

April 3, 2018

Request for Proposals

RFP #: 18-04A

Title: Sports Betting Service Provider for Rhode Island Lottery

Submission deadline: Friday, May 18, 2018 at 4:00 p.m. EST

Pre-bid Proposal Conference: Yes

There will be a mandatory pre-bid conference to be held on Tuesday, April 24, 2018 at 9:00 a.m. at the offices of the Rhode Island Lottery. (Hereinafter, "Lottery") The Lottery is located at 1425 Pontiac Avenue, Cranston, Rhode Island 02920.

Any Vendor who intends to submit a bid Proposal in response to this solicitation must have its designated representatives attend the mandatory pre-bid conference. Attendance at the mandatory pre-bid conference may be by telephone or in-person.

The Vendor representative must confirm to the Lottery, by emailing Terri Kiernan at tkiernan@rilot.ri.gov by Friday, April 20, 2018, his/her attendance/participation in the pre-bid conference and whether he/she will participate in-person or by telephone, and disclose the identity of the Vendor whom he/she represents. A call-in number will be provided by the Lottery to all parties no less than 24 hours prior to the scheduled pre-bid conference. All expenses associated with a Vendor's participation in the pre-bid conference are the responsibility of the Vendor. A Vendor's failure to participate in the mandatory pre-bid conference shall result in the disqualification of the Vendor's bid Proposal as non-responsive to the solicitation.

Any questions regarding the mandatory pre-bid Proposal conference are to be directed to Terri Kiernan at tkiernan@rilot.ri.gov.

Potential Bidders may ask questions and seek clarification, in accordance with the directions provided in this RFP, regarding this Proposal before submitting their response Proposal. For the purposes of this document, the term "Bidder" refers to any individual, firm, corporation, or other entity submitting a Proposal in response to this solicitation.

Questions concerning this solicitation must be sent to and received by the Lottery, to the attention of Terri Kiernan at tkiernan@rilot.ri.gov no later than Friday, April 27, 2018. Questions should be submitted in a *Microsoft Word* attachment. Please reference the RFP# on all correspondence. Answers to any questions received will be emailed by Friday, May 4, 2018, to all Vendors who participated in the mandatory pre-bid Proposal conference.

No other contact with State parties will be permitted. Any unauthorized contact with State parties may be grounds for the disqualification of the Bidder.

Name of Buyer: Rhode Island Lottery

Location of Buyer: 1425 Pontiac Avenue Cranston, Rhode Island 02920

Name of Contact Person: Gerald Aubin

Title of Contact Person: Director

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Section 1. INTRODUCTION

The Lottery is preparing for the advent of authorized sports betting in the state, to be implemented pursuant to enabling legislation, which would be effective in the event the Supreme Court of the United States affirms the authority of the states to regulate sports betting within their respective borders. The Lottery reasonably anticipates that such enabling legislation would empower the Lottery to provide regulatory oversight and control over all aspects of sports betting operations. The Lottery further intends to implement regulations to carry out the objectives of the sports betting legislation.

The precise scope of permissible sports betting options will be established through legislation and regulations. All Bidders must acknowledge that they will abide by all statutory and regulatory requirements and limitations in connection with this Proposal.

To facilitate the process of implementing sports betting, the Lottery is soliciting Proposals from qualified Bidders to be the sports betting service provider ("Service Provider"), acting on behalf of and under the direction of the Lottery, to be responsible for the establishment, implementation and maintenance of all sports betting within the state. The objectives of the RFP are to find a Service Provider that will provide competitive sports betting products and services with the highest quality and integrity standards and utilize the necessary technology that will enable the Service Provider to readily adapt to regulatory and legal changes. The Service Provider will be awarded an exclusive Contract to provide initial sports betting services as specified in this Proposal.

It is understood that the awarding of the Contract to be the Service Provider pursuant to the RFP is made subject to the express condition that sports betting is authorized in Rhode Island; and that, absent such authorization, any Contract to be awarded pursuant to this RFP shall not become effective. With this caveat, the initial Contract term shall be for a period of five (5) years, and may be extended by mutual consent for two (2) successive five-year (5-year) terms.

The Lottery contemplates that sports betting operations will be limited at the outset to the physical confines of the two (2) licensed Video Lottery and Table Game retailers ("Video Lottery Retailers") in the state: the Twin River Gaming Facility and the hotel on the premises ("Twin River Gaming Facility") and the Tiverton Gaming Facility and the hotel on the premises ("Tiverton Gaming Facility"). However, qualified Bidders must be able to demonstrate in their proposals their capability to readily adapt to any future additions to authorized sports betting operations in the state including, but not limited to, remote sports betting. Pursuant to this RFP, the Lottery anticipates initially awarding a single Contract to implement sports betting at the Twin River Gaming Facility and the Tiverton Gaming Facility.

In the event that additional forms of sports betting are later authorized by the state, the Lottery reserves the right to award other Contracts depending on what type of sports betting is authorized by the state and what functions and creative options are provided in response to this solicitation. Specifically, the Lottery reserves the right to award other Contracts at a later date if authorized sports betting in the state includes other sports betting such as betting at different locations and multiple platforms. Therefore, Bidders are encouraged to not only submit proposals and bids on sports betting at the Twin River Gaming Facility and the Tiverton Gaming Facility but also to separately provide proposals and bids that include multiple options to implement other types of sports betting in Rhode Island, if later authorized by the state including innovative and cutting edge options available as sports betting technology grows and/or if authorized sports betting in Rhode Island evolves to include different platforms. In addition, Bidders may also submit combined proposals that include both sports betting at Twin River Gaming Facility and Tiverton Gaming Facility and, if authorized at a later date, other types of sports betting in Rhode Island, including, but not limited to, sports betting within the state on different platforms.

Section 2. GUIDING PRINCIPLES

A. Propriety and Integrity

The Lottery is committed to providing a wide range of lottery and gaming initiatives to the gaming patron while maintaining the highest standards of propriety and integrity in all aspects of its operations. The regulatory framework is designed to ensure and foster public confidence and trust in the integrity of the Lottery and gaming operations. The Service Provider must demonstrate its ability and commitment to perform to these standards.

It is a fundamental requirement that the sports betting platform developed by the Service Provider perform with complete reliability, security and integrity and in strict compliance with State of Rhode Island statutory and regulatory requirements, ensuring that all patrons can place their bets, have unbridled and continuing access to betting options and all relevant information, and securely collect their winnings in accordance with the prescribed rules and regulations. The accounting and auditing requirements included in this Proposal are designed to ensure the accuracy and completeness of all records and data information relating to the sports betting operation.

As detailed herein, in order to ensure compliance with the above guidelines, all Bidders, and their subContractors if any, will be subject to a preliminary examination of their suitability by the Rhode Island Department of Business Regulation. In addition, the Service Provider will be subject to a background due diligence investigation by the State of Rhode Island to determine suitability before the Contract is awarded. The Bidders and Service Providers shall be responsible for all costs associated with said investigations.

Any and all records, data, and/or information ("Information") including, but not limited to, player information, in the possession of the Service Provider and obtained by the Service Provider in the course of performing its obligations under the Contract (regardless of how the Information was obtained and no matter in what format the Information is stored) shall be the sole property of the Lottery. The Service Provider must agree to securely maintain said Information as an agent of the Lottery and agree not to share or use said Information for any purpose other than is necessary to perform its obligations under the Contract without the express written permission of the Lottery. In addition, the Service Provider must not sell, dispose of or destroy said Information. All such Information must be provided to the Lottery by the Service Provider at the Lottery's request during the term of the Contract. At the end of the term of the Contract, all such Information must be returned to the Lottery at the Lottery's request.

B. Player Protection

Player Protection is a key element to be considered in the implementation of sports betting. The Lottery continuously seeks ways to enhance the patron's overall gaming experience while recognizing its paramount responsibility to offer protection for those gamblers who may need assistance. Resources are available to ensure that the players enjoy the gaming services in a safe, secure, and supportive environment. Player Protection tools are important to control and limit spending. Available options at present include personal counselling and voluntary self-exclusion from gaming activity for a set period or permanently.

It is also imperative that effective measures be utilized by the Service Provider, acting in concert with the video lottery retailers and Lottery, to prohibit underage patrons from participating in sports betting. The Bidders must demonstrate their ability to preclude underage patronage.

C. Responsible Gaming

In recent years, it has become a widely accepted practice within the authorized gaming industry to develop responsible gaming programs to minimize the impact of problem gambling on communities and individuals. This initiative has come from governments, regulators, industry, researchers, treatment providers and the communities and individuals themselves. The aim is to encourage responsible gaming and to minimize the harm caused by problem gambling.

The Lottery is subject to statutory, regulatory and policy requirements to incorporate responsible gaming programs into its lottery and gaming offerings. An effective training program for staff is a critical component of a fully developed responsible gaming program. The Service Provider must implement the sports betting system so as to comply with the framework of a fully developed, responsible gaming program as required by the Lottery.

