

**Connecticut Lottery Corporation (CLC)**

**Request for Proposal #CLC201903**

**Addendum 2, 4/17/2019**

**Response to Vendor Questions**

**Question 1:** RFP Part I: Introduction & Part II: Definitions and Key Dates / Section B. Key Dates / Pages 4 and 8: Would the CLC please clarify when it plans to hold the oral presentations, as the dates currently presented on page 4 conflict with the dates listed on page 8? Will the Lottery also please confirm where it expects this oral presentation to be held?

**Response:** Oral Presentations to be held the week of 7/29/19 – 8/2/19 at CT Lottery Headquarters.

**Question 2:** RFP Part I: Introduction & and Part VIII: Attachments / Attachment C – Ticket Size Specification and Pricing / Pages 5 and 41-48: The RFP states that the specialty contractor will be paid on Base pricing. Will the Lottery kindly confirm that the Base pricing for the specialty contractor should not include the Market Research, Research Studies, etc. that the Primary Contractor will be responsible for?

**Response:** The base pricing for the specialty contractor will not include Market Research, Research Studies, etc. that the primary contractor will be responsible for.

**Question 3:** RFP Part I: Introduction / Page 6: The CLC is asking Proposers to provide an analysis of the marketing environment related to reaching the CLC’s instant ticket goals. Would the CLC please state what are the goals that the CLC wants to achieve?

**Response:** Reflective of the CLC’s mission, the goal is to raise revenue in an entrepreneurial manner for the State of Connecticut, consistent with the highest standards of good public policy and social responsibility, by offering products to our players that are fun and entertaining and by ensuring the public’s trust through integrity and honesty.

**Question 4:** RFP Part II: Definitions and Key Dates / Section B. Key Dates / Page 8: The Key Dates table indicates that Proposers will be required to respond to any questions from the CLC by 2pm on June 14, 2019 and that this is a “firm date and time” as indicated by the asterisk. However, the CLC has not indicated when it will issue the questions to the Proposers. Will the CLC either add an asterisk to the date when it will issue questions to Proposers (if necessary), indicating it is a “firm date and time,” or establish a fixed response time of at least five (5) days for Proposers to respond?

**Response:** If the date for the questions from the CLC is not met, the date for responses from Proposers will be shifted accordingly.

**Question 5:** RFP Part III: Standard RFP Terms and Conditions / Section A. Required Contents and Order of Proposal / Section 1., Proposal Package / Tab 7: Options / Page 9: If a Proposer is prepared to offer something not required by the CLC as part of their base offer, may the Proposer indicate that situation throughout the proposal without violating the prohibitions against referencing pricing?

**Response:** No, that situation should be listed in the pricing section as such.

**Question 6:** RFP Part III: Standard RFP Terms and Conditions / Section A. Required Contents and Order of Proposal / Subsection 1. Proposal Package / Pages 9-10: This section of the RFP clearly states how the CLC would like Proposers to organize their response. With that said, would the Lottery please confirm whether it would like the following items submitted with the Proposal Package, and if so, where?

Vendor Name and information table (page 1)

Part VI, Security; Section J, Planning and Production of Instant Games – Ticket Manufacturing Plan

Part VI, Security; Section K, Environmental Compliance

Similarly, would the Lottery please confirm where it would like the comprehensive three (3) year marketing plan to be located within the Proposal Package?

**Response:**

1. Place in Tab 3.
2. Place in Tab 8.
3. Place in Tab 8.

The comprehensive three (3) year marketing plan is to be located within the Proposal Package in a new tab, labeled Tab 16, after the attachments.

**Question 7:** RFP Part III: Standard RFP Terms and Conditions / Section I. Proposal Submission Instructions and Requirements / Subsection 3, Proposal Submission / c. Financial Package / Page 13: The RFP states that the Financial Package must contain one (1) original and three (3) copies of financial information. Due to the large volume of some financial statements, would the CLC consider allowing Proposers to submit electronic versions of the three copies on a USB drive?

**Response:** Yes, Proposers may provide either hard copy or USB drives for financial information.

**Question 8:** RFP Part III: Standard RFP Terms and Conditions / Section J. Evaluation Process, Award Criteria / Page 14: Since the CLC is not asking for sample tickets, how will it evaluate ticket performance (ticket “scratchability”) as described in this section?

**Response:** Sample tickets will be requested of each Proposer as part of their oral presentation when invited.

**Question 9:** RFP Part V: Technical Specifications / Section D. Ticket and Game Specifications / Subsection 14, Game Support / b. / Page 25: Would the Lottery provide final instant

game schedules for FY18 and FY19 including information such as individual game prize payout percentage and ticket quantities?

**Response:** Available to Proposers upon request.

**Question 10:** RFP Part V: Technical Specifications / Section D. Ticket and Game Specifications / Subsection 14, Game Support / b. / Page 25: Would the Lottery please provide instant game prize structures for games launched in FY18 and FY19 to date?

