

PART 1 – INTRODUCTION AND OVERVIEW

1.1 Introduction

The New York State Gaming Commission (the “Commission”) is issuing this Request for Information (“RFI”) to assist the Commission with the future development of a Request for Proposals (“RFP”) to provide a Full-Service Lottery System and a Scratch-off Ticket Management System to the Commission.

This is an information-gathering tool only and any response to this RFI must not include cost.

The purpose of this RFI is to invite vendors to submit information regarding (a) lottery gaming systems and associated hardware, software, features, and functionality, and (b) lottery Scratch-off ticket printing, warehousing, delivery, and management solutions. More specifically, the Commission seeks information on the topics listed in Section 2.1 below.

Background Information

The New York Lottery (“the Lottery”) was established in 1967 as a result of constitutional amendment and is administered by the Commission. The Lottery is operated in accordance with provisions of the New York State Lottery for Education Law (Tax Law Article 34) and Article 1 of New York State Pari-Mutuel Wagering and Breeding Law. The Commission’s mission for the Lottery is to raise revenue for education in the State of New York through the administration of lottery games. On February 1, 2013, the New York State Division of the Lottery merged with the New York State Racing and Wagering Board into a single oversight entity named the “New York State Gaming Commission.” The Commission has overall responsibility for regulation and enforcement of all legal gaming activity in New York State including horse racing and pari-mutuel wagering, Class III Indian Gaming, commercial gaming, the Lottery, video lottery gaming, and charitable gaming.

Fundamentally, the Lottery is run as an entertainment business. A dedicated team of Commission employees work with business partners and approximately 14,000 licensed sales agents statewide to provide innovative, fun, and entertaining games for Lottery customers. Traditional games offered by the Lottery include six New York draw games (*New York Lotto*, *NUMBERS*, *WIN4*, *TAKE5*, *Quick Draw* and *Pick 10*), three multi-jurisdiction games (*Powerball*, *Mega Millions* and *Cash4Life*), and approximately 60-80 Scratch-off games at any given time. Traditional game distribution methods include sales through licensed sales agents at the counter, various types of vending machines, and a subscriptions platform.

By selling its traditional Lottery games through an extensive statewide sales agent network and by subscriptions over the internet through its website (nylottery.ny.gov), the Commission generated traditional Lottery sales of \$8.3 billion in fiscal year 2022-2023.

The Lottery continues to be North America's largest and most profitable lottery program, earning more than \$82.38 billion in education support statewide since its founding more than 50 years ago. In the fiscal year 2022-2023, the Lottery's traditional games contributed \$2.67 billion to support education in New York State.

Currently, the Lottery introduces between 35 and 45 new Scratch-off games each fiscal year with new games released the first Tuesday of each month. A monthly game release includes 3-4 games of varying price points. In addition to new game launches, the Lottery maintains a base of ten staple games that remain in-market across fiscal years. The Lottery's Scratch-off ticket portfolio consists of \$1, \$2, \$3, \$5, \$10, \$20 and \$30 price points. By statute, Scratch-off game payout is limited to 64.25 percent of the total amount for which tickets have been sold, except that up to five new games may be offered during a fiscal year at 74.25 percent.

The Lottery has expansive digital offerings, including second chance opportunities with Scratch-off tickets, which are managed under a separate contract. Currently the digital landscape is comprised of two different websites (nylottery.ny.gov; nycollectnwin.com) and several different mobile applications ("apps"). The Lottery's native website (nylottery.ny.gov) averages 5 million page views per week and over one million visitors per week. Traffic increases on the websites and apps during events, such as a high jackpot. During these events the websites and apps can see a volume of over one million people at a given time.

The Lottery is also a complex, retail-driven program. The Lottery's sales agent network is diverse, requiring solutions that are tailored rather than "one-size-fits-all." There are locations with different business operations, trade styles, environments, and footprints. Sales agents and their employees are Lottery's front line to players. Effective Lottery games are needed to motivate sales agents and their employees, as well as players. The Commission's Lottery field marketing staff communicate upcoming games and promotions, optimize sales via industry best practices, and improve adherence to Lottery-related policies with instructional and effective sales tools. With new Scratch-off game launches monthly, Lottery is an active account requiring constant attention to timelines, detail, and support. New game communications with consumers and sales agents are frequent and time sensitive.