D. Fraud Prevention

The Service Provider will be the Contractor for the Lottery and therefore has the responsibility to demonstrate that every reasonable measure has been taken to prevent fraudulent activity on the sports betting platform. The following Guiding Principles establish a minimum standard with respect to Fraud Prevention.

1. Take every reasonable step to identify, assess and manage the risks linked to illegal betting and sports-betting fraud.
2. Support and encourage stakeholder engagement to effectively identify and prevent illegal betting and sports-betting fraud.
3. Conduct regular needs-assessments to verify compliance with existing legislation, including proposing to the Lottery new sports-betting legislation and regulations to help prevent illegal betting and/or sports-betting fraud.
4. At regular intervals, verify that all parties identified by the Lottery are aware of, and trained in, their role in preventing illegal betting and sports-betting fraud.
5. Establish definitive parameters and processes for combating illegal betting and sports-betting fraud.
6. Help identify, define and report any conduct, or pattern of behavior, that constitutes a criminal offense in relation to illegal betting and sports-betting fraud.
7. Support investigations into potential offenses related to illegal betting and sports-betting fraud.
8. Provide the Lottery, fraud investigators and prosecutors with the necessary resources and support to enable them to perform their work related to illegal betting and sports-betting fraud.

E. Anti-Money-Laundering

The Lottery is committed to the prevention and detection of money-laundering schemes involving its operations. The Service Provider must implement and adhere to accepted anti-money-laundering protocols, practices and procedures that are designed to prevent unlawful activity. In this regard, the Bidders must demonstrate that they have established effective procedures for verifying the identity of their customers and that they will cooperate with the Lottery and law enforcement authorities in the prevention and detection of money-laundering activities.

The Service Provider shall perform its obligations in conformity with high ethical standards and in compliance with all applicable laws and regulations. The Bidders must be able to ensure that service will not be provided where there is good reason to believe that transactions are associated with money laundering activities. The Bidders must demonstrate that they have effective training programs to ensure that their staff is well informed with respect to all applicable anti-money-laundering procedures.

Section 3. INSTRUCTIONS

- A. Potential Bidders are advised to review all sections of this RFP carefully and to follow instructions completely, as failure to make a complete submission as described herein may result in rejection of the Proposal.
- B. Responses will be evaluated on the relative merits of the Proposal, in addition to cost. The Lottery intends to conduct a comprehensive, fair, and impartial evaluation of proposals received in response to this RFP.
- C. Alternative approaches and/or methodologies to accomplish the desired or intended results of this RFP are solicited. However, Proposals that depart from or materially alter the terms, requirements or scope of work defined by this RFP may be rejected as being non-responsive.
- D. All costs associated with developing or submitting a Proposal in response to this RFP, or for providing oral or written clarification of its content, shall be borne by the Bidder. The State and the Lottery assume no responsibility for these costs even if the RFP is canceled or continued.
- E. Proposals are considered to be irrevocable for a period of not less than one (1) year following the opening date, and may not be withdrawn, except with the express written permission of the Lottery.
- F. All pricing submitted will be considered to be firm and fixed unless otherwise indicated in the Proposal.
- G. It is intended that an award pursuant to this RFP will be made to a prime Service Provider who will assume responsibility for all aspects of the work. SubContracts are permitted, provided that their use is clearly indicated in the Bidder's Proposal and the subContractor(s) to be used is/are identified in the Proposal. Any subContractors identified in the Proposal shall be subject to the same preliminary examinations and background investigations conducted with respect to the Bidders, according to the standards as detailed herein.
- H. The Lottery reserves the right to award this bid on price alone.
- I. The laws of the State of Rhode Island shall govern any Contract resulting from this RFP.
- J. All Proposals shall be submitted in English.
- K. Bidders are advised that all materials submitted to the Lottery for consideration in response to this RFP may be considered to be public records as defined in R. I. Gen. Laws § 38-2-1, *et seq.* and may be released for inspection upon request once an award has been made.

Any information submitted in response to this RFP that a Bidder believes to be trade secrets or commercial or financial information that is of a privileged or confidential nature should be clearly marked as such. The Bidder should provide a brief explanation as to why each portion of information that is marked should be withheld from public disclosure. Bidders are advised that the Lottery may release records marked confidential by a Bidder upon a public records

request if the Lottery determines the marked information does not fall within the category of trade secrets or commercial or financial information that is of a privileged or confidential nature under Rhode Island law.

- L. Prior to the award of this bid, if the Service Provider is an out-of-state Vendor that has not previously provided services to the Lottery, the Service Provider will be required in accordance with R. I. Gen. Laws § 7-1.2-1401 to file an Application for Certificate of Authority as a Business Corporation/Foreign Business Corporation with the Rhode Island Secretary of State, on its website, www.sos.ri.gov, and must remain a member in good standing. This will require an initial filing fee as well as yearly filing. For further information, contact the Secretary of State at (401-222-3040). An out of state Vendor must submit with the Proposal a certification stating that the Vendor agrees to abide by this condition if selected as the Service Provider.
- M. It is the policy of the Lottery to make every effort to assure the participation of small, minority and female-owned businesses pursuant to Section 4, entitled "Vendor Qualification," of the Lottery's procurement regulations, promulgated pursuant to Chapter 37-2 of the General Laws of the State of Rhode Island and as mandated in Title 37, Chapter 14.1 of the General Laws of the State of Rhode Island entitled, "Minority Business Enterprise."

N. Litigation Bond

Each Bidder must submit with its bid a litigation bond in the amount of one-hundred-thousand dollars (\$100,000.00). A claim upon the bond may be made by the Lottery if:

1. The Bidder brings any legal action or protest against the State of Rhode Island, Lottery, or any individual member thereof, or any employees of the Lottery, related to the award of the Contract; and
2. The Lottery is the prevailing party at the conclusion of the litigation; and

The bond shall remain in effect two (2) years from the bid submission date. Bidders may request, and the Lottery may, but shall not be required to, grant, a release of the bond after six (6) months from the bid submission date in return for a release and covenant not to sue in a form acceptable to the Lottery. The Service Provider may request such a release.

O. Payment and Performance Bond

Bidders must submit with their bid Proposals a letter from a surety licensed to conduct business in Rhode Island representing that the surety will issue the Bidder a payment and performance bond in the amount of one hundred percent (100%) of the bid Cost Proposal in the event the Bidder is selected as the Service Provider. The bond shall be maintained in full force for the term of the Contract.

P. Surety Bond.

Bidders must submit with their bid Proposals a letter from a surety licensed to conduct business in Rhode Island representing that the surety will issue the Bidder a surety bond in a commercially reasonable amount to be determined by the Lottery to be consistent with industry standards in the event that the Bidder is selected as the Service Provider. The surety bond shall be maintained in full force for the term of the Contract.

- Q. Bidders are encouraged to not only submit proposals and bids on sports betting at the Twin River Gaming Facility and the Tiverton Gaming Facility but also to separately provide proposals and bids that include multiple options to implement other types of sports betting in

Rhode Island if later authorized by the state including innovative and cutting edge options available as sports betting technology grows and/or if authorized sports betting in Rhode Island evolves to include different location(s) and platforms. In addition, Bidders may also submit combined proposals that include both sports betting at Twin River Gaming Facility and Tiverton Gaming Facility and, if authorized at a later date, other types of sports betting in Rhode Island, including, but not limited to, sports betting at different locations within the state and different platforms.

R. Estimated Timeframe for Implementation

The Lottery has a goal of October 1, 2018 as the date on which sports betting at the Twin River Gaming Facility and the Tiverton Gaming Facility will commence. Bidders must provide in their proposal an estimated date for commencement of sports betting at the Twin River Gaming Facility and the Tiverton Gaming Facility after the date the Contract is awarded, for example, 60 days after the award of the Contract.

Section 4. INVESTIGATIONS DURING PROPOSAL EVALUATION

Subsequent to the submission of Proposals, the Lottery or its designated agent may initiate investigations into the backgrounds of the Bidders and individuals or entities related to any officers, trustees, board members, principals, investors, owners, subContractors, employees or any other individuals or entities related to the Bidders as deemed appropriate. Such background investigations may include fingerprint identification by the State of Rhode Island, State Police and the Federal Bureau of Investigation, or any other public or private agencies deemed appropriate, and shall require the provision of information, as requested by the investigators. Any costs associated with the conduct of these investigations shall be paid entirely by the Bidders.

The Lottery may reject a Proposal based upon the results of these background checks. The Bidders are advised that any person who knowingly provides false or misleading information or who omitted any material fact in its response Proposal or in connection with any investigation by the Lottery or its designated agent may be cause for the Proposal to be rejected or cause for a Contract to be canceled.

Any Contract awarded pursuant to this Proposal is made subject to the Bidder affirmatively establishing its suitability, in the sole discretion of the Lottery, based on the criteria set forth herein. Bidders agree to submit to the due diligence background investigation. In this regard, the Bidder agrees to cooperate in all respects with such investigation and to provide all information requested by the investigator in a timely fashion within the specified time period established for responses. A failure to provide all requested information or otherwise cooperate with the investigation may result in a finding of unsuitability and the voiding of any Contract awarded.