**Response:** The CLC will not provide instant game prize structures to any Proposer.

**Question 11:** RFP Part V: Technical Specifications / Section D. Ticket and Game Specifications / Subsection 14, Game Support / b. / Page 25: Would the Lottery please provide planograms for FY18 and FY19 to date?

**Response:** Available to Proposers upon request.

**Question 12:** RFP Part V: Technical Specifications / Section D. Ticket and Game Specifications / Subsection 14, Game Support / b. / Page 25: Would the Lottery please provide the average number of bins/facings per retailer?

**Response:** Estimated average is between thirty (30) and forty-five (45) facings per retailer.

**Question 13:** RFP Part V: Technical Specifications / Section D. Ticket and Game Specifications / Subsection 14, Game Support / b. / Page 25: Would the Lottery please provide its game penetration by week for FY18 and FY19 to date?

**Response:** This question is unclear, define “game penetration”.

**Question 14:** RFP Part V: Technical Specifications / Section D. Ticket and Game Specifications / Subsection 15, Market Research / Page 25: Would the Lottery please provide any marketing research results summaries pertaining to draw and instant games from the previous three years?

**Response:** Available to Proposers upon request.

**Question 15:** RFP Part V: Technical Specifications / Section D. Ticket and Game Specifications / Subsection 15, Market Research / Page 25: Would the Lottery please confirm when they want the comprehensive three (3) year marketing plan to begin (for example, FY20)?

**Response:** Marketing plan will be for FY20, FY21 & FY22.

**Question 16:** RFP Part V: Technical Specifications / Section D. Ticket and Game Specifications / Subsection 15, Market Research & Subsection 16, Annual Research Study & Subsection

17, Attendance at Conference/Workshop / Page 25: The primary contractor is responsible for market research, the annual research study, and the cost of the CLC's maximum of two representatives' attendance at conferences/workshops, but when a Proposer submits, the Proposer will not know whether they will be the primary contractor, so their cost will be inflated to cover the assumption that they are primary award winner. Will the Lottery kindly confirm that the Base pricing for the specialty contractor should not include the items listed above?

**Response:** Base pricing for the Specialty Contractor should not include the items listed above.

**Question 17:** RFP Part V: Technical Specifications / Section D. Ticket and Game Specifications / Subsection 20, Options / a. Option 1, 2<sup>nd</sup> Chance Drawings / Pages 25-26: Would the CLC please confirm if there are any rules or regulations that must be followed for 2<sup>nd</sup> Chance Drawings that may be conducted by the Successful Proposer?

**Response:** This section will be withdrawn, as any 2<sup>nd</sup> Chance Drawings will be handled under the CLC's forthcoming Player Loyalty Program.

**Question 18:** RFP Part V: Technical Specifications / Section D. Ticket and Game Specifications / Subsection 20, Options / d. Option 4: De-Inking and Shredding Instant Tickets / Page 26: The CLC has requested a description of a Proposer's "process for de-inking and shredding Instant Tickets at the conclusion of an Instant Ticket run." Is the CLC referring to the end of the ticket production process at the factory or when the CLC ends a game and collects the remaining tickets from the field? If the CLC is referring to the ending and closing of games that have been placed on sale, does the CLC close games in batches or one at a time?

**Response:** CLC is referring to the end of ticket production process at the factory.

**Question 19:** RFP Part V: Technical Specifications / Section D. Ticket and Game Specifications / Subsection 20, Options / f. Option 6, Annual Training / Page 26: Does the lottery have an existing location in its facility for the training courses or would the Successful Proposer be required to lease a space to hold the training course for up to 40 CLC Sales representatives?

**Response:** Yes, the CLC will use its facility for training courses.

**Question 20:** RFP Part VI: Security / Section B. Building Security / Page 28: Would the CLC agree to amend the language regarding costs of security measures to the following: "All reasonable costs incurred as a result of implementing security measures shall be a Proposer's sole responsibility. The CLC reserves the right to require additional security measures it deems necessary, and those additional measures shall be mutually agreed upon by the parties."

**Response:** No, this section will not be amended.

**Question 21:** RFP Part VII: Exhibit A: Minimum Contract Terms / Page 31: Will the CLC agree that the Successful Proposer and the CLC will be able to negotiate final Contract terms prior to the Contract being signed?

**Response:** Please refer to text in RFP document that states, “Proposers agree that by submitting a Proposal, they are agreeing to these minimum terms, all other terms specified in the RFP and any addenda, and any other terms the parties agree to.”

**Question 22:** RFP Part VII: Exhibit A: Minimum Contract Terms / Section E, Bonds and Insurance / Subsection 1. Insurance / Page 33: In the third paragraph of Section E, the RFP states, “(b) be endorsed to require the insurance company to provide thirty (30) calendar days advance written notice to the CLC of any change in, termination of, failure to renew, default, or cancellation of coverage.” Insurers will only agree to cancellation by the insurer. Therefore, we respectfully request that that bullet b) delete the wording “any change in, termination of, failure to renew, default “as follows: (b) be endorsed to require the insurance company to provide thirty (30) calendar days advance written notice to the CLC of ~~any change in, termination of, failure to renew, default, or cancellation of~~ coverage. Will the Lottery agree to this change?

