retail Sales Support*. The description shall clearly demonstrate how the proposed system meets or exceeds the specifications and expectations outlined in this section. Offeror’s response shall include how they will support retailers to include at a minimum the following:
- i. Withdrawal vouchers
 - ii. Digital wallet usage at retail
 - iii. Coupon validation
 - iv. Connection to central retail gaming system
 - v. Affiliate program functionality
 - vi. Realistic and innovative solutions on how to further support retail sales from the iLottery system and vice versa.
- d. Player Accounts, Payments, and Withdrawals (150 points)
Offeror shall describe its ability to conform to and perform all requirements as detailed in RFP Section III *Statement of Needs; B. Player Accounts 1. Player Account Management System* and Section III *Statement of Needs; D. Payments*. The description shall clearly demonstrate how the proposed system meets or exceeds the specifications and expectations outlined in this section. Offeror’s response shall include the following specifics to include at a minimum the following:
- i. Player Account Management Capabilities
Offerors shall describe how the proposed system supports:
 - Player registration (to include screenshots outlining the user experience) and customer data and identity authentication
 - Enforcement of one account per player
 - Secure storage and management of player data and history
 - Player self-service account management, updates and customization features
 - Limited access and training accounts
 - Back-office user roles, access controls, and auditability
 - ii. Age, Identity, and Fraud Controls
Offerors shall detail:



- Identity and age verification methods used at registration
 - KYC standards and compliance with regulated gaming requirements
 - Fraud detection, prevention, and remediation capabilities
 - Handling of fraudulent accounts and associated financial liability
 - Ongoing monitoring and improvement of fraud controls
- iii. Geolocation and Regulatory Compliance
Offerors shall describe their geolocation solution, including:
- Methods used to determine and validate player location at time of purchase
 - Coverage across internet, Wi-Fi, cellular, and other connection types
 - Detection and prevention of VPNs, proxies, and spoofing technologies
 - Configuration of exclusion zones and border buffer distances
 - Audit trails, reporting, and regulatory approval processes
 - Player experience considerations and performance impacts
- iv. Player Authentication and Security
Offerors shall explain:
- Login security controls, including password standards and MFA
 - Single sign-on capabilities for player and back-office systems
 - Password reset processes, forced resets, and password reuse restrictions
 - Account restriction and suspension capabilities
 - Protection of PII and compliance with applicable security standards
- v. Player Wallet and Payment Acceptance
Offerors shall describe:
- Electronic wallet functionality and balance classifications
 - Supported funding methods (current and future)
 - Deposit processing timelines and availability of funds by method
 - Handling of vouchers, prepaid instruments, and retail-based funding
 - Saved payment methods and PCI-compliant storage
 - Configuration of minimums, maximums, and frequency limits
 - Ability to support single-purchase transactions without wallet funding
- vi. Banking, Merchant of Record, and Risk Management
Offerors shall provide:
- Description of banking arrangements and settlement process times
 - Monthly reconciliation of settlements to platform financial activity
 - Merchant of Record responsibilities
 - Dispute and exception processing and timelines (including account inactivation)
 - PCI certification status and scope
 - Compliance with AML, NACHA, and payment regulations
 - Failover and redundancy for banks and payment processors
 - Responsibility for payment fees, chargebacks, and fraud losses
- vii. Payment Issuance and Withdrawals
Offerors shall explain:
- Available withdrawal methods and processing timelines
 - Support for retail withdrawals and vouchers
 - Configurable withdrawal limits and frequencies
 - Payment holds, re-enablement, and exception handling
 - Annual commitment to new payment methods and enhancements



- Withdrawal tracker functionality and player notifications
- viii. Online Claim Center and Prize Processing
Offerors shall describe:
 - Immediate prize payment capabilities and configurable thresholds
 - Large prize, annuity, and multi-threshold claim handling
 - Claims tracker functionality and player notifications
 - Back-office claim processing workflows and controls
 - Two-person verification processes where required
- ix. Tax, Offsets, and Regulatory Reporting
Offerors shall detail:
 - Automatic calculation of federal, state, and non-resident tax withholdings
 - W2-G generation, storage, and player access
 - Offset management, tracking, and reporting
 - Required export files and reporting formats
 - Compliance with Federal Tax Information (FTI) rules
- x. Document Management and Secure Communications
Offerors shall explain:
 - Secure document upload and storage capabilities
 - Reuse of previously submitted documentation
 - Back-office ability to upload documents on behalf of players
 - Automated and manual player communications related to claims
- xi. Performance, Capacity, and Reliability
Offerors shall demonstrate the ability to meet or exceed required capacities, including:
 - Concurrent player support
 - Transactions per minute
 - Total wagering accounts supported
 - System availability, redundancy, and disaster recovery
- xii. Data Ownership and Use
Offerors shall acknowledge and describe:
 - Lottery ownership of all system data
 - Limited use license during the contract term
 - Data access, reporting, and transition support at contract end
- e. Purchasing Flow and Games Approach (150 Points)
Offeror shall describe its ability to conform to and perform all requirements as detailed in RFP Section III *Statement of Needs*; B. *Player Accounts*; 3. *User Interface Components and Integration* and Section III *Statement of Needs*; C. *Games*. The description shall clearly demonstrate how the proposed system meets or exceeds the specifications and expectations outlined in these sections. Offeror's response shall include, at a minimum, the following:
 - i. Purchasing Flow
Offeror shall describe how their proposed system addresses the following:
 - Delivers a single, integrated purchasing experience across web, mobile web, and native mobile apps for play, Rewards, and all player-facing features, without redirecting players to separate domains or applications.
 - Supports central and persistent authentication, enabling players to log in once (to



include log in screenshots) and remain authenticated throughout the full purchasing experience, including Lottery-managed and approved third-party components.

- Provides responsive, modular UI components for purchasing-related functions, including game selection, account management, payments, transaction history, Rewards, and promotions, fully branded to Lottery standards.
- Implements a mobile-first design, optimized for mobile devices and native mobile behaviors.
- Supports shopping cart functionality, including:
 - Adding, editing, and removing draw game plays and deposits to a cart
 - A standardized e-commerce checkout flow
 - Ability to add favorite numbers and promotional codes
 - Support for non-registered users, new registrants, and logged-in players (to include differences between logged-in players and those who are not)
 - Retention of cart contents when purchases are not completed
- Exposes purchasing and UI functionality via APIs, enabling Lottery or designated third parties to support customized purchase flows and third-party shopping carts.
- Provides in-flow messaging, including secure notifications related to promotions, documentation requests, and responsible gaming.
- Supports personalization and testing, including real-time personalized content, Lottery-defined player journeys, and A/B or concept testing to optimize conversion and purchasing performance.

ii. Accessibility

Offeror shall describe how their proposed solution addresses the following:

- Complies with accessibility standards, including the Virginians with Disabilities Act, Americans with Disabilities Act (ADA), and WCAG 2.1 AA, and how compliance will be maintained as standards change at no additional cost or hours.
- Integrates accessibility into the software development lifecycle, including ongoing assessment during design, development, testing, and releases.
- Conducts accessibility testing, including:
 - Quarterly automated accessibility scans, and
 - Annual third-party accessibility assessments.
- Provides reporting and remediation, including:
 - Delivery of unabridged scan and assessment reports to the Lottery, and
 - A collaborative process with the Lottery to prioritize and address accessibility improvements.

iii. Games Approach

Offeror shall describe how the proposed System:

- Supports game sales, including draw, eInstant, and eDraw games, across web, mobile, and app channels using a mobile-first approach.
- Integrates third-party game providers, including:
 - Ability to integrate draw and eInstant games from remote game servers
 - Provision of complete integration documentation to new providers within 30 days of Lottery notice
 - Completion of third-party integrations within 90 days of receipt of required documentation
 - Availability of development and testing environments for game vendors
- Manages third-party game relationships, including:
 - Contracting with game providers under Lottery-approved standard terms with no



- minimums, guarantees, or exclusivity
 - Support for direct integration or aggregation at the Lottery's sole direction
 - Identification of potential game providers
 - Supports minimum launch integrations, including all Lottery-identified game providers and all currently available draw games offered on the Lottery's existing platform.
 - Provides an integration roadmap for any game providers not available at launch.
 - Implements game launch and shutdown controls, including the ability to disable any game within 15 minutes of Lottery direction and prevent unapproved launches.
 - Provides comprehensive game reporting, including sales, wagers, players, wins, payouts, sessions, and demographic metrics, sortable by platform, provider, game, and standard timeframes.
 - Supports eInstant games, including:
 - Demo (free-play) mode identical to money mode
 - Rapid game add/modify/remove capabilities
 - Support for at least five (5) new game launches per month
 - Support for all current game mechanics, including progressive jackpots
 - Any new game mechanics not currently implemented by the Lottery and how new game mechanics will be implemented in the future
 - Provision of front-end and back-end game demos and performance data from comparable jurisdictions
 - Supports draw games, including:
 - Single ticket, multi-ticket, and subscription/autorenewal sales
 - Online raffles with non-cash and progressive prizes
 - Parameter-based purchase controls and liability limits
 - Accurate winner determination and prize calculation
 - Favorite numbers, parimutuel prizes, rapid-draw games, and stepped-down drawings
 - Player and system-initiated subscription cancellation, including cancellation for self-exclusion or geolocation failures
 - Integrates with an Internal Control System (ICS), including:
 - Use of an independent, Lottery-approved ICS subvendor
 - Near real-time transaction feeds for wagering, promotional, and prize transactions
 - Automated balancing, reconciliation, and audit reporting
 - Dual production environments and a UAT ICS instance
 - Error handling, recovery, and 24/7 ICS support
 - Ensures compliance, including adherence to Lottery requirements, MUSL standards, and applicable federal, state, and multi-state regulations.
- f. Responsible Gaming (125 Points)
- Offeror shall describe its ability to conform to and perform all requirements as detailed in RFP Section III *Statement of Needs*; B. *Player Accounts*; 2. *Responsible Gaming*. The description shall clearly demonstrate how the proposed system meets or exceeds the specifications and expectations outlined in these sections. Offeror's response shall include, at a minimum, the following:
- i. Player Limits & Controls
- Offeror shall describe its proposed player limit and control functionality to include the following:
- Configurable player funding, spending, deposit, wager, and loss limits (to include but not limited to daily, weekly, monthly) as designated by the Lottery.