A. To allow for a complete evaluation of the integrity, background and character of potential suppliers, each Bidder, and parent corporation, if the Bidder is a subsidiary corporation, shall comply with each of the following:

1. For the past five (5) years, the details of any conviction, judgment, administrative proceedings or investigations by local, state, or federal law enforcement authority in a state or federal court against the Bidder and its parent company, and their officers, directors, partners or owners, or for any subContractors to be utilized for this engagement.
2. A disclosure of the details of any litigation during the past three (3) years that is completed, in progress or pending between the Bidder, its parent company and/or

any of their officers, directors, partners, owners and subContractors to be utilized for this engagement and any party, private or governmental,

3. A disclosure of the details of any bankruptcy, insolvency, reorganization, or any pending litigation against the Bidder involving fraud or deceit, and
 4. The identity of any person who will receive a commission or other value from the Bidder or its parent company, if the Bidder is selected to be the Service Provider.
- B. Failure to provide the detailed information required by the RFP may result in disqualification of a Bidder from the evaluation process. In addition, the Lottery may refuse to enter into a Contract with a Service Provider or any affiliated entity if any of the following apply:
1. False statements have been made in any information provided in the above-required disclosures,
 2. Any of the entities, or principals of entities, have been convicted of an offense involving dishonesty or fraud or any gambling-related offense,
 3. A subContractor identified in the Proposal, or any of its owners, partners, officers and directors has been convicted of an offense involving dishonesty or fraud, or any gambling-related offense.
- C. The Bidder shall state whether or not any of the following have occurred:
1. During the last two (2) years, the Bidder, or any of its subContractor(s) for this Proposal, if any, was assessed any penalties under any of its existing or past Contracts. If so, indicate the public jurisdiction, the reason for the penalty, and the penalty amount of each incident.
 2. During the last two (2) years, the Bidder, or any of its subContractor(s), if any, has had to delay or nullify any of its existing or past Contracts or has had a Contract nullified or terminated.
 3. During the last two (2) years, the Bidder, subsidiary, or intermediary company, parent company, or holding company was the subject of any order, judgment, or decree of any state or federal authority barring, suspending, or otherwise limiting the right of the Bidder to engage in any business, practice, or activity. Provide that same information for any of Bidder's subContractor(s) for this Proposal, if any.

Failure to disclose such matters with the Proposal may result in rejection of the Proposal or in termination of a Contract.

This is a continuing disclosure requirement; any such matter commencing after submission of a Proposal and, with respect to the Service Provider after the execution of a Contract, must be disclosed to the Lottery within thirty (30) days of notification in a written statement to the Lottery Director.

The Lottery retains the right to verify any information provided pursuant to this Proposal. The Lottery, through its designated representative, may request additional information from third parties regarding the Bidder, and its subContractor(s) for this Proposal in order to evaluate the bid Proposal and determine suitability of the Bidder.

Good character, honesty and integrity, financial stability and ability to perform the scope of services are required. A Bidder shall be rejected as non-responsive if the Lottery, after the evaluation of documents

submitted in response to this RFP, and following the results of the background investigation, concludes that a Bidder does not possess the ability to perform the RFP requirements, has a conflict of interest in serving the Lottery, or fails to demonstrate good character, honesty and integrity and sufficient financial stability and responsibility, and reliability to assure good faith performance.

Change of Financial Condition

If a Bidder who has submitted a Proposal in response to this RFP experiences a material change in financial condition prior to award, or during the term of a Contract with the Lottery, the Lottery must be notified in writing at the time the change occurs or is identified. "Material change" is defined as any event that, following Generally Accepted Accounting Principles (GAAP) (or the international equivalents to the extent available), would require a disclosure in the annual report of a publicly traded United States corporation or that would be required to be disclosed under State or Federal law. Failure to notify the Lottery of such a change may result in the rejection of a Proposal or termination of the Contract.

Section 5. INFORMATION TO BE PROVIDED WITH THE PROPOSAL

A. General Firm Information

Provide a brief description of Bidder's firm, and provide the following information:

1. Name of the principal(s) of the firm.
2. Name, telephone number and email address of a representative of the firm authorized to discuss the Proposal.
3. Address of all offices of the firm.
4. Number of employees of the firm.
5. Date of establishment of the firm, and whether it is a public or private enterprise.
6. Audited financial statements for previous five (5) years.
7. Summary description of resources to demonstrate financial capability to be the Service Provider and perform the services set forth herein.
8. List of both current and past gaming operators, regulators and vendors with whom the firm has conducted business.
9. A table of organization for the firm listing all owners of greater than 5% of the firm, partners, directors and officers, and parent and subsidiary companies.

B. Experience and Resources

1. Describe the firm and its capabilities. In particular, describe the capacity and qualifications to perform the Scope of Work and comply with its technical requirements.
2. Indicate which principals and associates from the firm would be involved in providing the required services, as well as assisting in preparing the response to the RFP. Provide appropriate background information for each such person and identify his or her responsibilities. For each individual, please provide the following.
 - Name and job title
 - Summary biography detailing sports-betting industry experience
 - Identify principal project responsibilities for either/or/both

- RFP Process
 - Provision of Services
3. A listing of all jurisdictions where the Bidder and parent company have been licensed or otherwise authorized to conduct sports betting operations or other gaming operations, including the date of licensure or authorization, whether the license or authorization is still valid, and a description of any disciplinary actions taken by any regulatory agency against the Bidder or its owners, partners, officers, directors, employees or agents and its subContractors for this Proposal, if any.
 4. Provide a detailed list of references, including a contact name and telephone number for organizations or businesses for whom the firm has performed similar work in the past three (3) years. Such references should include, for each client, the following:
 - Name of client
 - Named client contact for reference purposes, plus contact details (email address and telephone number)
 - Licensed jurisdiction(s) under which such services were/are provided
 - Date of first supply of services provided by Bidder
 - Indicate the approximate number of registered and active sports betting players as of December 31, 2017. Please provide definition of active, as distinct from registered, players.
 5. Identify any conflict of interest that may arise as a result of business activities or ventures by your firm and associates of your firm, employees, or subContractors. Describe how your firm will handle actual and or potential conflicts of interest. Confirm that the firm does not have any conflict of interest that would arise if the Bidder is awarded this Contract.
 6. Identify individuals in the firm with multilingual skills who are available to assist with communication in languages other than English. Please identify the language(s).

C. Compliance Program

1. Anti-Money-Laundering
 - a. Provide a copy of the Bidder's compliance program and written policies relating to anti-money laundering, including compliance with Financial Crimes Enforcement Network's guidelines.
 - b. Provide a written narrative addressing the Bidder's commitment to preventing money laundering in its sports betting and gaming operations
2. Responsible Gaming Practices and Controls

The Bidder must submit a detailed description of its responsible gaming practices and controls. Please indicate if the Bidder has an established Code of Practice relating to corporate responsibility and responsible gaming, or similar written procedures relating to responsible gaming, and if so, provide a copy.

The detailed description of responsible gaming practices and controls should include, at a minimum, the following items:

- a. Responsible Gaming Mission Statement: The Bidder is committed to endorsing responsible gaming as well as promoting the awareness of problem gambling and improving prevention, intervention and treatment. The Bidder's responsible-gaming policy sets out its commitment to minimizing the negative effects of problem gambling and to promote responsible gaming practices. The Bidder should have its own unique responsible gaming mission statement.
 - i. Underage gaming. The Bidder must take appropriate measures to verify the age and identification of every (new) player by using a reliable electronic checking system or by requesting visual proof of age and ID.
 - ii. Problem gaming. The Bidder must take steps to prevent problem gaming as much as possible. When present, proper referral to treatment agencies is essential in accordance with the Lottery's Problem Gambling Program.
 - iii. Prevention of gaming by individuals on existing or future exclusion lists. The player should be able to exclude himself from making any gamble/bet. The duration of self-exclusion will be in accordance with Lottery policy.
- b. Corporate Standards
 - i. Age verification, registration

Describe in detail the procedures that the Bidder will employ to ensure proper age verification to prevent underage gaming patronage in sports betting operations. Please indicate if the Bidder has utilized such procedures in connection with offering sports betting or other gaming operations, and if so, in what jurisdictions.