**Response:** The requirement to provide thirty (30) calendar days’ notice will be required of the successful Proposer to notify the CLC of any change, termination of, failure to renew, or default of coverage.

**Question 23:** RFP Part VII: Exhibit A: Minimum Contract Terms / Section E, Bonds and Insurance / Subsection 1. Insurance / Page 33: In Subsection 1. Insurance, (c) in paragraph 3 states, “(c) disclose any nonstandard exclusions for each required coverage;” This is too subjective; and is left up to interpretation. Therefore, we respectfully request that (c) be deleted from paragraph 3. Will the Lottery agree to this change?

**Response:** No. The CLC requires the disclosure of any nonstandard exclusion required for coverage.

**Question 24:** RFP Part VII: Exhibit A: Minimum Contract Terms / Section E, Bonds and Insurance / Subsection 1. Insurance / Page 33: As respects to Insurance, the RFP states in 1. “(d) attach a list of all pertinent endorsements (by endorsement number and name) for each required policy.” Again, this is left up to interpretation; is the Lottery looking for Additional Insured and waiver of subrogation wording to be attached to the Certificate of Insurance? We would appreciate the Lottery clarifying what the intent of item (d) is.

**Response:** Please list all pertinent endorsements as requested.

**Question 25:** RFP Part VII: Exhibit A: Minimum Contract Terms / Section E, Bonds and Insurance / a. Commercial General Liability / Page 34: The RFP states in 1. a. Commercial General Liability, “The successful Proposer’s CGL insurance must include contractual liability

coverage for its indemnification obligations under the Contract.” The indemnification can go beyond the scope of coverage; indemnification and insurance policies stand on their own. Therefore, we respectfully request that the following be deleted from E. 1. a.:<sup>22</sup> ~~The successful Proposer’s CGL insurance must include contractual liability coverage for its indemnification obligations under the Contract~~; Will the Lottery please agree to this request?

**Response:** No, this section will not be amended.

**Question 26:** RFP Part VII: Exhibit A: Minimum Contract Terms / Section E, Bonds and Insurance / Subsection 1. Insurance / c. Printer’s Errors and Omissions / Page 34: Subsection 1. Insurance, c. Printer’s Errors and Omissions requires a \$250,000 sublimit for products recall. Since this is a small amount, and many insureds self-insured this exposure, will the CLC accept that the Products Recall sublimit may be covered through self-insurance?

**Response:** Printer’s errors and omissions coverage requires a \$250,000 sublimit for products recall. If the limit is met with self-retention/self-insured, the policy should state self-insured amount.

**Question 27:** RFP Part VII: Exhibit A: Minimum Contract Terms / Section E, Bonds and Insurance / Subsection 1. Insurance / d. Fidelity or Employee Theft / Page 34: d. Fidelity or Employee Theft states “In the amount of \$500,000 covering any loss to the CLC due to any fraudulent or dishonest act on the part of, or theft by, the successful Proposer’s officers, employees, agents or subcontractors.” Fidelity or Employee Theft coverage is only for your own employees and coverage is not extended to “agents and subcontractors”. Therefore, we respectfully request that the words “agents and subcontractors” be deleted from bullet d.

**Response:** REVISED: “In the amount of \$500,000 covering any loss to the CLC due to any fraudulent or dishonest act on the part of, or theft by, the successful Proposer’s officers, employees. If said vendor subcontracts any work or uses an agent to perform any work under this contract, then the subcontractor or agent also needs to carry the same crime limits as is required of you under this contract with the same terms and conditions as previously outlined in this RFP.”

**Question 28:** RFP Part VII: Exhibit A: Minimum Contract Terms / Section E, Bonds and Insurance / Subsection 2. Performance Security / Page 34: It is Industry Standard to have bonds be written on an annual basis. Will the Lottery please add to the end of the first paragraph of Section 2 Performance Security that the Performance bond can be renewed on an annual basis?

**Response:** Yes. Performance security can be renewed annually with no lapse in coverage.

**Question 29:** RFP Part VII: Exhibit A: Minimum Contract Terms / Section F. Liquidated Damages / Page 35: It is well established by Connecticut case law, as well as in other U.S. jurisdictions, that where a valid clause for liquidated damages exists in a contract, a party may not retain the stipulated sum as liquidated damages and also recover actual damages. As such, will the CLC amend the second paragraph of Liquidated Damages to state that: “The CLC’s assessment of liquidated damages shall not be in addition to other remedies available to it.” Further, consistent with the law regarding liquidated damages, would the CLC also amend the RFP to provide: (i) that a successful Proposer may furnish, and the CLC will consider, factual evidence where available to establish that the CLC’s actual damages were less than the liquidated sum; (ii) that the CLC will not assess more than its actual damages for any incident where the evidence establishes to the CLC’s reasonable satisfaction that its actual damages were less than the liquidated amount; and (iii) that the CLC will not assess liquidated damages in multiple categories for the same incident if to do so would amount to an unenforceable penalty under Connecticut law?