- Ability for the Lottery to set minimum, maximum, and default limits.
 - Player ability to immediately reduce limits, with enforced waiting periods for limit increases.
- ii. Cool-Off, Self-Exclusion, and Voluntary Exclusion Program (VEP)
- Player self-service tools to set cool-off periods and self-exclusion for a minimum of 12 hours.
 - CSC and Lottery ability to exclude players for designated periods.
 - Controls to prevent VEP or self-excluded participants from logging in, creating new accounts, receiving promotional communications, or participating in promotional activities.
 - Enforcement of exclusions across individual games, game types, or all games.
 - Integration with the Lottery’s official VEP.
 - Reinstatement of accounts only upon official removal from VEP.
- iii. Time & Transparency Controls
- Session time limits and automated in-session reminders.
 - Continuous display of total play time during gameplay.
 - Display of “Amount Played” and “Amount Won” during sessions.
 - Player access to Win/Loss statements with configurable timeframes.
- iv. Standards & Compliance
- Compliance with Internet Responsible Gambling Standards.
 - Compliance with NASPL/NCPG Responsible Gambling Verification Program Standards.
 - Compliance with World Lottery Association (WLA) standards as directed by the Lottery.
- v. System Integration
- Real-time enforcement of Responsible Gaming controls across all games, platforms, and third-party systems.
 - Real-time updates to all communication systems upon start and expiration of exclusions, with no automatic expiration notifications unless directed by the Lottery.
- g. Player Communication and Promotional Capabilities (100 Points)
- Offeror shall describe its ability to conform to and perform all requirements as detailed in RFP Section III *Statement of Needs*; E. *Customer Engagement*; 1. *Player Communication and 2. Promotions*. The description shall clearly demonstrate how the proposed system meets or exceeds the specifications and expectations outlined in this section. Offeror’s response shall include, at a minimum, the following:
- i Player Communication
- Offeror shall describe its proposed player communication platform including:
- Supported communication channels (email, SMS, push notifications, in-app messages, pop-ups, and web notifications) and identification of any third-party subcontractors.
 - Ability to support and demonstrate multiple communication channels running and targeting different segments to support personalization
 - Ability to support transactional, responsible gaming, and marketing communications, including automated, event and/or behavior-driven notifications.
 - How players and the Lottery manage opt-in/opt-out communication preferences across



all channels and message types (e.g., promotions, Rewards, jackpot alerts, winning numbers).

- Campaign and workflow management capabilities (include screenshots), including:
 - Concurrent campaigns and triggers
 - Automated and manual messaging for all players, regardless of play style (retail and/or online)
 - Behavioral and Rewards-based triggers for both retail and online players who are Rewards members.
- Segmentation capabilities based on player behavior, activity, spend, Rewards status, and Rewards engagement across both retail and online, not just online players
- Communication composition tools, including:
 - Ability for Lottery to independently use proposed communication tools
 - Template management
 - Personalization and dynamic content
 - Mobile and desktop support
 - Screenshots of how communications are built and sent out based on different scenarios.
- Quality control features, including testing, previews, and A/B testing.
- Deliverability services, including dedicated IPs, de-duplication, suppression lists, and frequency controls.
- Reporting and analytics available to the Lottery, including delivery, engagement, performance trends, and benchmarking.

ii Promotional Capabilities

Offeror shall describe its promotion management capabilities, including:

- Creation, configuration, execution, and reporting of promotions within the system.
- Promotion code functionality, including:
 - Single-use and multi-use codes
 - Player-specific and global codes
 - Multi-entry-point redemption
- Support (to include back and front-end flow) for promotional offers such as:
 - Free draw and eInstant games
 - Deposit bonuses (percentage or fixed value)
 - Shopping cart discounts
- Automated and manual promotion triggers based on player actions, events, frequency of play and schedules.
- Controls to ensure self-excluded players and/or players flagged as fraudulent do not receive promotions and are not allowed to participate in Rewards.
- Ability to run multiple concurrent promotions, including targeting different segments simultaneously.
- Personalization and versioning of promotions based on player activity, segmentation, and Lottery-defined criteria.
- Promotion reporting, including player-level tracking, redemption performance of online and rewards, and configurable reporting intervals.

h. Rewards Program (100 Points)

Offeror shall describe its ability to conform to and perform all requirements as detailed in RFP Section III *Statement of Needs*; E. *Customer Engagement*; 3. *Rewards Program*. The description shall clearly demonstrate how the proposed system meets or exceeds the specifications and expectations outlined in this section. Offeror's response shall include, at a



minimum, the following:

i Architecture & Integration

Offeror shall describe the Rewards Program architecture, identifying whether it is native or third-party, and how it integrates with the Player Account Management (PAM) system, including synchronization of points, tiers, and balances as well as integrates retail players and purchases. Offeror shall demonstrate how player account activity is displayed to both the player and the Lottery. Offeror shall denote if data (both online and retail transactions) is captured and displayed in real-time or batch.

ii Earning Logic & Flexibility

Identify all point-earning activities (to include product specific promotions such as X times the points for retail and online products), distinguishing launch vs. future capabilities with estimated timelines. Describe how point values are configurable by channel (retail vs. online), promotion, or campaign, and how the system supports at least nine (9) configurable tiers. Offeror shall demonstrate point threshold configuration for points to include transactions from online and retail as well as redeemable free play for online and retail and how this information displayed to the player (include screenshots). Offeror shall demonstrate backend for collective point expiration.

iii Redemption Options

Describe all redemption options (e.g., bonus credit, free games, draw tickets, coupons, rewards-specific drawings), how redemptions occur (native UI or third party), applicable limits, and controls to prevent fraud and duplicate redemptions for both retail and online. Offerors shall also demonstrate how to support inventory for a points-based “ecommerce store” where players can purchase merchandise with points and how that is sent back to the Lottery for fulfillment.

iv Ticket Entry

Explain how points are earned from retail scratchers, retail draw tickets, and online purchases. Describe how ticket price, channel, and product type affect point assignment and outline fraud controls for ticket entry.

v Badges & Gamification

Describe badge and gamification features (including how to leverage affiliates), including creation, assignment, display, earning logic, and how these features drive engagement and acquisition for both retail and online.

vi Rewards Community

Offerors shall describe their capability to deliver an integrated online Rewards community platform that supports member participation, survey-based engagement, and configurable Reward point attribution, including examples of current production use.

vii User Access & Controls

Detail staff roles and permissions for viewing balances and history, adjusting points, merging accounts, correcting errors, and audit logging. Describe controls preventing unauthorized changes.

viii Reporting & Dashboards

Identify standard reports, customization options, and available dashboards.



i. Customer Service (75 Points)

Offeror shall describe its ability to conform to and perform all requirements as detailed in RFP Section III *Statement of Needs*; F. *Staffing and Support*; 1. *Customer Service*. The description shall clearly demonstrate how the proposed system meets or exceeds the specifications and expectations outlined in this section. Offeror's response shall include, at a minimum, the following:

i Service Model & Availability

Offeror shall detail its ability to provide 24/7/365 customer support for Lottery players without interruption to include proposed inquiry channels, including:

- Telephone
- Email
- Live chat
- Chatbot
- Integration of the CSC with the Lottery mobile app and website help widget

ii Staffing & Account Management

Offeror shall describe its CSC staffing model to include:

- Staffing levels that scale to meet demand
- Confirmation that at least one dedicated agent per shift is assigned solely to Virginia Lottery
- Availability of dedicated account management staff serving as a single point of contact for the Lottery
- Proposed meeting cadence with the Lottery
- Procedures for escalation, including supervisor and team lead contact information
- Proposed CSC organizational chart showing roles and responsibilities

iii Training & Supported Topics

Offeror shall describe its training approach for CSC staff to include:

- System and iLottery program functionality
- Responsible gaming requirements
- Lottery brand and customer service standards
- Account and transaction questions
- Winning numbers and general Lottery inquiries
- Escalation or routing of specialized issues

iv Multilingual & Accessibility Support

Offeror shall list the languages supported at launch, the process for adding additional languages as required by the Lottery, and its approach to serving multilingual players

v Technology, Tools & Access

Offeror shall describe its CSC system capabilities, including:

- Case creation, tracking, and resolution
- Tiered administrative access for Lottery staff
- Ability to transfer cases, notes, and live calls between systems
- Ability for CSC and Lottery staff to view player information
- Ability for CSC and Lottery staff to award bonuses, Rewards points, coupons, or other adjustments as directed



vi Monitoring, Reporting & Quality Assurance

Offeror shall detail its CSC reporting and QA capabilities to include the following:

- Call, email, and chat monitoring capabilities, including:
 - Real-time dashboards
 - Call recording and playback access for the Lottery
- Standard CSC reporting, including:
 - Call and chat abandonment rates
 - Wait times and response times
 - Inquiry trends and volumes
- Player satisfaction measurement methods and reporting (quantitative and qualitative).

vii Compliance

The Offeror shall describe its ability to monitor, investigate, and take action to prevent fraud and address compliance issues related to player accounts and transactions. At a minimum, the Offeror shall describe its method for the following:

- Approval, suspension, or denial of player deposits, withdrawals, and methods;
- Approval, release, escalation, or denial of prize payments;
- Advancement of prize payments to additional levels of Lottery review, as required; and
- Communication with account holders to request and track additional documentation needed for compliance review.