The Bidder must indicate whether there have been any regulatory sanctions imposed relating to age verification and underage gaming.
 - ii. Social responsibility, player protection information

This information shall contain as a minimum:

 - A warning that gambling could be harmful if not controlled and kept in moderation
 - Advice on responsible gaming and a link to the social responsibility partner of the Vendor and other sources of help on problem gambling
 - A link to or information on an accepted self-assessment tool to determine potential risk
 - A list of player protection measures that are available
 - A link to a recognized filtering program (when online) to prevent minors from accessing a gaming/betting site.
 - iii. Advertising and Marketing

Provide a detailed description of the advertising and marketing of your products. Advertising and marketing statements must be socially responsible and thus must demonstrate the following:

- Advertising must not target those under the legal age of gaming/betting. This includes not only content but placement of advertising as well
- Advertising must not target moderate and high-risk groups
- Advertising should give a balanced message with regards to winning and losing
- Players should not be encouraged to chase their losses or re-invest their winnings
- At no time should it be suggested that gaming/betting is a means of solving financial problems
- Excluded players may not be contacted/ approached /targeted by marketing campaigns
- All advertising and marketing plans must be approved by the Lottery.

iv. Bonuses and Incentives

To ensure fair and open marketing and advertising, the use of bonuses and incentives is not allowed to be misleading, unreasonable or promote unsafe gaming/betting. Included, but not limited to:

- Sign-up bonuses
- Free bets (or related) bonuses
- Cash-back bonuses
- Player loyalty programs/cards

v. Training and Support

Describe the training program for staff relating to responsible gaming. The training program for relevant staff related to responsible gaming needs to be in accord with existing training programs of the Lottery.

vi. Player Protection Tools

a) Reality Checks

When a Service Provider allows continuous and rapid gaming/betting without a reasonable break, there should be mechanisms implemented that help players to monitor their losses so that they can make conscious decisions as to whether to stop or continue.

b) Informed Choice

The Service Provider provides a variety of information to assist players in making informed decisions about their gaming, including the:

- Chances (probability) of winning on the activity
- Payout ratios of the game

- Price structures of the game

The Service Provider has an obligation to ensure that all betting that is offered is fair and designed in such a way to protect players.

c) Self-exclusion

Describe the procedures relating to compliance with self-exclusion of patrons.

d) Identifying Problem Gaming Behavior

When the Service Provider identifies signs of problem gaming behavior, it will take relevant steps to investigate and satisfy any concerns. Possible indications might include, but are not limited to, comments via chat room, email contact, conversations with staff members, numbers of plays, repeatedly increasing their gaming/betting limits.

3. Certification of Applicable Hardware and Software by an Approved, Recognized Testing Laboratory

All relevant elements of the Retail and Non-Retail (if authorized) production environments must have passed regulatory testing and been certified by a recognized testing laboratory approved by the Lottery. Retail sports betting for purposes of this RFP requires a physical presence of the player within Twin River Gaming Facility and Tiverton Gaming Facility, in order to participate, pay and collect winnings and includes the use of a mobile application within those two (2) facilities. This would include the provision of such facilities as sportsbook screens capable of displaying information on live and upcoming events, and exclusive offers.

The term "Non-Retail sports betting" is defined as that sports betting which does not require a physical presence of the player within a land-based facility to participate, play or collect winnings.

Such Non-Retail channels could include, but not be limited to, devices such as mobile, tablet, personal/desk-top computers, television, social media platforms and other marketing channels.

The software and hardware components of the sports betting platform and peripherals must have been certified by a recognized testing laboratory approved by the Lottery in a regulated market and includes, but is not limited to:

- a. Core betting software, including any middleware applications and services
- b. Sports betting Content Management System "CMS"/ Customer Relationship Management ("CRM")/ Business Intelligence "BI") Database
- c. Sports book management tools including but not limited to:
 - i. Risk manager
 - ii. Market creator/manager
 - iii. Settlement tool if different than the above
 - iv. CRM
 - v. CMS where applicable
 - vi. Sports feeds

- d. Core betting hardware (servers, middleware servers, routers, switches, etc.)
- e. Sports betting Over the Counter ("OTC") tills (software and hardware components)
- f. Self-service betting terminals (software and hardware components, including cash validators and payment card readers)
- g. Non-Retail software (including any websites and applications created for mobile/tablet devices)
- h. Non-Retail geolocation services
- i. Non-Retail hardware (including web servers and any middleware servers)

Section 6. BIDDERS' SECURITY SYSTEM REQUIREMENTS

A. Ensure Uninterrupted Operability

It is the responsibility of the Service Provider to ensure the sports betting platform and peripheral systems are resilient and highly available. The term "highly available" refers to a system or component that is continuously operational. The availability can be measured; i.e., 99.999%. Up time (also known as "five 9s") is a measure used to indicate the amount of time the sports betting platform is both available and functional.

Detailed documentation must be provided to demonstrate how high availability is expected to function within the proposed sports betting environment and to include automated failover scenarios.

The minimum requirements for high availability are as follows:

1. Every component for both primary and failover technology stacks and communications must be configured in a "2N" fully redundant configuration (two [2] full stacks at both Primary and Failover datacenters).
2. Both technology stacks in the primary and secondary datacenter locations must be of the same specification.
3. Seamless automated failover between primary cluster servers:
4. Seamless automated failover from primary systems located at Rhode Island Lottery/IGT data center located at 1425 Pontiac Avenue, Cranston, Rhode Island, to failover systems located at secondary failover datacenter.
5. The system must have operator-prompted failover as well as the ability to auto failover (recover from failures without operator intervention).
6. In case a failure occurs in the primary stack, the backup system in the primary datacenter will automatically assume the load.
7. In the event of major failure in both the primary and backup stack at the primary datacenter the primary stack at the failover datacenter will automatically assume the load.
8. In the event of a failure there must be no loss or corruption of any data and transactions received prior to the time of the failure.
9. Transaction level synchronization between primary and failover systems.
10. The Service Provider must maintain a disaster recovery plan and test it annually on a

scheduled date and time pre-approved by the Lottery. A copy of this plan and the results of the annual testing must be provided to the Lottery upon request.

B. Combat and Detect Hacking Efforts

It is critical that every reasonable step be taken to protect the sports betting infrastructure and systems. Bidders are required to provide documentation detailing the infrastructure and systems employed to detect, prevent and alert on intrusion attempts including but not limited to how unusual activity is detected, prevented and alerted.

Documentation must cover the following areas as a minimum:

1. Retail Environment Hardware and Software
 - a. Servers (including CMS, BI, database, CRM)
 - b. Front-end systems; i.e., risk manager, reporting interface
 - c. Network
 - d. OTC tills
 - e. Self Service Betting Terminal ("SSBTs")
 - f. CMS
2. Non-Retail Environment Hardware and Software
 - a. Servers (Including CMS, BI, database, CRM)
 - b. Front-end systems; i.e., risk manager, reporting interface
 - c. Network
 - d. Geolocation
 - e. Mobile/tablet applications
 - f. Web
 - g. CMS

C. Comply with Client's Geolocation Requirements (if Online or Mobile Betting is Authorized)

In the event that Non-Retail betting is authorized, it is expected that sports betting will be required to remain strictly within the confines of state lines and as such detailed technical documentation covering the geolocation functionality is required for mobile, GSM and Wi-Fi-only tablets and desktop computers.

The Bidder is requested to provide a list of options available for prohibiting traffic origination from outside of the state of Rhode Island. (A demonstration of the Geolocation technology will be required.)

Search Engine Optimization (SEO): As both Google and Bing web crawlers are located outside of Rhode Island, Bidders are requested to provide documentation detailing the steps used to allow specific search engine web crawlers access to the Non-Retail systems for SEO purposes.

Section 7. ACCOUNTING SYSTEM AND AUDITING REQUIREMENTS

The Bidder will be required to provide assistance to integrate the betting platform with the Lottery's internal financial and accounting platforms for accounting and audit-reporting purposes.

The Bidder shall be responsible for ensuring all systems are compliant with SSAE 16.

The Bidder is required to maintain all books and records applicable to sports betting to properly determine gross and net revenues, prize amounts, commissions and statutory general fund transfers.

System reports must exist to record and verify all reportable financial information including, but not limited to, changes in wagers, cut-off of wagers, and reports necessary to perform cash and ticket reconciliations.

An adequate internal control structure must be implemented and maintained to ensure controls and procedures are effective for sports wagering, sports payouts, all sports funds, and adequate employee separation of duties.

These records shall also be maintained in accordance with generally accepted accounting principles and made available to the Lottery, its internal auditors or external auditors (and other designees) at all times during the Contract period.

The Bidder is required to maintain all public records and comply with applicable regulations pertaining to accounting system requirements.

The Bidder shall conduct internal audits of its sports betting operations as prescribed by the Lottery in accordance with regulations.

The Bidder agrees to be subject to regular audits as prescribed by the Lottery during the Contract period.

Under the Contract, the Service Provider must meet specific auditing and accounting obligations:

- A. The Service Provider shall have a complete financial audit conducted annually, at its own expense. The audit must follow Generally Accepted Auditing Standards (GAAS), or the appropriate non-U.S. equivalent. A copy of the Service Provider's certified financial statements shall be provided within one quarter after the close of the Service Provider's fiscal year.
- B. If the Service Provider files with the Securities and Exchange Commission (SEC) 10-K reports (or the appropriate non-U.S. equivalent), the Service Provider shall provide the Lottery with said reports (or the appropriate non-U.S. equivalent) as they are issued, together with any other reports required pursuant to Section 13 of the Securities and Exchange Act of 1934, as amended.
- C. A third-party IT security review of the Service Provider's Rhode Island sports betting operations shall be conducted annually. This audit will be a Statement on Auditing Standards SSAE 16 audit, and other relevant IT security standards as required by the Lottery, and shall be paid for by the Service Provider. For this review the Service Provider will suggest, for the Lottery's approval, the firm(s) to perform the work. All aspects shall be conducted pursuant to auditing standards as issued by the American Institute of Certified Public Accountants. Annual reviews shall occur on a May-to-May basis with the complete audit and Service

Provider response reported no later than the next July to the Lottery.