**Response:** No, this section will not be amended.

**Question 30:** RFP Part VII: Exhibit A: Minimum Contract Terms / Section F. Liquidated Damages / Page 35: In specific cases where actual damages are proven to be materially lower than assessed liquidated damages under the Contract, would the Lottery consider such evidence and consider making a reasonable adjustment to lower the amount assessed against the Contractor to the amount of actual damages sustained by the Lottery?

**Response:** No, this section will not be amended.

**Question 31:** RFP Part VII: Exhibit A: Minimum Contract Terms / Section G, Termination of Contract / Page 37: We acknowledge that the CLC shall have the right to terminate a contract with the successful Proposer for cause, as set forth in this section. However, we ask whether the CLC would consider supplementing this section by adding the following language: "In the event successful Proposer commits any act set forth in this section, or any other act that results in triggering the CLC's right to terminate the Contract for cause, for those sections where a cure is possible, successful Proposers shall first have an opportunity to cure such failure, to the CLC's satisfaction, within thirty (30) days of notice from the CLC of successful Proposer’s failure or breach.”

**Response:** No additional language will be added.

**Question 32:** RFP Part VII: Exhibit A: Minimum Contract Terms / Section I, Intellectual Property Rights; Title To, Use of / Page 39: The RFP provides that all Intellectual Property Rights associated with any product or service provided or developed by the successful Proposer under the Contract are and will remain the property of the successful Proposer but that the successful Proposer agrees to grant the CLC a license to use any such Intellectual Property Rights on an indefinite basis with respect to the CLC’s business activities. As the successful Proposer does not have an indefinite license to third party branded

Intellectual Property, will the CLC amend this provision to provide that the length of any license to third party branded Intellectual Property shall be subject to the underlying rights the successful Proposer is entitled to grant? Further, with respect to Intellectual Property rights of the successful Proposer other than third party branded Intellectual Property, will the CLC amend the term of the license to be the length of the term of the contract rather than to be perpetual? Further, the RFP further departs from industry practice regarding trademark and copyright searches and legal opinions. In particular, the RFP requires the (1) successful Proposer obtain and pay for federal trademark and/or copyright searches, (2) deliver an opinion as to whether a name the CLC chooses has been "expressly determined" to infringe or violate a trademark or copyrighted idea in connection with a game as expressed and (3) the successful Proposer obtain a trademark or copyright, as the case may be, of each chosen game name. In connection with the above requirement, Proposer requests the following amendments:

1. Successful Proposer shall obtain and pay for federal trademark searches, not copyright searches - such approach is consistent with industry practice and further the successful Proposer is still obligated to indemnify for violation or infringement of a copyright.
2. Successful Proposer shall deliver an opinion as to whether a name the CLC chooses "poses a significant risk" of infringement or violation a trademark in connection with a game as expressed - this language (poses a significant risk) is consistent with opinion practice regarding trademark violation and infringement.
3. For any trademark developed by the CLC, the CLC (and not the successful Proposer) will register the trademark – again, this is consistent with industry practice.

**Response:**

The following will replace the RFP language referenced in the third paragraph of Part VII, Exhibit A, Section I of the RFP: Trade/Service Marks and/or Names: The successful Proposer will obtain and pay for federal trademark searches, and state trademark searches within Connecticut, on names chosen for CLC Instant Tickets and obtain a written opinion from outside trademark counsel, at the successful Proposer's sole cost and expense, as to the advisability of the use of such game names, including whether the game name poses a significant risk of infringement or violation of a trademark. "Outside trademark counsel" means an attorney with experience in trademark matters who is associated or affiliated with, or employed by, an independent law firm. The CLC shall receive a complete copy of each such opinion prior to final determination of the name of each game and final approval of the final mechanical art for each game. If a name the CLC chooses has been expressly determined to infringe or violate a trademark in connection with a game as expressed in the opinion given by the successful Proposer's outside trademark counsel, then the successful Proposer shall be relieved of its defense, indemnification and hold harmless obligations under this section. The CLC may, at its option, obtain a trademark of each chosen Instant Ticket name. If an Instant Ticket name or any aspect of a game chosen by the CLC is the subject of a trademark or copyright held by the successful Proposer, the successful Proposer hereby grants the CLC a license to use said trademark or copyright in connection with such game name or other aspect of such game now and in the future.



**Question 33:** RFP Part VIII: Attachments / Pages 40-50: Will the CLC please provide editable/unlocked PDFs or Word files for the following documents:  
Attachment C – Ticket Size Specification and Pricing  
Attachment D – Options Pricing Sheet

**Response:** Available to Proposers upon request.

**Question 34:** RFP Part VIII: Attachments / Attachment D, Options Pricing Sheet / Page 50: Gloss FX, Scratch FX, Water Droplets, Sparkle, PlayAround™ fold over Games, ScratchMyBack™ are trademarks or patents owned by another vendor. As a result, these can only be printed by the vendor who owns the patent or the trademark. They cannot be printed by other vendors. Will the lottery kindly remove these from the Specified options and make them part of the Offered Options - “Additional options recommended by the proposer”

**Response:** This will be removed from Specified options and made a part of Offered Options as an amendment.

**Question 35:** RFP Part VIII: Attachments / Attachment D, Options Pricing Sheet / Page 50: This lists “Variable pack sizes.” Will the lottery kindly confirm that within a single game, the pack size is the same?