Additionally, the Offeror shall detail its ability to implement and maintain a system to identify, categorize, document, and track compliance issues related to player transactions and account activity. The Offeror shall describe how the proposed system supports classification of issues including, but not limited to, suspected fraud, irregular financial activity, identity or KYC concerns, and other regulatory or compliance matters.

viii Data Retention & Transition

Offeror shall describe its data retention policies for CSC records, aligned with Lottery requirements, and its ability to export and transfer CSC data to a successor vendor upon contract expiration or termination.

ix Business Continuity

Offeror shall detail its CSC failover and disaster recovery approach, including:

- Staffing and technology redundancy
- Backup locations

Offeror shall provide the location of CSC operations and notice requirements for location changes.

j. Staffing (30 Points)

Offeror shall describe its ability to conform to and perform all requirements as detailed in RFP Section III *Statement of Needs*; F. *Staffing and Support*; 2. *Staffing Requirements*. The description shall clearly demonstrate how the proposed staffing meets or exceeds the specifications and expectations outlined in this section. Offeror's response shall include, at a minimum, the following:

- Biographies or resumes of proposed staff to fill required positions
- Organizational structure
- Where staff will be located by position



- Any additional proposed positions dedicated to the Lottery
- Corporate support to help escalated issues

4. *Capability to Enhance the iLottery Program (550 Total Points)*

The Offeror shall provide a comprehensive, evidence-based description of its capabilities and strategic recommendations for enhancing the iLottery program. Responses shall clearly prioritize focus, depth, and measurable outcomes.

a. Increase Sales (100 Points)

The Offeror shall describe specific strategies, technologies, and methodologies designed to increase Lottery sales. Responses should include proven approaches to driving purchase frequency, basket size, and product mix optimization, supported by relevant experience and measurable performance outcomes.

b. Increase Profits (200 Points)

The Offeror shall provide a detailed and data-driven explanation of how its proposed solution increases net profitability for the Lottery. This section should emphasize margin optimization, cost efficiency, promotional effectiveness, player value management, and operational scalability. Given the weighting, responses should demonstrate mature financial controls, analytics-driven decision-making, and evidence of sustained profit growth in comparable iLottery environments.

c. Increase Registrations (100 Points)

The Offeror shall describe strategies to increase player registrations, including acquisition channels, onboarding optimization, identity verification efficiency, and conversion from anonymous or retail players. Responses should reference measurable registration growth and lessons learned from prior deployments.

d. Increase First-Time Depositors (100 Points)

The Offeror shall detail specific approaches to converting registered players into first-time depositors. This should include user experience design, payment accessibility, promotional mechanics, behavioral nudges, and friction reduction strategies, supported by empirical results where available.

e. Increase Market Share Expansion and Competitive Differentiation (50 Points)

The Offeror shall provide a concise but substantive description of its strategy for securing and expanding market share in a competitive gaming environment. Responses should address differentiation through technology, player experience, product innovation, and operational execution, supported by evidence of success against comparable competitors.

5. *Implementation and Ongoing Support (200 Total Points)*

The Offeror shall provide a comprehensive implementation plan for the iLottery program. The plan shall clearly outline the following components:

a. Implementation Timeline (50 Points)

The Offeror shall present a detailed, end-to-end project timeline that clearly identifies all implementation phases and deliverables. The timeline shall include anticipated start and completion dates, dependencies, milestones, and critical path activities, demonstrating a realistic and achievable approach to deployment. Please note, the current contract end date is October 30, 2028.



b. Implementation Support (50 Points)

The Offeror shall describe the implementation support model to be provided throughout the lifecycle of the project. This section shall include identification of key roles and responsibilities, staffing levels, escalation paths, and ongoing support during transition and stabilization. The response should clearly demonstrate the Offeror's capacity to actively support the Lottery before, during, and after go-live. Offerors shall also detail what Lottery resources are required for a successful implementation.

c. Implementation Design, Approach, and Methodology (50 Points)

The Offeror shall describe its overall implementation design and methodology, including project governance, communication structure, description of different environments, data migration, cutover plan, and execution approach. The response should explain how the methodology supports timely delivery, quality assurance, stakeholder alignment, and risk reduction.

d. Service Level Agreements (SLAs), Liquidated Damages (LDs), and Ongoing Maintenance (50 Points)

The Offeror shall provide a detailed description of any proposed changes or deviations from the baseline Service Level Agreements (SLAs) and Liquidated Damages (LDs) outlined in the Attachment Three – *Service Level Agreements and Liquidated Damages Provisions*. For each proposed change, the Offeror shall clearly articulate the rationale, including any anticipated impacts on project delivery, operational risk, or system performance. The response should demonstrate an understanding of the Lottery's expectations and provide supporting justification for all suggested modifications.

In addition, the Offeror shall present a comprehensive plan for the ongoing maintenance of the iLottery system. This plan shall address scheduled and unscheduled maintenance procedures, regular system updates, proactive monitoring, incident response protocols, and communication strategies with the Lottery. The Offeror should also identify roles and responsibilities for maintenance activities, describe escalation and support processes, and outline how continued compliance with SLAs and performance standards will be ensured throughout the contract term.

6. Case Studies (150 Points Per Case Study)

The Offeror shall provide three (3) comprehensive case studies demonstrating prior experience in implementing and operating iLottery systems. At least one case study shall be from a U.S. Lottery iLottery system implementation similar in size and scope to the Virginia iLottery program. For the other two (2) case studies, Offerors may submit case studies pertaining to full iLottery solutions or case studies that substantially satisfy, but do not meet in full, the specified requirements. However, case studies will receive higher evaluation scores if they demonstrate the successful implementation of a comprehensive iLottery solution for a U.S. lottery. All submitted case studies will be considered and evaluated based on their relevance and alignment with the stated criteria.

1. Relevance: Each case study should clearly describe the client organization, project objectives, and how the engagement relates to the Virginia iLottery program in terms of player base and behavior annual sales volume, product offerings, and regulatory environment.
2. Required Information for Each Case Study:
 - i. Client name and project duration (including start and end dates).
 - ii. Scope of services delivered, including technology platforms, game portfolio, and integration with legacy or third-party systems.
 - iii. Key performance metrics such as total sales, number of active and registered players, and



- growth rates post-implementation.
- iv. Major challenges encountered and solutions applied.
- v. Any awards, recognitions, or measurable outcomes relevant to the Virginia iLottery program.

The Offeror’s case studies should demonstrate an ability to deliver scalable, secure, and innovative iLottery solutions, directly supporting the objectives and operational requirements outlined for the Virginia iLottery program.

7. *Small, Women-Owned, and Minority-Owned Business (SWaM) (450 points)*

Offeror shall provide a detailed description of participation of minority-owned, woman-owned, and small businesses in the performance of this Contract through subcontracting programs. Please complete the SWaM table below. Please note the Lottery only recognizes business certified by the Virginia Department of Small Business and Supplier Diversity (SBSD) as SWaM. Offerors may add additional lines as required:

Small Business Name and Certificate Number	Planned Involvement	Planned Contract Dollars
Certificate #:		
Certificate #:		
Total Planned Contract Dollars		

8. *Pricing (430 points)*

Offerors shall submit their pricing in their sealed proposal independently of the rest of their proposal.

Alternate pricing schedules may be proposed and are encouraged, but the pricing to furnish goods/services as specified herein shall be provided with Offerors’ proposals as required and organized in the below pricing model. **Failure to provide pricing as required may result in the rejection of an Offeror’s proposal.** Alternate pricing schedules can only be proposed as a possible option and not the sole pricing offered.

Pricing Assumptions*:

When developing their price proposal, Offerors shall use the below data:

- Estimated Gross Sales for eInstant Games
 - FY27: \$4.27B
 - FY28: \$5.00B
 - FY29: \$5.20B
 - FY30: \$5.40B
 - FY31: \$5.60B
 - FY32: \$5.80B



- Estimated Gross Sales of Draw Games Through iLottery:
 - FY27: \$175M
 - FY28: \$185M
 - FY29: \$195M
 - FY30: \$200M
 - FY31: \$205M
 - FY32: \$210M
- Estimated Total Deposits: 27% of Gross Sales
 - FY27: \$1.15B
 - FY28: \$1.35B
 - FY29: \$1.40B
 - FY30: \$1.46B
 - FY31: \$1.51B
 - FY32: \$1.57B
- Estimated Payout Rate for eInstant Games: 89% of gross sales
- Estimated Promotion Rate: 10% of GGR

*Estimated sales and deposits listed above do not constitute official forecasts and are not guaranteed during the term of any awarded Contract and extension thereof. These estimated figures are provided strictly for the Offerors to propose their price in response to this RFP and to fulfill the terms of Contract.

Definitions

Payouts: The total amount returned to players from eInstant or draw-based games.

Promotions: Marketing costs and incentives offered to players,

Gross Gaming Revenue (GGR): Gross sales minus payouts.