- D. The Service Provider is required to maintain its books, records and all other evidence pertaining to the Contract in accordance with Generally Accepted Accounting Principles (GAAP) (or the appropriate Non-U.S. equivalent) and such other procedures specified by the Lottery. These records shall be available to the Lottery, its internal auditors or external auditors (and other designees) at all times during the Contract period and for five (5) years from the Contract expiration date or final payment on the Contract, whichever is later.

Section 8. SCOPE OF WORK (TECHNICAL PROPOSAL)

While the Lottery anticipates awarding an initial Contract to implement sports betting at the Twin River Gaming Facility and the Tiverton Gaming Facility, the Bidder must demonstrate its capability to provide the services relating to the implementation, maintenance and operation of Retail and Non-Retail sports betting in Rhode Island as described below. Bidders must submit a brief written statement that explains why the Bidder best meets the objectives of the Lottery and this invitation to bid.

Sports Betting Platform and Operations

The following section highlights the key features for the required provision of a sports-betting platform, and its effective operation. For the purposes of this RFP, sports-betting is defined as the offering of fixed-odds betting on the outcome of events based on real-life sporting contests.

For the purposes of this RFP, the following definitions are in use throughout;

- A Sport is defined as a distinct, real-life sporting activity (e.g., football/NFL)
- An Event is a specific sporting contest (e.g., Super Bowl LII, February 4, 2018)
- A Market is unique betting proposition on that contest (e.g., who will win this event?)
- The Odds are an offer to bet on the relative probability of an offered Market, at a point in time (e.g., New England Patriots, 1.70 to win the contest, as at 12 a.m., February 3, 2018)
- A Bet Type is distinct wagering activity (e.g., a single win bet on New England at 1.70)

A. Retail, Non-Retail, Mobile Capabilities

It is anticipated that Retail sports betting be the initial channel offered to sports betting players. The term "Retail sports betting" is defined as sports betting that requires the physical presence of the player within a land-based facility, in order to participate, pay and collect winnings and includes the use of mobile applications within the land-based facility as discussed above. This would include sportsbook screens capable of displaying information on live and upcoming events, and exclusive offers at such facilities.

Should future laws and regulations authorize, Non-Retail sports betting could be included in a scope of work at a later date. The term "Non-Retail sports betting" is defined as that which does not require a physical presence of the player within a land-based facility to participate, play or collect winnings.

Such Non-Retail channels could include, but not be limited to, devices such as mobile, tablet, personal/desk-top computers, television, social media platforms and other marketing channels.

The Lottery is thus seeking information from Bidders with proven experience of providing both Retail and Non-Retail sports betting. Bidders are encouraged to provide information on both Retail and Non-Retail sports-betting. Bidders must be capable of performing both services.

B. Omni-Channel Strategy

It is the intention to offer sports-betting players, should future regulation permit, the opportunity to use, at their choice, multiple-channels, both Retail and Non-Retail.

The platform, and its operation, should thus have “omni-channel” capabilities, allowing seamless integration with various devices and platforms used by the player including, but not limited to, mobile, tablet, personal/desk-top computers, television, social media platforms and other marketing channels.

C. Full-Service Offering

Initially, it is the Lottery’s intention to seek a full service offering to include all core operational sports-betting capabilities, including, as a minimum:

- Event creation
- Market creation
- Odds compilation
- Risk management
- Bet settlement
- Player management
- Customer relationship management
- Customer services
- Content management
- Fraud detection and prevention
- Social responsibility/responsible gaming
- Know Your Customer (KYC)
- Player analytics
- Business Intelligence

D. Event Creation and Coverage

The Service Provider will be responsible for creating all the events upon which a player may bet at any time.

Due to the currently-unknown scope of future regulation, it is difficult to specify, in advance, a definitive range of specific events we anticipate a Service Provider to provide, and their associated markets.

However, as most other international sports-betting markets are dominated by a relatively small number of betting markets popular with players, and on a narrow range of popular sports, we anticipate this being a comparable situation within Rhode Island. Accordingly, we

are requiring Bidders to estimate the anticipated most-popular betting markets on each of the most-popular sports for the future sports-betting market of Rhode Island.

Bidders must complete Figure 1 below, listing the top five (5) sports, in descending importance. (1-5). Bidders also must indicate the top five (5) markets for each sport, in descending importance (1-5).

Figure 1: Top 5 Sports and Market Matrix

SPORT	1...	2...	3...	4...	5...	6...	7...	8...	9...	10...
MARKET										
1...										
2...										
3...										
4...										
5...										
6...										
7...										
8...										
9...										
10...										

E. Odds and Market Creation

For each event created, the Service Provider will also provide the odds for that event, and all event-associated markets.

The Bidder must indicate the proposed source(s) of odds to be utilized, whether compiled/produced internally, or sourced through third-party provider(s).

The Bidder must indicate an estimated share of odds compiled by source, expressed as a percentage. Example, "70% internally sourced, 30% third-party sourced."

If the Bidder is utilizing, or planning to utilize, such third-party providers, these entities must all be identified, together with summary integration details including, but not limited to the following:

- Data formats used
- Feed type and any back-up systems
- Integration protocols and security
- Fraud detection and prevention protocols

F. Risk Management Options

Bidders are requested to provide a Cost Proposal (as set forth in Section 10) for each of the

three (3) risk-management options as they apply to (i) Retail sports betting at the Twin River Gaming Facility and the Tiverton Gaming Facility, (ii) for Non-Retail sports betting, and, at the option of the Bidder, (iii) both the Retail and Non-Retail sports betting, as follows:

Option 1 Fully-Managed-Services Model

The Service Provider provides all services and functions as scoped within the RFP, and manages entire sports-betting risk on behalf of the Lottery. Commercial offer to reflect economic model where resultant gross-win performance/risk is retained/borne entirely (100%) by the Service Provider.

Option 2 Fully-Managed-Services, Shared-Risk Model

The Service Provider provides all services and functions as scoped within the RFP, and manages sports-betting on a shared-risk basis on behalf of the Lottery. Commercial offer to reflect economic model where resultant gross-win performance/risk is shared/borne equally (50%/50%) between the Service Provider and Lottery.

Option 3 Fully-Managed-Services, Shared-Risk Model

The Service Provider provides all services and functions as scoped within the RFP, and manages sports-betting on a shared-risk basis on behalf of the Lottery. Commercial offer to reflect economic model where resultant gross-win performance/risk is shared (75%/25%) between the Service Provider, at 75% and the Lottery at 25%.

To support the analysis of commercial offers made under Risk Management options 1, 2 and 3 above, Bidders are asked to provide evidence of the effectiveness of their existing risk-management function, through the examination of the gross win margin performance for the sportsbooks the Bidder manages on behalf of other clients, in other market(s). Gross win is defined as total bet stakes minus player winnings.

Bidders are asked to provide details of the gross-win margin (as defined) performance for the 24-month period ending December 31, 2017. (This information may be aggregated to protect Bidder's client-confidential information.)

Bidders may provide such information for as many markets as they choose, but must provide information for at least one (1) distinct geographic market, and provide margin performance by sport for the top four (4) sports as determined by bet volume. Bidders are also asked to provide a blended-average gross-win performance for these top four (4) sports, together with details of how the blended-average is calculated.

Bidders are also requested to provide the proportion of total bets, as represented by multiple, or parlay, bets, for each of the top four (4) sports. Bidders are requested to provide all this information for the 24-month period requested (see example below), but may choose to also provide this information by individual calendar month; i.e., January through December, 2016-2017.

Example, Annual Gross-Win Performance, Multiples-Ratio, 2016-2017

Market:	United Kingdom	
	Gross Win	Multiples-Ratio
1. Football	6.25%	25.0%
2. Tennis	6.12%	10.0%
3. Basketball	7.76%	12.0%
4. Golf	8.12%	11.0%
Blended-Average	<u>6.59%</u>	<u>18.7%</u>

To further support the analysis, the Bidders must provide details of their trading and risk-management software tools used to detect unusual individual player or general betting patterns, and indicate the routines used to highlight such patterns to the fraud team for further investigation. This must include details of related routines such as individual player account monitoring and management, including payout approval routines.

Bidders must also detail the process by which the monitoring, and management, of the overall risk level, or total/maximum liabilities dependent upon different outcomes of individual bets, including but not limited to, multiple (or parlay) bets as they progress, are managed.

The Bidder must also demonstrate/explain their capability of adjusting such risk levels at the player, sport, event or individual market level.

G. Content Management

The Lottery requires the Bidder to ensure that the sports betting site, whether Retail or Non-Retail, be fully comprehensive for prospective players, and for the site to be continually updated with new events, aided by the employment of an active content management system (CMS).