**Response:** Yes, within a single game, the pack size is the same.

**Question 36:** Would the CLC please provide a copy of current contract instant ticket pricing from each of its instant ticket suppliers?

**Response:** Available to Proposers upon request.

**Question 37:** Page 1 of the RFP includes a table for vendors to fill out their contact information. Is this table required to be included in the proposal? If yes, where should it be placed in the bid and should it be signed by an officer of the bidding entity?

**Response:** Vendor Name & information table: Place in Tab 3. This does not need to be signed by an officer of the bidding entity.

**Question 38:** Part I: Introduction / Page 4 / The introduction states the number of tickets ordered by fiscal year. / Would the Lottery please furnish instant ticket launch schedules, showing quantities ordered, ticket size, and price point for fiscal years 2017, 2018 and 2019?

**Response:** Available to Proposers upon request.

**Question 39:** Can the CLC please clarify the dates for oral presentations? The dates on page 4 (7/29/2019-8/2/2019) are different than the dates listed on page 8 (7/15/2019-7/19/2019).

**Response:** Please refer to Question 1.

**Question 40:** Page 5 / Third bullet point (RFP reference: “2nd Chance Drawing promotions - conception and design, website development, drawing services, winner notification and prize fulfillment. Successful Proposer must have the ability to integrate with the CLC’s forthcoming player loyalty program.”) Can the CLC please provide more information on anticipated points of integration, including (but not limited to): Will players use the same Lottery account used for participation in the forthcoming player loyalty program to enter 2<sup>nd</sup> Chance Drawings? If so, who manages this player database the player loyalty program provider, the 2<sup>nd</sup> chance drawings provider, the CLC, a third-party? Will players be permitted to use points earned in the player loyalty program to enter 2<sup>nd</sup> Chance Drawings?

**Response:** Please refer to Question 17.

**Question 41:** Part III – Standard RFP Terms and Conditions / I. Proposal Submission Instructions and Requirements, 3. Proposal Submission, item c (page 13): Under item 3.c, Proposal Submission, the RFP states that the Financial Package must contain one (1) original and three (3) copies of financial information. Due to the large volume of some financial statements, would the CLC consider allowing Proposers to submit electronic versions of the three copies on USB?

**Response:** Please refer to Question 7.

**Question 42:** Part V – Technical Specifications / V.D.1 – Ticket and Game Specifications, part 1 (page 21) / (RFP requirement: 4.00” x 4.50” Dispenser Inserts: one (1) included in each ticket Pack and an additional one-thousand (1,000) shrink wrapped.) / Would the lottery please specify the number of colors to be printed on each side of the dispenser inserts?

**Response:** Minimum of a four (4) color process on each side.

**Question 43:** Part V – Technical Specifications / V.D.1 – Ticket and Game Specifications, part 1 (page 21) / (RFP requirement: 4.00” x 4.50” Dispenser Inserts: one (1) included in each ticket Pack and an additional one-thousand (1,000) shrink wrapped.) / Do the additional dispenser inserts ship to the Lottery independently or on trucks with the instant ticket games?

**Response:** This will be the Proposer’s preference.

**Question 44:** V.D.13 - Attendance at Printing Plant during Production of Game (page 24)/ (RFP requirement: “the CLC may send a maximum of 2 representatives to the Proposer’s printing... plant and that the cost of such visits shall be paid for by the successful Proposer.”): What will be the maximum number of printing plant visits per year of the contract?