Net Gaming Revenue (NGR): GGR minus promotions.

eInstant Game: An instant play or scheduled drawing play game with theoretical payout above 85%

Draw Game: A scheduled drawing game with theoretical payout less than 70%

eInstant Sales Pricing:

Offerors shall propose a percentage of Net Gaming Revenue (NGR) for eInstant sales. The proposed percentage must account for **all** system-related costs, including but not limited to:

- Geolocation services
- Banking and payment processing fees
- Identity verification
- Aggregation platform costs
- Rewards Platform
- Information Security Adherence



- Email Marketing Platform
- CRM Marketing Platform
- First-Party Game Studio

Please specify the percentage of NGR to be charged for the provision, operation, and maintenance of the iLottery system for eInstant games.

NGR Percentage: _____

Draw Based Games

Offerors shall propose a percentage of gross sales for Draw Based games sold through the iLottery platform.

Gross Sales Percentage: _____

Total Pricing:

eInstant:

Year	NGR*	eInstant Fee (%)	eInstant Fee (\$)
FY28	\$495.0M		
FY29	\$514.8M		
FY30	\$534.6M		
FY31	\$554.4M		
FY32	\$574.2M		

Draw Based:

Year	Gross Sales*	Draw Based Fee (%)	Draw Based Fee (\$)
FY28	\$185M		
FY29	\$195M		
FY30	\$200M		
FY31	\$205M		
FY32	\$210M		

Total Proposed Price:

Year	eInstant Fee	Draw Based Fee	Total Fee
FY28			
FY29			
FY30			
FY31			
FY32			
Grand Total			

*Estimated sales listed above do not constitute official forecasts and not guaranteed during the term of any awarded Contract and extension thereof. These estimated figures are provided strictly for the Offerors to propose their price in response to this RFP and to fulfill the terms of Contract. The Lottery does not guarantee any proposed fees as it is based on estimated sales. Actual fees may fluctuate from year to year depending on the actual total sales volume generated during each fiscal year period.



No extra charges can be assessed for modifications resulting from changes in federal and/or state laws and/or regulations affecting the iLottery program.

C. SOLICITATION QUESTIONS AND PROCUREMENT TIMELINE:

1. Offerors can submit questions via email to the Contract Officer whose name appears on the cover page of this solicitation. All contact, whether verbal or written, pertaining to this RFP, shall only be with that designated Contract Officer for the duration of the procurement process. Violation of this requirement may subject the Offeror’s proposal being rejected for noncompliance with the RFP requirements.

The Lottery does not guarantee a response to any questions received after August 19, 2026.

2. The following procurement timeline is subject to change as the procurement progresses. Please note the deadline within which to submit questions.

Procurement Process	Estimated Completion Date
First Round of Questions due to Lottery	July 21, 2026
Addendum #1 Issued*	August 5, 2026
Second Round of Questions due to Lottery	August 19, 2026
Addendum #2 Issued*	September 2, 2026
RFP Due Date	September 23, 2026 3:30 PM EST
Estimated Contract Award	Second Quarter of Calendar Year 2027

*Estimated dates, actual release date of Addendums is dependent on amount and complexity of questions received.

V. EVALUATION AND AWARD CRITERIA:

A. EVALUATION CRITERIA:

The Lottery seeks to Contract for the goods and/or services described herein with the responding Offeror who submits the best proposal as modified through negotiations. The written proposals, and any subsequent negotiated offers, will be evaluated and judged by the Lottery based on the following criteria:

Overall Evaluation Criteria	Scoring Points Available
Ability to Meet Minimum Requirements	1,080
Solution Approach, Methodology, and Capability	1,100
Strategic Recommendations	550
Implementation and Ongoing Support	200
Case Studies	450
SWaM	450
Pricing	430
Total Points Available	4,260

Total score for each evaluation criteria will be based on sub-criteria for each:

Ability to Meet Minimum Requirements: See Attachments 6 and 7.



Solution Approach, Methodology, and Capability:

Sub-Criteria	Scoring Points Available
System Infrastructure and Security	200
Software Development Process (Including testing)	150
Retail Support	50
Player Accounts, Payments, and Withdrawals	150
Purchasing Flow and Game Offerings	150
Responsible Gaming	125
Player Communication and Promotional Capabilities	100
Rewards Program	100
Customer Service	75
Staffing	30
Total Points Available	1,130

Strategic Recommendations

Sub-Criteria	Scoring Points Available
How to Increase Sales	100
How to Increase Profits	200
How to Increase Registrations	100
How to Increase First Time Depositors	100
How to Secure Market Share Against Competition	50
Total Points Available	550

Implementation and Ongoing Support

Sub-Criteria	Scoring Points Available
Implementation Timeline	50
Implementation Support	50
Implementation Approach	50
Service Level Agreements (SLAs), Liquidated Damages (LDs), and Ongoing Maintenance	50
Total Points Available	200

Case Studies

Sub-Criteria	Scoring Points Available
Case Study #1	150
Case Study #2	150
Case Study #3	150
Total Points Available	450



B. AWARD OF CONTRACT:

Two or more Offerors deemed to be fully qualified and best suited among those submitting proposals will be identified on the basis of the evaluation factors stated herein. Negotiations may be conducted with such Offerors. After negotiations have been conducted with each of these Offerors, the Lottery may select the Offeror(s) that, in its opinion, has made the best proposal, and award the Contract to that Offeror(s). The Lottery may cancel this RFP or reject proposals at any time prior to the award, and is not required to furnish a statement of the reasons why a particular proposal was not deemed to be the most advantageous. Should it be determined in writing that only one Offeror is fully qualified, or that one Offeror is clearly more highly qualified than the others under consideration, a Contract may be negotiated and awarded to that Offeror.

VI. SPECIAL TERMS AND CONDITIONS

1. Advertising

In the event a Contract is awarded resulting from this solicitation, no indication of such sales and/or services to the Lottery shall be used in product literature or advertising without the Lottery Executive Director's prior written approval. The Contractor shall not state in any of its advertising or product literature that the Lottery has purchased or uses its products and/or services.

2. Audit

The Contractor shall retain all books, records, and other documents relative to this Contract for five (5) years after final payment, or until audited by the Lottery and/or the Commonwealth of Virginia, whichever is sooner. The Lottery, its authorized agents, and/or state auditors shall have full access to and the right to examine any of said materials during said period and at no cost to the Lottery nor the Commonwealth of Virginia.

3. Proposal Acceptance Period

Any proposal in response to this solicitation shall be valid for 180 days. At the end of the 180 day period, the proposal may be withdrawn at the written request of the Offeror. If the proposal is not withdrawn at that time, it remains in effect until an award is made or the solicitation is canceled.

4. Proposal Bond

The Proposal Bond shall be issued in an amount equal to five percent (5%) of the Responding Offeror's Price Proposal and be in form and substance as referenced in Attachment Four. The Proposal Bond shall guarantee the availability of the products and/or services offered for 365 days from the due date of proposals. All required bonds shall be issued by a surety company which is legally authorized by the Virginia State Corporation Commission to do surety business in the Commonwealth of Virginia. The Lottery will return all Proposal Bonds immediately upon the execution of the Contract. The Proposal Bond will be forfeited to the Lottery if the Successful Responding Offeror fails to execute the Contract when required to do so by the Lottery.

5. Protest Bond

Responding Offeror shall provide a Protest Bond in an amount equal to not less than five percent (5%) of the Responding Offeror's Price Proposal. The Protest Bond shall remain in effect for one (1) year from the deadline for Proposal Submission. All required bonds shall be issued by a surety company which is legally authorized by the Virginia State Corporation Commission to do surety business in the Commonwealth of Virginia.



6. Cancellation of Contract

The Lottery reserves the right to cancel and terminate any resulting Contract, in part or in whole, without penalty, upon 60 days written notice to the Contractor. In the event of a material breach with no options to cure, the Lottery reserves the right to cancel this Contract within ten (10) days' written notice. If the initial Contract period is for more than 12 months, the resulting Contract may be terminated by either party, without penalty, after the initial 12 months of the Contract period upon 60 days' written notice to the other party. Any Contract cancellation notice shall not relieve the Contractor of the obligation to deliver and/or perform on all outstanding orders issued prior to the effective date of cancellation.

7. Confidentiality of Personally Identifiable Information:

The Contractor assures that information and data obtained as to personally-identifiable information and circumstances related to Lottery players/consumers, employees, retailers, vendors, applicants, and/or licensees will be collected and held confidential, during and following the term of this Contract, and will not be divulged without the individual's and the Lottery's written consent and only in accordance with federal law or the Code of Virginia. Contractors who utilize, access, or store personally identifiable information as part of the performance of a Contract are required to safeguard this information and immediately notify the Lottery of any breach or suspected breach in the security of such information. Contractors shall allow the Lottery to both participate in the investigation of incidents and exercise control over decisions regarding external reporting. Prior to execution of the Contract, the Contractor shall provide written certification regarding the Contractor's and their employees' compliance with this provision.

8. Conflict of Interest

The Contractor shall fully disclose to the Lottery all matters materially affecting the Lottery including any actual or potential conflict of interest within 24 hours of the Contractor's knowledge of such information, in writing and with sufficient specificity to allow the Lottery to assess the situation for remedy. In addition, the Contractor shall disclose or will disclose to the Lottery its ability to conduct future business with the Lottery and/or its ability to conduct business with certain third parties.

9. Continuity of Services:

The Contractor recognizes that the services under this Contract are vital to the Lottery and shall be continued without interruption and that, upon Contract expiration, a successor, either the Lottery or another Contractor, may continue them. The Contractor agrees:

1. To exercise its best efforts and cooperation to affect an orderly and efficient transition to a successor;
2. To make all Lottery owned facilities, equipment, and data available to any successor at an appropriate time prior to the expiration of the Contract to facilitate transition to successor; and
3. That the Lottery Contracting Officer shall have final authority to resolve disputes related to the transition of the Contract from the Contractor to its successor.