PART 2 – VENDOR RESPONSE

2.1 Content

Vendors are invited to provide information addressing the following topics as well as any other information the vendors may deem relevant and useful for the Commission's purpose in issuing this RFI:

- Lottery computer gaming system (CGS)
- Cloud-based solutions
- Communication network solutions (sales agents and systems)
- Third-party integration
- Business Intelligence tools
- Analytics tools
- Promotions system and tools
- Marketing and research tools and solutions
- Information security solutions
- Software Development Life Cycle (SDLC) process and tools
- Prize claim and payment systems
- Digital and mobile prize claim systems
- eWallet solutions
- Cashless ticket purchase and cashless prize payment solutions
- Cashless payment processing solutions to support subscriptions, mobile activity, and self-service equipment; estimated third-party processing fees
- Digital solutions (sales, products, in-store marketing)
- Identity verification solutions
- Customer service solutions
- In-lane solutions
- Specialty equipment
- ADA-compliant equipment (Commission staff, sales agent, and customer)
- Sales agent billing and financial services
- Integrated field marketing & sales staff customer relationship management (CRM) solutions
- Field marketing & sales tools including integrated sales force automation
- Point of sale terminals, self-service, and ticket display/distribution solutions
- Speed of data transmission to and from primary and backup CGS and internal control system (ICS)
- Lottery ticket subscription system
- Scratch-off ticket printing
- Scratch-off ticket warehousing and distribution
- Scratch-off ticket cooperative services solution
- Scratch-off ticket single ticket accounting solutions
- Inventory tracking solutions (Scratch-off tickets, hardware, marketing materials)
- Responsible gaming features and options

- Sustainability efforts
- Any type of innovative or future lottery services and/or products that may be of interest to the Commission
- The minimum contract term for recovery of the initial capital investment in lottery computer gaming system, network, and software
- The minimum contract term for recovery of the initial capital investment in Scratch-off ticket full-service management solution
- Estimated timing for hardware upgrades
- Estimated timing for implementation of a full-service gaming system, including data conversion, communication network, distribution of equipment to sales agent base
- Estimating timing for implementation of a Scratch-off ticket management system
- Estimated timing to integrate separate full-service gaming system and Scratch-off ticket management system

PART 3 – ADMINISTRATION OF THIS RFI

3.1 Issuance and Intent

Responses to this RFI should not anticipate award of a contract; this is an information-gathering process only. A response does not bind or obligate the responder or the Commission to any agreement regarding provision or procurement of products or services referenced.

3.2 Pertinent Dates

The following timetable applies to this RFI:

Release of RFI:	October 4, 2023
Written Responses Due by 2:00 pm EST:	January 16, 2024

These dates are established for informational and planning purposes. The Commission reserves the right to change any of these dates.

3.3 Response to the RFI

Written responses should be submitted by vendors as outlined below. Responding vendors should be considering the future and changing consumer behaviors and expectations when providing information related to this RFI. Responding vendors are invited to submit any existing material or material prepared specifically in response to this RFI that it believes may be of interest or use to the Commission. In the preparation of a written response, responding vendors should pay particular attention to Section 2.1 of this RFI. In addition to addressing the questions in Section 2.1 responding vendors are encouraged to provide any other relevant information or ideas.

Responses must be submitted to: Officer.contracting@gaming.ny.gov

or, responses may be submitted by contract carrier, courier delivery, in person, or by U.S. Postal Service to the address below. If responses are being delivered by a method other than via email, the responding vendor should send an email to the email address above prior to delivery to advise the Commission of the alternative method of delivery being used.

Stacey Relation
New York State Gaming Commission
Contracts Office, 5th Floor
One Broadway Center
Schenectady, New York 12301-7500

3.4 Costs Associated with Preparation of Responses

Neither the Commission nor the State shall be liable for the costs incurred by a vendor in preparing or submitting a response to this RFI.

3.5 Disclosure of Responses to the RFI

The Freedom of Information Law provides for an exemption from disclosure for trade secrets or information the disclosure of which would cause substantial injury to the competitive position of a commercial enterprise. If a vendor believes its response contains any trade secrets or other confidential or proprietary information, the vendor must submit a redacted version of the response, as well as a letter explaining why such information should be exempt from disclosure, at the time of the vendor's full submission in response to this RFI. Requests for exemption of the entire response are discouraged. Please limit any requests for exemption of information from disclosure to bona fide trade secrets or specific information, the disclosure of which would cause a substantial injury to the competitive position of the vendor.