**Response:** This will be determined at the CLC’s discretion, but will be a minimum of once per year.

- Question 45:** V.D.14 through V.D.17 Primary Contractor Only (pages 24-25): Will the CLC please clarify if pricing for these requirements for the Primary Contractor only are to be included in the Base Pricing or separated out? If separated out, please provide a format for vendors to submit primary and specialty price proposals.
- Response:** Primary Contractor pricing should include all of the items specified as “Primary”. Base pricing should not include items specified as “Primary”.
- Question 46:** V.D.20 –Options, Item a. Option 1: 2<sup>nd</sup> Chance Drawings, i, 1 & 2 (pages 25-26): Is the term “Registration” as it is used here intended to refer to the recording of ticket entries or player account registration?
- Response:** Please refer to Question 17.
- Question 47:** V.D.20 - Options, Item a. Option 1: 2<sup>nd</sup> Chance Drawings (pages 25-26): Will 2<sup>nd</sup> chance drawings be required to integrate with a mobile application?
- Response:** Please refer to Question 17.
- Question 48:** V.D.20 - Options, Item a. Option 1: 2<sup>nd</sup> Chance Drawings (pages 25-26): Will 2<sup>nd</sup> chance drawings be required to integrate with a mobile application?
- Response:** Please refer to Question 17.
- Question 49:** V.D.20 - Options, Item a. Option 1: 2<sup>nd</sup> Chance Drawings (pages 25-26): What is the anticipated number of 2<sup>nd</sup> chance drawing promotions for each year of the contract?
- Response:** Please refer to Question 17.
- Question 50:** V.D.20 - Options, Item a. Option 1: 2<sup>nd</sup> Chance Drawings (pages 25-26): How many individual drawings does the CLC anticipate conducting for each 2<sup>nd</sup> chance promotion?
- Response:** Please refer to Question 17.
- Question 51:** V.D.20 - Options, Item a. Option 1: 2<sup>nd</sup> Chance Drawings (pages 25-26): Will mail-in entries be eligible for 2<sup>nd</sup> chance drawing promotion?
- Response:** Please refer to Question 17.
- Question 52:** V.D.20 - Options, Item a. Option 1: 2<sup>nd</sup> Chance Drawings (pages 25-26): Will the CLC please provide additional information regarding the types and quantity of prizes they expect the successful Proposer to fulfill as 2<sup>nd</sup> chance drawing prizes?
- Response:** Please refer to Question 17.

**Question 53:** V.D.20 - Options, Item c. Option 3: Licensed Games (page 26) / (RFP Requirement: “Please provide a list of your current Licensed Games, along with a sample of an Instant Ticket printed for each. Additionally, please provide a short description of any successful promotions that have been run in support of any Licensed Games (successful promotions being defined as those that have quantified results such as increased sales, high game indexing, improvements in player participation, etc.).”) / Will the CLC please accept an image of a licensed property if a physical sample is not available?

**Response:** An image of a licensed property is acceptable if a physical sample is not available.

**Question 54:** V.D.20 - Options, Item c. Option 3: Licensed Games (page 26) / (RFP Requirement: “Please provide a list of your current Licensed Games, along with a sample of an Instant Ticket printed for each. Additionally, please provide a short description of any successful promotions that have been run in support of any Licensed Games (successful promotions being defined as those that have quantified results such as increased sales, high game indexing, improvements in player participation, etc.).”) / Can the CLC please confirm that any “successful promotions” should be those executed by the vendor and not solely promotions that were recommended and then executed by the lottery?

**Response:** “Successful promotions” are those executed by the vendor.

**Question 55:** Part VI – Security / VI.D – Laboratory Testing (page 28) / (RFP requirement: “The CLC, in its sole discretion, reserves the right to request additional instant tickets and to subject such tickets to any additional tests.”) / Would the Lottery please provide a list of reasons for rejected instant tickets over the course of the current contract period, including the corresponding CLC standard that was not met?

**Response:** Decisions to reject instant tickets are made by the DCP, based in part on the recommendation of the findings of testing performed by the State of Connecticut State Police Crime Lab. Since this decision is outside of the control of the CLC, it is not information that can be provided by the CLC.

**Question 56:** VI.J – Planning and Production of Instant Games – Ticket Manufacturing (page 29) / This requirement is not referenced in Section 1. Proposal Package (page 9). Can the CLC please specify behind which tab Proposers should respond to this requirement?

**Response:** This response should be placed behind Tab 8.

**Question 57:** VI.K – Environmental Compliance (page 30) / This requirement is not referenced in Section 1. Proposal Package (page 9). Can the CLC please specify behind which tab Proposers should respond to this requirement?

**Response:** This response should be placed behind Tab 8.

**Question 58:** Part VII – Exhibit A: Minimum Contract Terms / VII. D - Indemnification (page 33) / *(The RFP provides that any resulting Contract from this RFP will require the successful Proposer to indemnify, hold harmless and defend the CLC and the State of Connecticut, and each of their respective directors, officers, employees, agents, and representatives (collectively, “Indemnified Parties”) from any and all liabilities arising out of or related to the Contract, including, without limitation, liabilities pertaining to “Winner On Its Face” claims and infringement or misappropriation of any third-party Intellectual Property Right, proprietary right, or other right.)* / Would the Lottery please confirm that such indemnity obligation is not intended to any claim arising out of or related to: (1) any act or omission of an Indemnified Party which may give rise to the claim; (2) a successful Proposer’s actions or omissions requested by in compliance with the Lottery’s requirements; or (3) any act or omission of a third party not a subcontractor of the successful Proposer?

**Response:** No, this section will not be amended.

**Question 59:** VII.G.1 Termination for Cause (page 37) / (The RFP provides that the CLC shall have the right, in its sole discretion, to immediately terminate the Contract, in whole or in part, for cause upon written notice to the successful Proposer. Such termination shall be without prejudice to any and all rights, remedies, and causes of action the CLC may have against the successful Proposer.) / Would the Lottery consider for those sections where a cure is possible, that the successful Proposer shall first have an opportunity to cure such failure, to the Lottery's satisfaction, within thirty (30) days of notice from the Lottery of successful Proposer’s failure or breach?