The Contractor shall, upon written notice from the Contract Officer, furnish phase-in/phase-out services for up to ninety (90) days after this Contract expires and shall negotiate in good faith a plan with the successor to execute the phase-in/phase-out services. This plan shall be subject to the Contract Officer's approval.



The Contractor shall be reimbursed for all reasonable, pre-approved phase-in/phase-out costs (i.e., costs incurred within the agreed period after Contract expiration that result from phase-in, phase-out operations) and a fee (profit) not to exceed a pro rata portion of the fee (profit) under this Contract. All phase-in/phase-out work fees shall be approved by the Contract Officer in writing prior to commencement of said work.

10. Data Breach:

Notification and Response

The Contractor shall notify the Lottery as soon as practicable, but in no event later than twenty-four (24) hours after becoming aware, of any actual or suspected Cybersecurity Incident or Data Breach involving Lottery Data, including unauthorized access, acquisition, disclosure, alteration, or loss of data, whether maintained by the Contractor or its subcontractors. For purposes of this Agreement, “Cybersecurity Incident” means any actual or suspected event that results in, or has the potential to result in, unauthorized access to, disruption of, misuse of, modification of, or destruction of information systems, networks, applications, or data, or that compromises the Confidentiality, Integrity, or Availability (CIA) of Lottery information resources, including any error or omission, negligence, misconduct, or breach that compromises or is suspected to compromise the security, confidentiality, or integrity of Lottery Data or the safeguards implemented to protect such data.

Notice shall be provided by telephone and email to the Lottery’s Director of Information Security and by email to the Lottery’s Office of Legal Counsel (Deputy General Counsel) and Director of Security, and shall occur without unreasonable delay and in all events within the twenty-four (24) hour period stated above. The notice shall include, at a minimum:

1. A description of the nature of the incident and the date and time it was discovered;
2. The categories and approximate volume of Virginia Lottery Data affected;
3. Whether the data was encrypted, redacted, or otherwise protected, and whether encryption keys were compromised;
4. Actions taken or planned to contain, investigate, and remediate the incident; and
5. A designated point of contact responsible for coordinating incident response.

The Contractor shall fully cooperate with the Lottery, the Commonwealth of Virginia Fusion Center, law enforcement, and their designee(s) in incident investigation, forensic analysis, containment, remediation, and recovery activities, including making available all relevant records, logs, files, data reporting, and other materials required to comply with applicable law or as otherwise required by the Lottery. The Lottery retains the sole authority to determine whether external notifications (including notices to affected individuals, regulators, or law enforcement) are required and to approve the timing, method, and content of any such notifications.

Notification to Individuals and Costs

If notification to individuals or entities affected by the incident is required under applicable law (federal or state), the Contractor shall, at its own expense and only as approved by the Lottery with respect to timing, method, and content, provide such notification. In the case of Personally Identifiable Information (PII), and at the Lottery’s sole election, the Contractor shall additionally: (i) notify affected individuals as soon as practicable but no later than required by applicable law, or, if no legally required notification period applies, within five (5) calendar days of the occurrence; (ii) reimburse the Lottery for any costs incurred in notifying affected individuals; (iii) provide third-party credit and identity monitoring services to each affected individual for the period required by applicable law, or, if no legally required monitoring period applies, for no less



than twenty-four (24) months following the date of notification; (iv) perform any other actions required to comply with applicable law; (v) indemnify, defend, and hold harmless the Lottery and the Commonwealth of Virginia from and against any and all claims, including reasonable attorneys' fees, costs, and expenses, arising from or related to the occurrence; (vi) recreate lost Lottery Data in the manner and on the schedule set by the Lottery, without charge; and (vii) provide the Virginia Lottery a detailed plan within ten (10) calendar days of the occurrence describing the measures the Contractor will undertake to prevent a future occurrence.

To the extent the Contractor provides notification to affected individuals, such notification shall, at a minimum, include: (a) name and contact information of the Contractor's representative; (b) a description of the nature of the incident; (c) a list of the types of data involved; (d) the known or approximate date of the incident; (e) how the incident may affect the affected individual; (f) what steps the Contractor has taken to protect the affected individual; (g) what steps the affected individual can take to protect themselves; (h) contact information for major credit reporting agencies; and (i) information regarding the credit and identity monitoring services to be provided by the Contractor (if applicable).

Subcontractors

The Contractor shall ensure that all subcontractors are contractually bound to equivalent incident reporting and response obligations. The Contractor remains fully responsible for subcontractor actions or omissions.

11. Data Ownership

All data provided to the Contractor by the Lottery, or collected, generated, processed, or stored on behalf of the Lottery under this Agreement ("Virginia Lottery Data"), remains the exclusive property of the Lottery. No rights, title, or interest in such data is transferred to the Contractor.

The Contractor shall act solely as a data custodian and shall not assert any ownership, lien, or other interest in Virginia Lottery Data.

Return and Destruction of Data

Upon termination or expiration of this Agreement, or upon written request by the Lottery, the Contractor shall:

1. Return all Lottery Data in a format designated by the Virginia Lottery; and
2. Securely delete or destroy all copies of Lottery Data, including backups and archival copies, within 30 days, unless retention is otherwise required by law or otherwise directed by the Lottery.

The Contractor shall provide written certification of data return and destruction upon completion. These obligations survive contract termination.

12. Data Usage

The Contractor shall use Lottery Data solely for the purpose of performing services expressly authorized under this Agreement and for no other purpose.

Use of Lottery Data for analytics, product development, artificial intelligence training, marketing, benchmarking, resale, or disclosure to third parties is strictly prohibited unless explicitly authorized in writing by the Lottery.

Access Controls and Segregation



The Contractor shall:

- Restrict access to Lottery Data to authorized personnel with a demonstrated need-to-know;
- Implement logical and physical controls to prevent unauthorized access or use;
- Maintain segregation of Lottery Data from other customer or contractor data;

Location, Storage, and Transfer

The Contractor shall not store, process, or transmit Lottery Data outside of the Continental US without prior written authorization. Any data sharing, interconnection, or system-to-system exchange shall be documented and approved by the Lottery in writing to include the following the types of shared data and the direction(s) of data flow documented in a data flow diagram.

13. Discounts, Prompt Payment

Discounts for prompt payment will not be calculated in determining net low proposal. Discounts for prompt payment will be shown on the purchase order/Contract and taken if invoices are processed and payment made within the stipulated time frame. If discounts are not offered, payment shall be made thirty (30) days after receipt of an accurate and undisputed invoice by the Virginia Lottery's Accounts Payable Department. Offeror shall indicate discount (if applicable) with the "Pricing section" near the end of this solicitation.

14. Final Inspection:

At the conclusion of the work, the Contractor shall demonstrate to the Lottery's representative(s) that the work is fully operational and in compliance with Contract specifications and codes. Any deficiencies shall be promptly and permanently corrected by the Contractor at the Contractor's sole expense prior to final acceptance of the work.

15. Force Majure:

The Contractor shall not be in default by reason of any failure in performance of this Contract in accordance with its terms (including any failure by the Contractor to make progress in the prosecution of the work here under which endangers such performance) if such failure arises out of causes beyond the control and without the fault or negligence of the Contractor. Such causes may include, but are not restricted to, acts of God or of public enemy, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather, but in every case the failure to perform shall be beyond the control and without the fault or negligence of the Contractor.

16. Indemnification:

Contractor agrees to indemnify and hold harmless the Commonwealth of Virginia, the Lottery, their Board Members, officers, directors, agents and employees (collectively, "Commonwealth's Indemnified Parties") from and against any and all losses, damages, claims, demands, proceedings, suits and actions, including any related liabilities, obligations, losses, damages, assessments, fines, penalties (whether criminal or civil), judgments, settlements, expenses (including attorneys' and accountants' fees and disbursements) and costs (each, a "Claim" and collectively, "Claims"), incurred by, borne by or asserted against any of Commonwealth's Indemnified Parties to the extent such Claims in any way relate to, arise out of or result from: (i) any intentional or willful conduct or negligence of any employee, agent, or subcontractor of the Contractor, (ii) any act or omission of any employee, agent, or subcontractor of the Contractor, (iii) breach of any representation, warranty or covenant of the Contractor contained herein, (iv) any defect in the Contractor/subcontractor-provided products and/or services, or (v) any actual or alleged infringement or misappropriation of any third party's intellectual property rights by any



of the Contractor/subcontractor-provided products and/or services. Selection and approval of counsel and approval of any settlement shall be accomplished in accordance with all applicable laws, rules and regulations. For state agencies, the applicable laws include §§ 2.2-510 and 2.2-514 of the Code of Virginia. In all cases involving the Commonwealth or state agencies, the selection and approval of counsel and approval of any settlement shall be satisfactory to the Commonwealth.

In the event that a Claim is commenced against any of Commonwealth's Indemnified Parties alleging that use of the Contractor/subcontractor-provided products and/or services, including any components thereof, or that the Contractor's/subcontractor's performance or delivery of any product and/or service under this Contract infringes any third party's intellectual property rights and the Contractor is of the opinion that the allegations in such Claim in whole or in part are not covered by this indemnification provision, Contractor shall immediately notify the Lottery in writing, via certified mail, specifying to what extent the Contractor believes it is obligated to defend and indemnify under the terms and conditions of this Contract. The Contractor shall in such event protect the interests of the Commonwealth's Indemnified Parties and secure a continuance to permit the Lottery to appear and defend their interests in cooperation with the Contractor as is appropriate, including any jurisdictional defenses the Lottery may have.

