



RFP: C202002V2 – Lottery Internal Control System

BIDDER ACKNOWLEDGEMENT OF ADDENDUM

Amendment Number: One

Date Issued: April 2, 2021

Summary:

Questions and answers are attached.

By signing below, the Bidder attests to receiving and responding to the amendment number indicated above.

FIRM NAME: _____

REPRESENTATIVE SIGNATURE: _____

**New York Lottery Internal Control System
C202002V2
Question and Answer Summary
Issued: April 2, 2021**

Q.1: Whether companies outside the USA apply for this? (Like, from India or Canada)

A.1: Companies based outside the United States may submit a proposal.

Q.2: Whether we need to come over there for meetings?

A.2: On-site meetings may be required. To the extent possible, the Commission will leverage technology to conduct virtual meetings with the Successful Bidder.

Q.3: Can we perform the tasks (related to RFP) outside USA? (Like, from India or Canada)

A.3: Yes, pursuant to the terms of RFP, including, but not limited to, amended Section 6.17(D)(3). Changes made in red text.

3. Data Access and Location. The Successful Bidder shall ensure that all Commission data related to this RFP and Contract is stored in a controlled access environment to ensure data security, confidentiality, and integrity. All access to and storage of Commission data, physical or virtual, shall be conducted within the continental United States and have adequate security systems in place to protect against the unauthorized access to the facilities and data stored therein. The Successful Bidder shall not send, or permit to be sent, any Commission data related to this RFP and Contract to any location outside of the continental United States, **except as pre-authorized by the Commission**. The Successful Bidder shall provide the Commission a list of the physical locations where the data is stored at any given time and shall update that list if a physical location changes. Access into and within the facilities shall be restricted through an access control system that requires positive identification as well as maintains a log of all accesses (e.g., date and time of the event, type of event, user identity, component of the information system, outcome of the event). The Successful Bidder shall have a formal procedure in place for granting computer system access to the data and to track access. Access for projects outside of those approved by the Commission is prohibited.

Q.4: Can we submit the proposals via email?

A.4: Section 5.4.C of the RFP provides instructions for submitting proposals electronically.

Q.5: Section 6.15.B.2: Since there are two major ICS providers (one based in the USA and one based in Canada) and since Offshore Restrictions (6.17.B) from the January RFP (#C202002) is removed from this new RFP, will the Commission waive this requirement (6.15.B.2) as the bidder personnel are in Canada, access the data in Canada, and perform the work in Canada, they would not require legal eligibility to perform the work in the USA?

A.5: The Successful Bidder must comply with any state and federal employment requirements to the extent of any personnel perform services within the United States.

Q.6: Section 6.17.D.3: Since there are two major ICS providers (one based in the USA and one based in Canada) and since Offshore Restrictions (6.17-B) from the January RFP (#C202002) is removed from this new RFP, will the Commission waive this requirement (6.17-D-3) as the bidder personnel are in Canada, access the data in Canada, and perform the work in Canada?

A.6: See Answer to Question 3, above.

Q.7: Appendix R: The amount of the performance bond is spelled out as twenty five million while the numbers show \$500,000. Please confirm that the amount of the performance bond is \$500,000.

A.7: Correct. The Performance Bond amount is five hundred thousand dollars (\$500,000). The first paragraph of Appendix R is amended as follows:

PERFORMANCE BOND

Upon notification of the Contract award, the Successful Vendor will be required to obtain a Performance Bond or other acceptable form of security in the amount of ~~twenty-five million~~ **five hundred thousand dollars** (\$500,000). The Performance Bond shall be renewable annually, so as to maintain a consistent Performance Bond throughout the term of any resulting Contract or any extension thereof. The Performance Bond may be paid in full or in part to the Commission if the Successful Vendor defaults in the performance of the Contract or has occasioned uncompensated liquidated damages.

The Performance Bond may be assessed liquidated damages if these damages have not been received by the Commission within thirty (30) calendar days of written notice to the Successful Vendor that they have been incurred.

An industry standard bond form may be used as proof of compliance with the Performance Bond requirements, subject to approval by the Commission. Other forms of security may be acceptable but are subject to the Commission's discretion. Failure to post a replacement security within seven (7) days after notice that the proposed security is inadequate shall be grounds for immediate termination of the Contract.

Q.8: Section 1.2.2 identifies an online subscription service; section 1.2.3 references multiple vendor systems; and 2.1 Scope of Work references the Gaming System and Instant Ticket System. To confirm, there are only 2 CGS systems to interface to, as specified in section 2.1? May we know the Vendor Company names of those two systems?

A.8: There is an Online (draw-based) Gaming System and Instant Ticket System. Both systems are operated by Full-Service Lottery System provider. IGT currently holds the contract to provide these systems.

Q.9: Section 2.1.B specifies that the source code be provided to the Commission within 5 days of each successful release. Would releasing the software to a contractor provided escrow company be acceptable?

A.9: The Commission will consider allowing the Successful Bidder to deposit software into an escrow account, at no cost to the Commission. The Commission must approve the terms and conditions of any such escrow agreement.

Q.10: Section 2.1.D specifies at a minimum 2 interface files for General Ledger and Retailer Accounting. Section 1.2.3 references annuities and prize payment interfaces. Section 2.1.G references agent sales master file, account statuses, accounting information and tax reporting. Could the Commission please clarify the Data and interface files required for startup?

A.10: The Successful Bidder is expected to meet all terms and conditions defined in the RFP at startup.

Q.11: In Section 2.1.D the RFP states, "The ICS Vendor shall backup data daily to be stored offline and off-site (within the United States of America) and shall retain the backup data for at least ninety (90) days past the end of the last prize claim period for any lottery game data stored". Since the Contractor cannot operate the system (per MUSL Rule 2), can the Commission clarify that the ICS provider will provide the processes and procedures necessary to support off-site backup?

A.11: Correct. The ICS provider will provide the processes and procedures necessary for off-site backup.

Q.12: Appendix B 3.a specifies the Contractor to be a licensed lottery sales agent. Is there an application process that the Contractor will need to qualify through? If so, could the Commission provide more information? For example, will we need a physical location in NY?

A.12: The Commission will assist the Successful Bidder through the process. The Successful Bidder is not required to be physically located in New York to meet this requirement

Q.13: Appendix Q - Liquidated Damages: Number 2 and Number 8 are largely outside the control of the Contractor - as there is a reliance of the CGS vendor and the Commission as operators of the system in the timing of the result delays. Will the Commission acknowledge that many reasons for these delays may be outside the control of the Contractor in the determination of these Damages?

A.13: The Commission acknowledges that delays may be outside the control of the Successful Bidder under certain circumstances. The Commission will consider variables outside of the Successful Bidder's control when determining assessment of liquidated damages.

Q.14: Appendix R – Performance Bond – states the Successful Vendor will be required to obtain a Performance Bond or other acceptable form of security in the amount of twenty-five million dollars (\$500,000). Our bond provider requires an amendment to the RFP showing the required amount.

A.14: See answer to Question 7.