**Response:** This will remain as written.

**Question 60:** VII.I – Intellectual Property Rights, Title To, Use of (page 39) / *(RFP requirement: “If an Instant Ticket name or any aspect of a game chosen by the CLC is the subject of a trademark or copyright held by the successful Proposer, the successful Proposer hereby grants the CLC a license to use said trademark or copyright in connection with such game name or other aspect of such game now and in the future.”)* / Would the CLC specify how long “in the future” means for the use of a game name owned by the successful Proposer? Is this for only current RFP terms or subsequent contracts in the future?

**Response:** As long as the game is in the marketplace.

**Question 61:** Part VIII – Attachments / Attachment C - “Base Game” Pricing Proposal, (page 2 of Attachment/page 44 of RFP) / Pricing Proposal, lists Notes #1, 2 and 3 that seem to apply to some, but not all, of the listed base games. / Would the Lottery please specify which of these notes apply to the various base games listed?

**Response:** This information is on page 43 of RFP; the notes specify which games these apply to. Please refer to the notes located above the signature lines of the page.

**Question 62:** Attachment C - “Non-Base Game” Pricing Proposal (page 3-7 of Attachment/page 44–48 of RFP) / “Non-Base Game” pricing proposal shows a matrix for pricing instant tickets by size code, quantity and price point. / The “Non-Base Game” Pricing Proposal appears to have omissions and duplications in the size code column headers. For instance, size code Q is not used in any of the Non-Base Game tables. Additionally, several size codes are repeated in the table for different price points. Was this intended even though pricing is being requested as price per thousand? Would the Lottery please re-issue this matrix with corrected size code column headers?

**Response:** Size code column headers are correct. Refer to table on Page 1 in Attachment C (Page 42 of RFP), “Ticket Specification Grid”.

**Question 63:** Attachment C - “Non-Base Game” Pricing Proposal (page 3-7 of Attachment/page 44–48 of RFP) / “Non-Base Game” pricing proposal shows a matrix for pricing instant tickets by size code, quantity and price point. / Given the number of codes (20), would the CLC please revise the matrix header cells to include the ticket size that corresponds to each code, or alternatively, allow Proposers to make this revision?

**Response:** CLC will not revise the matrix header cells, nor allow Proposers to make the revisions.

**Question 64:** Attachment C – “Base Game” Pricing Proposal, (page 2 of Attachment/page 43 of RFP) / The parenthetical note at top of page 43 says “(Annual ESS tickets)” / Would the CLC please confirm that the Standard Order Quantity values on this page are actual ticket order quantities and not ESS equivalent quantities?

**Response:** The parenthetical note at top of page 43 is correct.

**Question 65:** Attachment D - Options Pricing Sheet (page 50 of RFP) / Provides a pricing table for instant ticket print options, some of which are proprietary products of other print vendors. / Can vendors that do not have any given proprietary product bid “no bid” to such items, and provide option pricing for their own option products?

**Response:** This will be removed from Specified options and made a part of Offered Options as an amendment.

**Question 66:** Attachment F – Iran Certification (page 54) / Under Part A we are instructed to “check the applicable box”, however, there is no box to check. Please advise if an updated form is available.

**Response:** Certificate will be reissued to all Proposers.

**Question 67:** In an effort to avoid any potential customs and delivery delays, we request the Lottery’s tax ID number for our shipment paperwork for our response to this RFP.

**Response:** The CLCs Tax ID Number will be provided to all Proposers.

**Question 68:** Will the Lottery please clarify if there are any additional steps in the shipping process for security or logistical reasons that will add time to the delivery of couriered response packages? For example, some state governments route all shipments to a security screening facility prior to delivery to the final destination. This can result in unexpected time delays and may result in a late proposal delivery.

**Response:** As stated on page 13, Section I, Item 1, “The CLC will NOT accept late Proposals”.

**Question 69:** On page 4 of the RFP, it states that Phase II – Oral Presentation is tentatively scheduled for 7/29/2019 to 8/2/2019; however, within Part II, B. Key Dates (page 8), the dates provided for “Finalist Oral Presentations” are 7/15/2019 to 7/19/2019. Will the Lottery please confirm the tentative dates of the Oral Presentations?

**Response:** Please refer to Question 1.

**Question 70:** Would the Lottery please provide information regarding how much time will be allocated per Proposer for the Oral Presentation defined on page 6?

**Response:** Generally, the time is approximately 2 hours, but this will be confirmed when invitations to present are sent.

**Question 71:** Please confirm that the three-year marketing plan defined under Response Requirements (page 6) is to be presented only during oral presentations, and not submitted as part of this Written Proposal.

**Response:** This will be included in both the written proposal and oral presentation.

**Question 72:** Please confirm that the Lottery wishes Proposers to respond only to the requirements that have been explicitly assigned to a Tab, as per the outline in A. Required Contents and Order of Proposal (page 8).