In the event of a Claim pursuant to any actual or alleged infringement or misappropriation of any third party's intellectual property rights by any of the Contractor/subcontractor-provided Deliverables, Products, Software, Services, Solution, including Solution Components, Application and Licensed Services, as applicable, or Contractor's/subcontractor's performance, and in addition to all other obligations of the Contractor in this Section, the Contractor shall at its expense, either (a) procure for all Authorized Users the right to continue use of such infringing Deliverables, Products, Software, Services, Solution, including Solution Components, Application and Licensed Services, as applicable, or any component thereof; or (b) replace or modify such infringing Deliverables, Products, Software, Services, Solution, including Solution Components, Application and Licensed Services, as applicable, or any component thereof, with non-infringing Deliverables, Products, Software, Services, Solution or Solution Component(s), Application and Licensed Services, as applicable, satisfactory to the Lottery. And in addition, the Contractor shall provide the Lottery with a comparable temporary replacement product and/or service or reimburse the Lottery for the reasonable costs incurred by the Lottery in obtaining an alternative product and/or service, in the event the Lottery cannot use the affected Deliverable, Product, Software, Services, Solution or Solution Component(s), Application and Licensed Services, as applicable, or any component thereof. If the Contractor cannot accomplish any of the foregoing within a reasonable time and at commercially reasonable rates, then the Contractor shall accept the return of the infringing Deliverables, Products, Software, Services, Solution, Solution Component, Application and Licensed Services, as applicable, or any component thereof, along with any other components rendered unusable by the Lottery as a result of the infringing component, and refund the price paid to the Contractor for such components.

17. ***Limitation of Liability***

To the maximum extent permitted by applicable law, the Contractor will not be liable under this Contract for an indirect, incidental, special or consequential damages, or damages from loss of profits, revenue, data or use of the supplies, equipment and/or services delivered under this Contract. This limitation of liability will not apply, however, to liability arising from: (a) personal injury or death; (b) defect or deficiency caused by willful misconduct or negligence on the part of the Contractor/subcontractor; or (c) circumstances where the Contract expressly provides a right to damages, indemnification and/or reimbursement.



18. Notice of Material Legal Dispute

Contractor shall notify the Lottery of its involvement in any legal dispute that is or may become material to this Contract. Contractor shall provide the Lottery with pertinent, non-privileged details upon request.

19. Performance, Contractor

Contractor providing goods and/or services to the Lottery are required to perform in accordance with the terms and conditions of their contract. When contractual requirements are not met, the following actions may be taken (at the Lottery's option):

1. Contractor Complaint Form:
If a Contractor fails to perform in accordance with the terms and conditions of the contract, the Lottery will prepare a Contractor Complaint Form. This form will be sent to the Contractor for a corrective action plan.
2. Default:
If the Contractor is non-responsive to the complaint form or does not satisfy the corrective action plan provided in the complaint form or provides an unsatisfactory corrective plan as determined by the Lottery, the Contractor may, at the Lottery's discretion, be placed in default and notified via Contractor Complaint Form.
3. Ineligible for Award:
Once placed in default, the Contractor will be ineligible to do business with the Lottery for purchases exceeding \$5,000 for a period of **three years**.
4. Re-procurement of Goods and/or Services:
In addition to a Contractor's ineligibility for award of contracts over \$5,000, the Lottery may procure the goods and/or services from other sources and hold the Contractor responsible for the price difference of the original contract amount and the amount of the new contract. The Lottery will follow competitive principles as outline herein for the re-procurement.

The Contractor will remain in default until the re-procurement costs have been paid to the Lottery. The Contractor is still subject to the three year ineligibility based on the default regardless as to when the re-procurement cost is paid.
5. Number of Complaints:
 - a) For Term Contracts: If the Contractor has received three or more complaints within the initial contract period as documented by Contractor Complaint Forms, the Contractor may, at the Lottery's discretion, be ineligible to submit a bid/proposal if the goods/services are re-solicited at expiration of contract. Ineligibility shall apply even though a satisfactory resolution to all complaints occurred.
 - b) For a Renewal Period: If the Contractor has received three or more complaints within a renewal period as documented by Contractor Complaint Forms, the Contractor may, at the Lottery's discretion, be ineligible to submit a bid/proposal if the goods/services are re-solicited at expiration of contract. Ineligibility shall apply even though a satisfactory resolution to all complaints occurred.
 - c) For Spot Purchases: If the Contractor has received three or more complaints



within a period of one year as documented by Contractor Complaint Forms, the Contractor may, at the Lottery's discretion, be ineligible to do business with the Lottery for purchases exceeding \$5,000 for a period of one year after the issuance of the third Contractor Complaint Form. Ineligibility shall apply even though a satisfactory resolution to all complaints occurred.

20. *Prime Contractor Responsibilities*

The Contractor shall be responsible for completely supervising and directing the work under this Contract and all subcontractors that it may utilize, using its best skill and attention. Subcontractors that perform work under this Contract shall be responsible to the prime Contractor. The Contractor agrees that it is as fully responsible for the acts and omissions of its subcontractors and of persons employed by them as it is for the acts and omissions of its own employees.

21. *Product Availability/Substitution*

Substitution of a product, brand or manufacturer after the award of Contract is expressly prohibited unless approved in writing by the Contract Officer. The Lottery may, at its discretion, require the Contractor to provide a substitute item of equivalent or better quality subject to the approval of the Contract Officer, for a price no greater than the Contract price, if the product for which the Contract was awarded becomes unavailable to the Contractor.

22. *Product Information*

The Offeror shall clearly and specifically identify the product being offered and enclose complete and detailed descriptive literature, catalog cuts and specifications with the proposal to enable the Lottery to determine if the product offered meets the requirements of the solicitation. Failure to do so may cause the proposal to be considered nonresponsive.

23. *Quantities*

Quantities set forth in this solicitation are estimates only, and the Contractor shall supply at Contract prices actual quantities as ordered, regardless of whether such total quantities are more or less than those shown.

24. *References*

Offerors shall provide a list of at least three (3) references where similar goods and/or services have been provided. Each reference shall include the name of the organization, the complete mailing address, the name of the contact person, telephone number and email address.

Organization:
Contact Person:
Address:
Telephone:
Email:

Organization:
Contact Person:
Address:
Telephone:
Email:

Organization:
Contact Person:



Address:
Telephone:
Email:

25. Renegotiation of Contract

The Lottery reserves the right, at any time during the Contract term or any renewals of the term, to renegotiate with the Contractor a reduction in the compensation paid to the Contractor that is less than the compensation initially agreed to by the Contractor and the Lottery at the time of Contract execution. The Lottery may initiate such negotiations whenever the Lottery determines that it is in the Lottery's best fiscal interests to do so. Notwithstanding any other provision of this Contract to the contrary, the Lottery may terminate this Contract immediately and without penalty if the Lottery is unable to renegotiate the compensation with the Contractor to an amount which the Lottery determines to be appropriate.

26. Renewal of Contract

This Contract may be renewed by the Lottery upon written agreement of both parties for three successive three-year periods, under the terms of the current Contract, and at a reasonable time (approximately 90 days) prior to the expiration.

27. Subcontractors

No portion of the work shall be subcontracted without prior written consent of the Lottery. In the event that the Contractor desires to subcontract some part of the work specified herein, the Contractor shall furnish the Lottery the names, qualifications and experience of their proposed subcontractors. The Contractor shall, however, remain fully liable and responsible for the work to be done by its subcontractor(s) and shall assure compliance with all requirements of the Contract.

28. Warranty:

All materials and equipment shall be fully guaranteed against defects in material and workmanship for the life of the Contract and any extensions thereof. Should any defect be noted by the Lottery, the Lottery will notify the Contractor of such defect or non-conformance. Notification will state either (1) that the Contractor shall replace or correct, or (2) the Lottery does not require replacement or correction, but an equitable adjustment to the Contract price will be negotiated. If the Contractor is required to correct or replace, it shall be at no cost to the Lottery and shall be subject to all provisions of this clause to the same extent as materials initially delivered. If the Contractor fails or refuses to replace or correct the deficiency, the Lottery may have the materials corrected or replaced with similar items and charge the Contractor the costs incurred by the Lottery or obtain an equitable adjustment in the Contract price. Contractor and its subcontractors shall perform their respective duties and responsibilities as set forth in the Contract by following and applying the highest professional and technical guidelines and standards applicable to the Contractor's industry and in compliance with applicable laws and regulations.

29. Confidentiality (Lottery)

The Lottery agrees that neither it nor its employees, representatives, or agents shall knowingly divulge any proprietary information with respect to the operation of the software, the technology embodied therein, or any other trade secret or proprietary information related thereto, except as specifically authorized by the Contractor in writing or as required by the Freedom of Information Act or similar law. It shall be the Contractor's responsibility to fully comply with § 2.2-4342F of the *Code of Virginia*. All trade secrets or proprietary information shall be identified in writing or other tangible form and conspicuously labeled as "proprietary" either prior to or at the time of submission to the Lottery.



30. Confidentiality (Contractor)

The Contractor assures that information and data obtained as to personal facts and circumstances related to the Lottery including, but not limited to, Lottery players/consumers, employees, retailers, vendors, applicants, and/or licensees, will be collected and held confidential, during and following the term of this Contract, and will not be divulged without the individual's and the Lottery's written consent. Any information to be disclosed, except to the Lottery, shall be in summary, statistical, or other form which does not identify particular individuals. Contractors and their employees working on this project will be required to sign the Confidentiality statement in this solicitation.