Such CMS must include, but not be limited to the following functions:

- Ability to offer multiple front-end customization options, at the individual player level
- Ability to offer bespoke layouts, at the individual player level
- Ability to promote at the sport, event and market level
- Ability to actively manage site inventory, with links to promotional offers
- Ability to provide such tools as odds banners, upcoming events and special-offers
- Ability to report on content impact, player metrics
- Ability to integrate with CRM for targeted player promotions

The Bidder must provide evidence of current CMS tools and techniques employed, together with an indication of the average monthly volume of events for other sports-betting markets the Bidder is currently actively servicing.

In addition, details of appropriate user-authorization routines, processes and procedures which ensure, and protect, site integrity and accuracy, must be provided.

H. Range of Bet Types

The Bidder must provide details of its ability to offer fixed-odds bet-types to players, which should include, but not be limited to the following:

- Single bets, where one (1) individual bet-selection must be successful for the player to win.
- Multiple (or parlay) bets, where each individual bet-selection, of two (2) or more, must be successful for the player to win.

The Bidder must clearly specify any limits on, or additions to, the above. For example, such limits may include time limits or number of selections that can be chosen by the player within a multiple (or parlay) bet.

The Bidders must provide information on the range of bets the Bidder is capable of making available to players for both pre-event betting (PEB, defined as any bet struck on an event at any time before the commencement of that sporting event) and in-play betting (IPB, defined as any bet struck on an event at any time after the commencement of that sporting event until the result, or outcome, is known); in the event the such wagering were to be offered.

The Bidder is requested to give an indication of what the expected ratio of pre-event betting (PEB) to in-play betting (IPB), by either by bet volume or bet value could be if such wagering were to be offered.

The Bidder is requested to provide an indication as to what the expected ratio of markets that could be expected to be available for PEB, and those for IPB, by sport if such wagering were to be offered.

The Bidder must also provide details of any proposed “cash-out” functionality offered to players, which is defined as the ability for the player to close out an existing bet, whether PEB or IPB, before the result or outcome is known, to enable the player either to lock in a profit or limit a loss if such wagering were to be offered.

The Bidder must provide details of the range of bet-types, sports, events and markets to which such cash-out functionality shall apply; in addition, the Bidder must also provide details of the estimated impact in overall gross-win margin performance by the provision of such cash-out functionality available to players.

I. Reporting and Accounting Tools

In addition to full compliance with Section 7, Bidders must provide evidence and examples of robust, proven and flexible reporting tools as those provided to other clients, including the provision of customized dashboard reports for the operator, on both an automated and on-demand basis.

Such reports should support the Lottery in making optimal operating decisions to be taken in the following areas, including, but not limited to, the following:

- Trading and liability/risk management
- Marketing, promotion and campaign management
- Player betting patterns

- Financial planning and forecasting
- Financial variance analysis

Bidders are requested to provide sample dashboard report layouts available to their clients, populated with sample, or “dummy,” data.

Bidders are also requested to provide a sample of current management reporting regularly made available to clients, including, but not limited to the following:

- Monthly summary management reporting
- Daily trading reporting
- Management reporting by event, sport, market

Sample reports must clearly show all key headings, categories and Key Performance Indicators (“KPI”) typically generated within such reports provided for clients, together with an indication of the available range of additional operator-selected KPIs.

The Bidder must also provide a matrix identifying all management reports typically provided to a client within a 12-month period, ensuring all the following, for each report, are explained:

- Report function
- Report frequency
- Data status (whether subject to audit, or not)

J. Player Registration

Details of the player registration process must be provided by the Bidder and cover the following areas where applicable:

Retail

- New registration OTC via a staffed till
- New registration on Self Service Betting Terminals (SSBTs)

Non-Retail

- New registration via mobile app and/or browser
- New registration via WiFi-only tablet app or browser
- New registration via the web (desktop) app or browser

The Bidder must provide technical details supporting the Non-Retail player registration process including, specifically, the following scenarios:

- New player registration
- New sportsbook player who already holds a lottery account
- New registration via the web (desktop) app or browser

Bidders are required to provide technical details demonstrating how player verification (proof of age and identity) is achieved during the registration process itself and include full details of any third-party provider(s) involved in such process.

K. Customer Relationship Management

Customer Relationship Management (CRM) shall include all direct and indirect interface with the player, including Customer Services (CS).

The CRM system employed by the Bidder should enable the establishment of close relationships with players from the point of registration onward, enabling players to be managed and communicated to according to their betting and spending patterns and thus maximize the operator's return-on-marketing investment.

The Bidder is required to provide operational details of their current CRM systems and capabilities, together with an indication of current player volumes handled on behalf of other clients.

The Bidder is also required to provide details of the CS support services employed and provided to other clients, with specific reference to the following key operational elements:

- 24/7 coverage
- Language(s) covered (both oral and written)
- Creation and maintenance of Frequently Asked Questions (FAQ) resources
- Communication channels employed, including (but not limited to) email, messenger, text, live chat and telephone

The Bidder must provide details of the relative volume of contact, by communication-channel used by players, together with current trends.

The Bidder must provide details to ensure that CS can deal with all player queries arising from the registration process, up to and including successful registration and first-time deposit. This shall include dealing with all Know Your Customer (KYC) requirements within any such timescales as determined by future regulation.

The Bidder shall also provide details of how the CS function shall handle all issues relating to Responsible Gaming (RG), as required under future regulation, including, but not limited to, player-account blocking and other RG-related player-generated requests.

The Service Provider shall be required to meet the scope of an agreed CS Service Level Agreement, with clear performance targets that would include, but not be limited to

- Contact metrics and contact-topic analysis
- FAQ feedback and satisfaction-scores
- Response times
- Ticket-writing standards and completion rates
- Contact-resolution levels

L. Customer Data Analysis and Business Intelligence

Bidders are required to indicate how and where all customer data are stored, with full details of any/all dedicated data warehouse facilities, and how this is accessible by the primary Business Intelligence tools currently available.

Bidders are required to list all Business Intelligence tools that their CDA systems and databases are accessible to, or integrated with.

M. Technical Requirements

The Service Provider must ensure that the system is operational and can process transactions 24/7 and include in its response must provide system design and network connectivity diagrams that include details of each component of the system and network. Each hardware and software item must be identified by manufacturer product name and model number as applicable. For software, please provide a description of the software and the software version numbers proposed.

The Service Provider has full responsibility for all technical aspects of the managed service platform and as such would need to demonstrate both capability and compliance in the following areas: Prior to "go-live", the system must be tested by an outside, independent testing firm selected by the Lottery with all costs associated with the testing of the system and its associated functionality being the responsibility of the Bidder. The Lottery will determine the scope of the testing, which will include testing all of the functions, controls, and reporting mechanisms within the system. The system cannot go live until the Lottery issues an approval to do so based on the results of the testing.

1. Datacenter

Primary Systems

It is a requirement that the Primary Sports Betting Platform, associated Primary Customer Relationship Management systems and Primary Data Warehouses relating to Business Intelligence reporting/auditing systems are hosted within the Rhode Island Lottery IGT datacenter located at 1425 Pontiac Avenue, Cranston, Rhode Island or at another location within the state that has been approved by the Lottery.

Failover Systems

Subject to prior approval by the Lottery, the failover system may be hosted at a Datacenter of the Bidder's choosing on condition that the minimum requirements for selection are met. The failover datacenter must meet these qualifications:

- A tier 4 Datacenter that meets PCI DSS and SOC 2 Type 2 standards.
- Located within the continental United States. (The Bidder may indicate if the datacenter will be located in Rhode Island.)
- Data transferred to and recorded at the remote site will always contain the most recent transactions, allowing a takeover.
- Full administrative access to all failover systems should be possible in the event of total loss of Primary Site.
- The Successful Bidder shall demonstrate on an annual basis that the remote site is fully functional by operating from that site upon request of the Lottery.

It is the responsibility of the Service Provider to fully monitor, manage and maintain all hardware infrastructure including, but not limited, to LAN/WAN Network, IT Security devices, Intrusion detection and prevention devices, remote access

monitoring and control, servers and storage at both the Primary and Failover Datacenters.

Subject to prior approval, the Service Provider may outsource these services with the Lottery's prior approval as an alternative to offering the services itself.

2. Encrypted Communications

The Bidder must demonstrate that all services used for both internal and external purposes are fully encrypted end-to-end for both Retail and Non-Retail systems.

3. Market Creation

The term "Market creation" refers to the process of adding a sporting event into the system making the sporting event available to take bets on. The Bidder must provide documentation detailing the Market Creation process using flow charts and/or diagrams where appropriate. In addition to this the Bidder must provide evidence that Market Creation and elements within the market cannot be altered, edited, removed and or replaced through third-party interference during creation, after creation (live market) and once the Market has closed.