**Response:** Part VI, Security; Section J, Planning and Production of Instant Games – Ticket Manufacturing Plan: Place in Tab 8. Part VI, Security; Section K, Environmental Compliance: Place in Tab 8. The comprehensive three (3) year marketing plan is to be located within the Proposal Package in a new tab, labeled Tab 16, after the attachments.

**Question 73:** In item J. Evaluation Process, Award Criteria (page 14), the Lottery states that Instant Ticket performance (ticket “scratchability”) and Instant Ticket design (“graphic appearance”) will be among the factors the Evaluation Committee will consider during its evaluation process. Can the Lottery please advise how scratchability and graphic appearance will be evaluated? Are Proposers to provide Instant Ticket samples for such evaluation?

**Response:** Sample tickets will be requested of each Proposer as part of the oral presentation when invited.

**Question 74:** In D. Ticket and Game Specifications, the Lottery provides information regarding sample instant tickets and dispenser inserts (pages 20 and 21). Will the Lottery please confirm the number of colors on the insert front and back? In addition, the Lottery recently changed the additional insert quantity to 500; please confirm the additional insert quantity is indeed 500 or 1,000, as noted on page 21.

**Response:** Minimum of a four (4) color process on each side. The number of inserts is 500.

**Question 75:** Regarding item D. Ticket and Game Specifications, 13. Attendance at Printing Plan During Production of Game (page 24): Can the Lottery please advise how many visits per year can be expected?

**Response:** Please refer to Question 44.

**Question 76:** Can the Lottery please confirm that Part V. D. 16. Annual Research Study (page 25) is an annual analysis of the instant ticket market based on available primary research and is not an additional primary research study further to that required in Part V. D. 15. Market Research (page 25)?

**Response:** This is an annual analysis of the Instant Ticket market based on available primary research.

**Question 77:** Can the Lottery please clarify whether the Primary Contractor is responsible for the costs associated with the annual primary research study required in Part V. D. 15. Market Research (page 25)? If yes, in order to more clearly understand the Lottery's market research objectives for the upcoming contract term, will the Lottery please provide an approximate annual budget for primary market research to be provided by the Primary Contractor?

**Response:** The primary contractor will assume all costs associated with the annual research study. No budget will be provided.

**Question 78:** In item 20. Options, Option 3: Licensed Games (page 26), the Lottery requests a sample of an Instant Ticket printed for each licensed brand in a Proposer's portfolio. Will the Lottery please advise if the required samples will be tested in a laboratory, or if they are for demonstrative purposes only?

**Response:** The required samples are for demonstrative purposes only.

**Question 79:** Does the Lottery want Proposers to respond to J. Planning and Production of Instant Games – Ticket Manufacturing Plan (pages 29-30)? If so, please provide a corresponding Tab number and label.

**Response:** Yes, this should be placed behind Tab 8.



**Question 80:** Does the Lottery want Proposers to respond to K. Environmental Compliance (pages 30-31)? If so, please provide a corresponding Tab number and label.

**Response:** Yes, this should be placed behind Tab 8.

**Question 81:** Regarding E. 1. Insurance (page 33), the third paragraph states: “All insurance policies, except Workers’ Compensation and errors and omission coverage, must: (a) be endorsed to name the “Connecticut Lottery Corporation, the State of Connecticut, and each of their respective directors, officers, employees, agents, and representatives” as additional insured parties with respect to liabilities and losses related to the Contract; (b) be endorsed to require the insurance company to provide thirty (30) calendar days advance written notice to the CLC of any change in, termination of, failure to renew, default, or cancellation of coverage; (c) disclose any nonstandard exclusions for each required coverage; and (d) attach a list of all pertinent endorsements (by endorsement number and name) for each required policy. The successful Proposer will require the insurance carriers of the required coverages to waive all rights of subrogation against the additional insured parties.” (*emphasis added*). a. During a given year, there may be minor changes to a policy (example: addition/deletions of property locations) that generally the CLC would not need to be notified of; therefore, we respectfully request that the words “of any change in” be deleted. b. Will the CLC please explain what is meant by a “nonstandard exclusion”, as policies and forms vary from company to company?

**Response:** Please refer to Question 22.

**Question 82:** Regarding E. 2. Performance Security (page 34), the first paragraph states: “The Performance Security shall be in the amount of one million dollars (\$1,000,000) and shall be maintained in full force and effect during the term of the Contract and any extension(s) thereof.” (*emphasis added*). It is customary in the Surety industry that performance bonds be annually renewable; Would the Lottery be willing to accept this form of bond?

**Response:** Please refer to Question 28.

**Question 83:** Regarding I. Intellectual Property Rights; Title To, Use Of (page 39): Please confirm that the license to use any intellectual property rights owned by the successful Proposer under the Contract will be limited to the Term of the Contract and not “on an indefinite basis” as stated in the RFP.

**Response:** No additional language will be added.

**Question 84:** Regarding Attachment D – Options Pricing Sheet (page 51): Will the Lottery please confirm Option 11 “Additional display color on overprint (more than 4)”? We believe this option should read “Additional display color (more than 4)”.

**Response:** This is correct as written.