31. Demonstrations

By submitting a proposal, the Offeror certifies that the specified equipment/product is in productive use and capable of demonstration in the proposed configuration. The Lottery reserves the right to require Offerors to demonstrate the functionality of proposed equipment/product to its satisfaction prior to making an award decision. Such demonstration is intended to show that an Offeror's products will perform in a completely satisfactory manner and that they will meet or exceed the performance specifications contained in the solicitation. Failure by an Offeror to promptly comply with a request for demonstration could result in its proposal being rejected. Failure to reject shall not relieve the Contractor of its obligation to fully comply with all requirements of the Contract.

32. Ownership of Intellectual Property

All copyright and patent rights to all papers, reports, forms, materials, creations, or inventions created or developed in the performance of this Contract shall become the sole property of the Lottery. On request, the Contractor shall promptly provide an acknowledgment or assignment in a tangible form satisfactory to the Lottery to evidence the Lottery's sole ownership of specifically identified intellectual property created or developed in the performance of the Contract.

33. Termination by the Lottery for Convenience

Lottery may terminate this Contract at any time without cause, in whole or in part, upon giving the Contractor notice of such termination. Upon such termination, the Contractor shall immediately cease work and remove from the project site all of its labor forces and such of its materials as Lottery elects not to purchase or to assume in the manner hereinafter provided. Upon such termination, the Contractor shall take such steps as Lottery may require to assign to the Lottery the Contractor's interest in all subcontracts and purchase orders designated by Lottery. After all such steps have been taken to Lottery's satisfaction; the Contractor shall receive as full compensation for termination and assignment the following:

All amounts then otherwise due under the terms of this Contract,

Amounts due for work performed subsequent to the latest Request for Payment through the date of termination,

Reasonable compensation for the actual cost of demobilization incurred by the Contractor as a direct result of such termination. The Contractor shall not be entitled to any compensation for lost profits or for any other type of contractual compensation or damage other than those provided by the preceding sentence. Upon payment of the forgoing, Lottery shall have no further obligations to the Contractor of any nature.



VII. GENERAL TERMS AND CONDITIONS:

1. Anti-Discrimination:

Contractor certifies to the Lottery and the Commonwealth that they will conform to the provisions of the Federal Civil Rights Act of 1964, as amended, as well as the Virginia Fair Employment Contracting Act of 1975, as amended, where applicable, the Virginians with Disabilities Act, the Americans with Disabilities Act.

In every Contract over \$10,000, the provisions in 1. and 2. below apply:

During the performance of this Contract, the Contractor agrees as follows:

1. The Contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment, except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the Contractor. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.
2. The Contractor, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, will state that such Contractor is an equal opportunity employer.
3. Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting these requirements.

The Contractor will include the provisions of 1. above in every subcontract or purchase order over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

2. Addenda:

Any changes or supplemental instructions to this Request for Proposals shall be in the form of written addenda. Each Offeror is responsible for determining that all addenda issued have been received and shall acknowledge receipt of all addenda in the space provided within the Pricing Schedule or by returning a copy of each signed addendum. Failure to do so may result in rejection of the proposal. All addenda so issued shall become part of the RFP and any resulting Contract documents.

3. Announcement of Award:

Upon the award or the announcement of the decision to award a Contract over \$50,000, as a result of this solicitation, Lottery will publicly post such notice on the DGS/DPS eVA web site (www.eva.virginia.gov).

4. Antitrust:

By entering into a Contract, the Contractor conveys, sells, assigns, and transfers to the Lottery and the Commonwealth of Virginia all rights, title and interest in and to all causes of action it may now have or hereafter acquire under the antitrust laws of the United States and the Commonwealth of Virginia, relating to the particular goods and/or services purchased or acquired by the Lottery under said Contract.



5. *Applicable Laws and Courts:*

This solicitation and any resulting Contract shall be governed in all respects by the laws of the Commonwealth of Virginia, and any litigation with respect thereto shall be brought in the courts of the Commonwealth, in particular, Richmond, Virginia. The Contractor shall comply with all applicable federal, state and local laws, rules and regulations including Virginia Lottery Law § 58.1-4000 et seq. and the Virginia Lottery Purchasing Manual.

6. *Assignment of Contract:*

A Contract shall not be assignable by the Contractor in whole or in part without the written consent of the Lottery.

7. *Availability of Funds:*

It is understood and agreed between the parties herein that the Lottery shall be bound hereunder only to the extent of the funds available or which may hereafter become available for the purpose of this Contract.

8. *Proposal Price Currency:*

Unless stated otherwise in the solicitation, Offerors shall state proposal prices in US dollars.

9. *Changes To The Contract:*

Changes can be made to the Contract in any of the following ways:

1. The parties may agree in writing to modify the scope of the Contract. An increase or decrease in the price of the Contract resulting from such modification shall be agreed to by the parties as a part of their written agreement to modify the scope of the Contract.
2. The Lottery may order changes within the general scope of the Contract at any time by written notice to the Contractor. Changes within the scope of the Contract include, but are not limited to, things such as services to be performed, the method of packing or shipment, and the place of delivery or installation. The Contractor shall comply with the notice upon receipt. The Contractor shall be compensated for any additional costs incurred as the result of such order and shall give the Lottery a credit for any savings. Said compensation shall be determined by one of the following methods:

By mutual agreement between the parties in writing; or

By agreeing upon a unit price or using a unit price set forth in the Contract, if the work to be done can be expressed in units, and the Contractor accounts for the number of units of work performed, subject to the Lottery's right to audit the Contractor's records and/or to determine the correct number of units independently; or

By ordering the Contractor to proceed with the work and keep a record of all costs incurred and savings realized. A markup for overhead and profit may be allowed if provided by the Contract. The same markup shall be used for determining a decrease in price as the result of savings realized. The Contractor shall present the Lottery with all vouchers and records of expenses incurred and savings realized. The Lottery shall have the right to audit the records of the Contractor as it deems necessary to determine costs or savings. Any claim for an adjustment in price under this provision shall be asserted by written notice to the Lottery within thirty (30) days from the date of receipt of the written order from the Lottery. If the parties fail to agree on an amount of adjustment, the question of an increase or decrease in the Contract price or time for performance shall be resolved



in accordance with the procedures for resolving disputes provided by the Disputes Clause of this Contract or, if there is none, in accordance with the disputes provisions of the Lottery's Purchasing Manual. Neither the existence of a claim nor a dispute resolution process, litigation or any other provision of this Contract shall excuse the Contractor from promptly complying with the changes ordered by the Lottery or with the performance of the Contract generally.

10. Clarification of Terms:

If any prospective Offeror has questions about the specifications or other solicitation documents, the prospective Offeror should contact the Contract Officer whose name appears on the face of the solicitation no later than five (5) working days before the due date. Any revisions to the solicitation will be made only by addendum issued by the Lottery.

11. Debarment Status:

By submitting their proposal, Offerors certify that they are not currently debarred by the Lottery and/or Commonwealth of Virginia from submitting proposals on contracts for the type of goods and/or services covered by this solicitation, nor are they an agent of any person or entity that is currently so debarred.

12. Default:

In case of failure to deliver goods or services in accordance with the Contract terms and conditions, the Lottery, after due oral or written notice, may procure them from other sources and hold the Contractor responsible for any resulting additional purchase and administrative costs. This remedy shall be in addition to any other remedies which the Lottery may have.

13. Drug-Free Workplace:

During the performance of this Contract, the Contractor agrees to (i) provide a drug-free workplace for the Contractor's employees; (ii) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the Contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition; (iii) state in all solicitations or advertisements for employees placed by or on behalf of the Contractor that the Contractor maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

For the purposes of this section, "drug-free workplace" means a site for the performance of work done in connection with a specific Contract awarded to a Contractor, the employees of whom are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of the Contract.

14. Ethics in Public Contracting:

By submitting their proposal, Offerors certify that their proposal are made without collusion or fraud and that they have not offered or received any kickbacks or inducements from any other Offeror, supplier, manufacturer or subcontractor in connection with their proposal, and that they have not conferred on any public employee having official responsibility for this procurement transaction any payment, loan, subscription, advance, deposit of money, services or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value was exchanged.

15. Immigration Reform and Control Act of 1986:

By entering into a written Contract with the Lottery, the Contractor certifies that it has not, and



shall not during the performance of the Contract for goods and services in the Commonwealth, knowingly employ an unauthorized alien as defined in the federal Immigration Reform and Control Act of 1986.

16. Information Security Review:

Should the Contractor's obligations involve creating, collecting, or storing Lottery information which is deemed sensitive by the Lottery, said Contractor shall participate in an annual information security review conducted by the Lottery Information Security Director to ensure that information protection policies and practices of the Contractor are sufficient for the Lottery information being created, collected and/or stored.

17. Insurance:

By signing and submitting a proposal under this solicitation, the Offeror certifies that if awarded the Contract, it will have the following insurance coverage at the time the Contract is awarded. The Offeror further certifies that the Contractor and any subcontractors will maintain this insurance coverage during the entire term of the Contract and that all insurance coverage will be provided by insurance companies authorized to sell insurance in Virginia by the Virginia State Corporation Commission.

Minimum Insurance Coverages and Limits Required for Most Contracts:

1. Workers' Compensation - Statutory requirements and benefits. Coverage is compulsory for employers of three or more employees, to include the employer. Contractors who fail to notify the Lottery of increases in the number of employees that change their workers' compensation requirements under the *Code of Virginia* during the course of the Contract shall be in noncompliance with the Contract.
2. Employer's Liability - \$100,000.
3. Commercial General Liability - \$1,000,000 per occurrence. Commercial General Liability is to include bodily injury and property damage, personal injury and advertising injury, products and completed operations coverage. The Lottery and the Commonwealth of Virginia shall be named as an additional insured and so endorsed on the policy.
4. Automobile Liability - \$1,000,000 per occurrence. (Only used if motor vehicle is to be used in the Contract.