4. Results and Settlement

The Bidder must provide detailed evidence of the results and settlement process with particular emphasis on the following:

- Timings; i.e., the length of time it takes from official results being received to full and complete settlement of the event including Player Account update.
- Evidence of how delayed results are handled should this occur.
- Processes used to both identify and prevent "After the Off" betting from taking place.
- Market, Event, Player account reconciliation.

5. Risk Management

The Bidder is required to provide Technical documentation demonstrating the core differences in system presentation and provision for the three (3) options highlighted in section 8F:

- Option 1: Fully-Managed-Services Model
- Option 2: Fully-Managed-Services, Shared-Risk Model (50%/50%)
- Option 3: Fully-Managed-Services, Shared-Risk Model (75%/25%)

6. Account Registration

Bidders are required to provide detailed technical documentation covering the security of account registration process for channels and methods employed to prevent automated registration by "bots."

7. Player Account Management

Bidders are required to provide technical details demonstrating how role-based player account management is secured, limited and controlled, including, but not limited, to any reporting features available and their capabilities.

8. Casino Loyalty/Rewards Program Integration

Bidders are required to provide technical details describing capabilities available for integration with both Retail and Non-Retail loyalty/rewards programs.

9. PCI Compliant Payment Services

Any payment service providers must be certified as PCI compliant and evidence provided. This relates specifically to payment card processing devices (software and hardware) used in the Retail environment for Over The Counter (OTC) tills and Self Service Betting Terminals (SSBTs) and Non-Retail mobile and web.

10. Customer Relationship Management

In addition to the requirements set out in Section 8K, Bidders are required to provide detailed evidence of how each channel of communication is secured and PII is protected including but not limited to:

- a. Any third-party access to customer data needs to be identified including details on the type of data accessed and its purpose.
- b. Reporting capabilities.
- c. Data extraction and export functionality.
- d. Identify the type and format of data fields extracted from core system for CRM purposes.

The Bidder must identify roles with access to Lottery customer data including the level of access by role and the capabilities of each role.

It is a requirement for all direct customer communications to contain a functional "Unsubscribe" feature.

11. Content Management System (CMS)

Although the Service Provider will be providing a fully managed service including, but not limited to, CMS, it is a requirement for the CMS to have some specific capabilities to ensure the Lottery's expectations are met. Technical documentation must be provided.

The CMS must cover all Retail and Non-Retail channels and in addition to those requirements detailed in Section 8G, the Bidder must be able to demonstrate how the system is:

- a. Manageable in real-time, with real-time monitoring and analytics
- b. As a customizable workflow and approval processes
- c. Integrated with cache management tools
- d. Scalable, particularly for Non-Retail channels
- e. Secured and how the Lottery's Intellectual Property will be protected
- f. Integrated with third-party providers
- g. Reliable

The Service Provider must provide detailed technical infrastructure and

communications requirements for Retail and Non-Retail channels.

12. Fraud Detection and Prevention

Bidders are required to:

- a. Provide details of how unusual and potentially fraudulent or illegal betting activity is detected, prevented, alerted and investigated. The Service Provider is required to follow the guiding principles highlighted in Section 2 and as below.
- b. Take every reasonable step to identify, assess and manage the risks linked to illegal betting practices, and sports betting fraud.
- c. Conduct regular needs assessments to verify compliance with existing legislation including the introduction of new sports betting legislation to prevent illegal betting and/or betting fraud.
- d. At regular intervals, verify that all parties identified by the Lottery are aware of and trained on their role in preventing betting fraud and illegal betting.
- e. Establish definitive parameters and processes for combating illegal betting and betting fraud. Identify, define and report any conduct that constitutes a criminal offense in relation to illegal sports betting, and betting fraud.
- f. Support investigations into potential offenses related to illegal betting and betting fraud.
- g. Provide the Lottery, fraud investigators and prosecutors with the necessary resources to perform their work effectively.

Bidders are required to provide technical documentation describing how fraudulent activity is detected, alerted and ultimately prevented.

13. Data Protection

Data Protection is of paramount importance and as such the Bidder is requested to provide evidence demonstrating how players' PII is protected when both at rest and in transit. The Lottery defines the term "PII" as information about a natural person that is readily identifiable to that specific individual. In this case, PII includes, but is not limited to, an individual's social security number, name, address, telephone number, date of birth, password information, and any other information used to identify an individual.

The Service Provider will protect and encrypt all sensitive information including but not limited to any player information, sensitive bank, and /or IRS tax information on the system. All IRS tax IDs on the system must be encrypted.

14. Cyber Liability Insurance

The Service Provider must have and provide details of their cyber liability insurance to cover all costs relating to a data breach or stolen or compromised data contained on the proposed system.

15. IT Security, Logging, Audit and Reporting Requirements

The Service Provider must be in compliance with Lottery IT security policies and industry standard IT security best practices.

The Service Provider has the responsibility to ensure the security and integrity of the systems. The minimum IT Security Configuration, Logging, Audit and reporting requirements are detailed as follows:

a. Managing System Users and Role-Based Access

The system interface must have a secure interface for administering the system as well as user administration screen where the administrators can add, delete, lock, and unlock user accounts.

All changes to a user's account (add, delete, account locking, account unlocking, password changes and by whom, administrator user screen/report privilege changes) must be logged.

All users accessing the system at the operating system level must do so utilizing unique user IDs and privileges assigned to each user account.

User logon activity and administrator changes to a user account at the OS level must be tracked and logged.

The system must not assign any privileges by default when a new user is created within the system. It is the responsibility of the system administrator to assign user privileges to a new user.

The system must lock out a user after three (3) unsuccessful login attempts.

An administrator screen must exist to allow an administrator to unlock a user account and change the user's password. This screen must allow the administrator to designate a user as active or inactive, which will permit and deny user access to the system.

It is the responsibility of the Bidder to ensure all system user activity, including remote user activity, is logged.

b. System Patching and Update

The sports betting systems and related equipment and/or software must be kept up to date with the latest software patches and releases possible. Out-of-date hardware and/or software must promptly be replaced with supported equipment and /or software during the Contract.

Details of Bidder's Change Management Process should be provided, including validation steps and workflow. Change Management Process refers to the processes, tools and techniques used to manage the human side of change to achieve business goals.

c. Network Configuration

Network equipment must be configured with industry-standard security requirements.

These requirements include:

- Only open ports that fulfill a business requirement should remain open.
- Comment lines must be included within network device configurations documenting each statement.

Device configurations must not utilize statements that provide access to entire subnets. Configurations must utilize source and destination host addressing to provide limited access to systems and subnets.

- d. Data Warehouse Business Intelligence, Auditing and Reporting
- i. All system reports must be available to run only by authorized personnel through the utilization of assigned group privileges through the user interface. Users must only be able to see/run reports allowed to their specific user group by the system administrator.
 - ii. The Service Provider must provide a data reporting warehouse containing all transaction data. Both the primary and backup site systems must have separate, independent data warehouse reporting systems. Each data warehouse must get its data from the respective system it is supporting.
 - iii. The primary data warehouse must get its data from the primary system and the backup data warehouse must get its data from the backup site system. Both data warehouses must be balanced daily by the Service Provider. Each data warehouse must have at least seven (7) years of data contained in each data warehouse.
 - iv. Data warehouse reports must be developed and approved by the Lottery, and must be made available to the Lottery on demand. The data warehouse must generate reports for the Lottery on a timely basis satisfactory to the Lottery.
 - v. In the event that data warehouse's performance does not generate reports on a timely basis, the Service Provider must make the appropriate upgrades to the data warehouse so that the reports run to the satisfaction of the Lottery.

- e. Monitoring Network Operations Centre (NOC) Security Operations Centre (SOC)

IT security staff must monitor system and network security events and alerts and address/respond to alerts accordingly.

Real time monitoring of network auditing of the network, user account activity, as well as other system logs must be available to systems operations staff. The Lottery must be provided with a mechanism to retrieve or be provided with system logs upon request.

- f. Firewalls

The system must log and track all user interface user login type activity

(successful/unsuccessful login attempts, actions taken, etc.)

Firewall ports in which users connect to the system must also be controlled and/or restricted on the system network firewall. Required open ports and firewall rules to be agreed during the delivery phase and approved by the Lottery prior to go live.

g. Log Management

The system must log and track all user interface user login type activity (successful/unsuccessful login attempts, etc. Specific administrator reports must exist that report on the following:

- i. User account login history
- ii. User account status (active, inactive users).
- iii. User interface users who have not logged into the system for the past 30 days and users who have not logged into the system at all.
- iv. User group privilege report to display user information and system privileges they have.
- v. Administrative changes to user interface user accounts such as password, privilege changes, adding users, deleting users, inactivating/deactivating users.

Other logging requirements include transactional logging; the log management system should be capable of recording and reporting on all system and user interactions.

h. Remote Access

The system must be protected from unauthorized remote system access by utilizing a secure methodology for identifying remote users attempting to connect to the central system. The methodology utilized must be able to log remote access to a log file, which must be presented upon request to the Lottery (e.g., RSA device).