18. Nondiscrimination of Contractor:

A Offeror or Contractor shall not be discriminated against in the solicitation or award of this Contract because of race, religion, color, sex, national origin, age, disability, faith-based organizational status, any other basis prohibited by state law relating to discrimination in employment or because the Offeror employs ex-offenders unless the Lottery has made a written determination that employing ex-offenders on the specific Contract is not in its best interest.



19. Payment:

1. To Prime Contractor:
 - a) Invoices for items ordered, delivered and accepted shall be submitted by the Contractor directly to the payment address shown on the purchase order/Contract. All invoices shall show the Lottery Contract number and/or purchase order number; social security number (for individual contractors) or the federal employer identification number (for proprietorships, partnerships, and corporations).
 - b) Any payment terms requiring payment in less than 30 days will be regarded as requiring payment 30 days after invoice or delivery, whichever occurs last. This shall not affect offers of discounts for payment in less than 30 days, however.
 - c) All goods or services provided under this Contract or purchase order, that are to be paid for with Lottery funds, shall be billed by the Contractor at the Contract price.
 - d) The following shall be deemed to be the date of payment: the date of postmark in all cases where payment is made by mail, or the date of offset when offset proceedings have been instituted as authorized under the Virginia Debt Collection Act.
 - e) Unreasonable Charges. Under certain emergency procurements and for most time and material purchases, final job costs cannot be accurately determined at the time orders are placed. In such cases, Contractor should be put on notice that final payment in full is contingent on a determination of reasonableness with respect to all invoiced charges. Charges which appear to be unreasonable will be researched and challenged, and that portion of the invoice held in abeyance until a settlement can be reached. Upon determining that invoiced charges are not reasonable, the Lottery shall promptly notify the Contractor, in writing, as to those charges which it considers unreasonable and the basis for the determination. A Contractor may not institute legal action unless a settlement cannot be reached within 30 days of notification. The provisions of this section do not relieve the Lottery of its prompt payment obligations with respect to those charges which are not in dispute.
2. *To Subcontractors:*
 - a) A Contractor awarded a Contract under this solicitation is hereby obligated:
 - i. To pay the subcontractor(s) within seven (7) days of the Contractor's receipt of payment from the Lottery for the proportionate share of the payment received for work performed by the subcontractor(s) under the Contract; or



- ii. To notify the Lottery and the subcontractor(s), in writing, of the Contractor's intention to withhold payment and the reason.
 - b) The Contractor is obligated to pay the subcontractor(s) interest at the rate of one percent per month (unless otherwise provided under the terms of the Contract) on all amounts owed by the Contractor that remain unpaid seven (7) days following receipt of payment from the Lottery, except for amounts withheld as stated in (2) above. The date of mailing of any payment by U. S. Mail is deemed to be payment to the addressee. These provisions apply to each sub-tier Contractor performing under the primary Contract. A Contractor's obligation to pay an interest charge to a subcontractor may not be construed to be an obligation of the Lottery.
3. The Lottery requires the Contractor and subcontractors to accept electronic and credit card payments.

20. Personnel Security Clearances:

The Lottery requires that all Board members, officers and employees working directly on a Contract with the Lottery for such goods or services shall be subject to a criminal background search to be conducted by the chief security officer of the Lottery. Additionally, Lottery Regulation 5-20-410 extends this to include any parent or Subsidiary Corporation of the vendor providing Lottery gaming services, and any shareholder of 5% or more of the vendor, its parent or Subsidiary Corporation.

No person who has been convicted of a felony, bookmaking or other form of illegal gambling, or of a crime involving moral turpitude, shall be employed on Contracts with vendors described in this section.

No Board member, officer, or employee of a vendor to the Lottery of online or instant ticket goods or services working directly on a Contract for such goods or services, or any person residing in the same household of such Board member, officer or employee, shall purchase a lottery ticket or share, or receive a prize paid on a ticket purchased by or transferred to such person.

21. Precedence of Terms:

The following General Terms and Conditions, APPLICABLE LAWS AND COURTS, ANTI-DISCRIMINATION, ETHICS IN PUBLIC CONTRACTING, IMMIGRATION REFORM AND CONTROL ACT OF 1986, DEBARMENT STATUS, ANTITRUST, MANDATORY USE OF LOTTERY DOCUMENT, CLARIFICATION OF TERMS, PAYMENT shall apply in all instances. In the event there is a conflict between any of the other General Terms and Conditions and any Special Terms and Conditions in this solicitation, the Special Terms and Conditions shall apply.

22. Qualification of Offeror:

The Lottery may make such reasonable investigations as deemed proper and necessary to determine the ability of the Offeror to perform the services/furnish the goods and the Offeror shall furnish to the Lottery all such information and data for this purpose as may be requested. The Lottery reserves the right to inspect Offeror's physical facilities prior to award to satisfy questions regarding the Offeror's capabilities. The Lottery further reserves the right to reject any proposal if the evidence submitted by, or investigations of, such Offeror fails to satisfy the Lottery that such Offeror is properly qualified to carry out the obligations of the Contract and to provide the services and/or furnish the goods contemplated therein.



23. Taxes:

Sales to the Lottery are normally exempt from State sales tax. State sales and use tax certificates of exemption, Form ST-12, will be issued upon request. Deliveries against this Contract shall usually be free of Federal excise and transportation taxes. The Commonwealth's excise tax exemption registration number is 54-73-0076K.

24. Testing and Inspection:

The Lottery reserves the right to conduct any test/inspection it may deem advisable to assure goods and services conform to the specifications.

25. Transportation and Packaging:

By submitting their proposal, all Offerors certify and warrant that the price offered for FOB destination includes only the actual freight rate costs at the lowest and best rate and is based upon the actual weight of the goods to be shipped. Except as otherwise specified herein, standard commercial packaging, packing and shipping containers shall be used. All shipping containers shall be legibly marked or labeled on the outside with purchase order number, commodity description, and quantity.

26. Use of Brand Names:

Unless otherwise provided in this solicitation, the name of a certain brand, make or manufacturer does not restrict Offerors to the specific brand, make or manufacturer named, but conveys the general style, type, character, and quality of the article desired. Any article which the Lottery, in its sole discretion, determines to be the equivalent of that specified, considering quality, workmanship, economy of operation, and suitability for the purpose intended, shall be accepted. The Offeror is responsible to clearly and specifically identify the product being offered and to provide sufficient descriptive literature, catalog cuts and technical detail to enable the Lottery to determine if the product offered meets the requirements of the solicitation. This is required even if offering the exact brand, make or manufacturer specified. Failure to furnish adequate data for evaluation purposes may result in a lower score of Offeror's proposal. Unless the Offeror clearly indicates in its proposal that the product offered is an equivalent product, such proposal will be considered to offer the brand name product referenced in the solicitation.

VIII. METHOD OF PAYMENT AND INVOICING:

Payment will be rendered upon submission of a correct invoice (NET 30) on a monthly basis.

Invoices shall be rendered directly to:

Virginia Lottery
Attention: Accounts Payable
VLAP@valotery.com (*preferable*)
600 East Main Street
Richmond, VA 23219

Invoice shall contain the following information:

- Virginia Lottery's contract number;
- description of the goods and services;
- date goods and services were provided;
- invoice total;
- Contractor's Federal Identification Number or Federal Employer's Number.

If this information is not contained in the invoice, the invoice may be returned to the Contractor.



DISCOUNT FOR PROMPT PAYMENT:

Discount for prompt payment at: _____%/Net _____ days (see Discount for Prompt Payment requirement herein). This Discount will not be calculated in determining low bid amount(s).

IX. ADDENDA:

Offeror hereby acknowledges receipt of and incorporation of all requirements of any addenda issued for this Request for Proposals:

Addendum No. _____ Dated _____
Addendum No. _____ Dated _____
Addendum No. _____ Dated _____



X. SIGNATURE AND OFFEROR PROFILE SHEET:

All proposals shall be signed below in order to be considered.

All prices shall be F.O.B. to the delivery address(s) as specified herein. Freight, delivery costs, and incidental charges shall be included in the proposal price(s).

In compliance with this Request for Proposal# 13179MG and subject to all conditions thereof, the undersigned offers and agrees to furnish any or all items and/or services proposal herein.

Complete Legal Name of Firm

Address

Remit To Address

Authorized Signature

Print Name

Title

FIN #

Email

Telephone

Offeror Profile: Offeror shall indicate whether they are *certified* with the Virginia Department of Small Business and Supplier Diversity as a (check all that apply)

Small Business Minority-Owned Business Woman-Owned Business

Certification Number: Expiration Date:

Definitions and information on how to become certified may be obtained at www.sbsd.virginia.gov

Contact person regarding this Proposal

Check here to use above contact or provide name below:

Name:

Email

Phone



XI. OFFERORS CHECKLIST:

The intent of the checklist is to assist the Offeror in providing a responsive proposal. It may not include all the requirements necessary to submit a responsive proposal. It is the responsibility of the Offeror to read the entire solicitation.

- Offeror has clear understanding of goods/services requested
- Offeror understands and agrees to all Special and General Terms & Conditions
- Any tables/boxes within the Special Terms and Conditions shall be completed by the Offeror (Offeror shall write in these tables/boxes).
- Offeror understands when proposal is due
- Offeror understands where to mail or deliver proposal
- Offeror understands that once a proposal is opened, it is a binding document
- Offeror signed and provided all information requested on RFP Signature Page
- Offeror understands that contact with the Contract Officer is encouraged if any questions arise prior to submitting a proposal
- Offeror has reviewed and completed applicable Attachments
- Offeror has acknowledged all addendums that have been released
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