There must be no capacity to connect into the system from a remote terminal without Lottery approval. The methodology used by the Bidder, such as for remote monitoring, or diagnosis of equipment or software, must include stringent security mechanisms as approved by the Lottery or its designated representative.

Connections to other remote systems and terminals must be protected by firewalls, encryption, and/or other means and technical details provided.

Any routers must route traffic only to addresses defined in their routing tables as valid, and detailed technical documentation should be provided by the Successful Bidder for approval.

i. Intrusions Detection and Prevention

The system must include intrusion detection devices located on the

betting network. The Intrusion Detection System (“IDS”) devices must inspect all traffic on the betting system network. Any exemptions from this requirement must be approved by the Lottery; i.e., in the case of time-critical transactional streams.

The Service Provider should provide technical details covering intrusions detection and prevention policies, enforcement and alerting and alert handling procedures prior to delivery for approval by the lottery.

j. Password Policy

System password policy must be set to the following:

- i. Password length must be at least eight (8) characters in length and must include a number.
- ii. Passwords that are the same as the user name must be rejected.
- iii. Passwords must expire after 90 days and the system must prevent users from selecting the last 10 passwords used.
- iv. Passwords that match restricted passwords must be rejected by the system.

k. Annual Security Audit

The Service Provider is required to have one (1) independent, external, annual IT Security review performed on the system, network, and on the Service Provider’s IT security policies, procedures, and disaster recovery plan at the Bidder’s expense. Each annual audit plan or SOW must be approved by the Lottery prior to the commencement of the audit. The audit must also include a penetration test of all networks and systems supporting the system(s). The final report and all initial findings must be presented to the Lottery for review.

l. Annual System Audit

The Service Provider must have its internal auditing department review the system on an annual basis. The resulting complete audit report is subject to review by the Lottery at its discretion.

m. Incident Reporting

Any incidents relating to the gaming system issues must be documented following the incident on an incident report in a format approved by the Lottery. The incident report must be sent to the Lottery detailing the date, time, and location(s) affected, details of the incident, and what was done to correct the issue. All incidents must be communicated to the Lottery via a phone call to individuals on a contact list provided by the Lottery, with a follow-up email containing the incident report.

n. User Acceptance Testing (UAT) Environment

The Service Provider must provide a test system for testing new software releases or new system components. The location of the test

system is at the Service Provider's discretion but must be within the continental United States.

The test system and production system must not coexist on the same production network. Testing must not be conducted on the production system or its data unless approved by the Lottery beforehand.

o. Change Management

The Service Provider's configuration management system and practices shall preclude unauthorized changes to the system. Any changes or variations from the designs and specifications of the RFP, the Proposal, the Contract, or signed-off working papers must be approved in writing by the Lottery prior to installation or implementation.

All changes to the system during the term of the Contract must be presented to the Lottery in writing, which must detail the nature of the change and request approval. All changes must be approved by the Lottery prior to the change being implemented.

p. Licensing

Licensing of any third-party software, hardware or services is the responsibility of the Service Provider for the lifespan of the Contract. Any renewal/update/upgrade/support costs must be itemized and accounted for in the Bidder's response.

q. Technology Service Management Framework

Although documentation has already been requested in respective areas, Bidders are requested to review the list below and identify and provide evidence of their service management framework for areas not already covered. Documentation should include but not be limited to:

- i. Support Desk
- ii. Incident Management
- iii. Problem Management
- iv. Change Management
- v. Release Management
- vi. Configuration Management
- vii. Application Management
- viii. Availability Management
- ix. Capacity Management and Planning
- x. Service Level Management
- xi. Financial Management
- xii. Service Continuity Management
- xiii. Security Management

- xiv. Technology Infrastructure Management
- r. Third-Party Integration Requirements

Bidders are required to provide technical integration details for all third-parties including but not limited to third-parties used for the following purposes:

- Sports Data Feeds and Results
- Payment providers
- Content Management Systems
- Customer Relationship Management
- Security and Network Monitoring
- Fraud
- Communications
- Compliance
- Auditing
- Know Your Customer
- Age verification

Section 9. QUESTIONS REGARDING THE RFP

Questions concerning this solicitation must be emailed to the Lottery to the attention of Terri Kiernan at tkiernan@rilot.ri.gov no later than the date and time indicated on page 1 of this solicitation. **No other contact with State parties is permitted.** Please reference **RFP # 18-04A** on all correspondence. Questions should be submitted in writing in a Microsoft Word attachment in a narrative format with no tables.

Section 10. COST PROPOSAL STRUCTURE

The cost of services of the Service Provider is one of the factors that will be considered in awarding this Contract. The information requested in this section is required to support the reasonableness of your proposed costs. **PLEASE DO NOT SUBMIT YOUR COST PROPOSAL AS PART OF THE MAIN PROPOSAL. ALL COST PROPOSALS MUST BE INCLUDED IN A SEPARATE DOCUMENT AND SUBMITTED IN ACCORDANCE WITH THE INSTRUCTIONS DETAILED IN SECTIONS 16 and 17 BELOW.**

For each of the three (3) Options in Section 8 (F), please provide:

- A.** A recommendation as to what percent of the total amount wagered on a sporting event should be returned to players in winnings. If the recommended percentage should, in your opinion, differ depending on various facts and circumstances, the sporting event on which the bet is to be placed or any other reason, please provide a detailed explanation of those facts and circumstances and the difference recommended percentages of the total amount wagered in each instance.
- B.** For the Bidder's cost of services, the proposed percentage of the gross win that shall be retained by the Bidder.

- C. Any other cost information applicable to the Proposal that you believe would be beneficial to the Lottery in evaluating the Proposals.

Section 11. EVALUATION AND SELECTION

A. Overview of Evaluation and Selection Process

The Lottery will review all Proposals and make a determination based on the following factors:

- Professional capacity to undertake the Scope of Work
- Proposed fee structure
- Ability to perform within time and budget constraints
- Evaluation of potential work plans
- Previous work experience and performance with the Lottery and/or similar organizations
- Firm minority status and affirmative action program or activities
- Other pertinent information submitted

Selection of the Service Provider shall be at the sole discretion of the Lottery.

The Lottery may invite one or more finalists to make presentations.

In its sole discretion, the Lottery may negotiate with one or more firms who have submitted qualifications to submit more detailed Proposals on specific projects as they arise.

By this Request for Proposals, the Lottery has not committed itself to undertake the work set forth. The Lottery reserves the right to reject any and all Proposals, to rebid the original or amended scope of services and to enter into negotiations with one or more respondents. The Lottery reserves the right to make those decisions after receipt of responses. The Lottery's decision on these matters is final.

The evaluation process and criterion are designed to select Bid Quote/Response that offer the best value to the Lottery. Only responsive Proposals that meet all mandatory requirements, as outlined in this RFP, will be evaluated, scored and qualified by the Lottery. Once proposals are determined to meet all mandatory requirements, each proposal will be scored on the technical requirements. The Lottery will assign points to each element of the evaluation criteria that it determines will provide the Lottery the best value. The point system will be set at the close of the RFP question and answer period and prior to the opening of any proposal.

The Lottery may add a scoring category for Oral Presentations/Product Demonstrations if it deems appropriate to assess what is the best value. Bidder scores will be used to rank Bidders and will determine which Bidders will proceed to subsequent stages of the evaluation and/or enter into negotiations with the Lottery to receive a Contract award.

B. Mandatory Requirements

Mandatory specifications must be met in order for a Proposal to be evaluated and may be used to disqualify Bidders. In addition, certain mandatory specifications have desirable components to them that may be evaluated. The Lottery reserves the right, in its discretion,

to determine if non-compliance with a mandatory specification is insignificant or can be easily corrected.

Bid sections that include terms such as "must," "shall," "should," "will" and "required" are "mandatory." Failure to meet the requirements of a mandatory specification without providing an alternate that is acceptable to the evaluators may result in the disqualification of a Bidder's Proposal.

C. Alternatives

A bid Proposal which fails to meet any material term or condition of the solicitation, including the submission of required attachments, may lose points or be deemed unresponsive and thus disqualified. Unless otherwise specified, Bidders may submit Proposals offering alternatives, which provide equivalent, better or more cost effective performance than achievable under the stated Bid specifications. These alternatives may include related commodities or services that may be available to enhance performance during the period of the Contract. The Quote/Response should describe how any alternative achieves substantially equivalent or better performance to that of the Bid specifications.

The Lottery will determine if a proposed alternative method of performance achieves substantially equivalent or better performance. The goal of this RFP is to provide the best value of commodities and/or services to accomplish best value and fulfill the Lottery's procurement needs.

D. Cost Table

The Cost Table MUST BE SUBMITTED as a separate confidential file and clearly labeled "Cost Table." Bidders are requested to submit costing models for each of the three (3) Risk Models listed in the RFP. Each Cost Table should include all costs and revenue share figures necessary to implement, commence and maintain Retail sports wagering and Non-Retail sports wagering. The Lottery reserves the right to select the risk model and costing that it determines is in the best interest of the Lottery. This selection is solely at the discretion of the Lottery.

Please note: Do not put any cost related information in the main portion of the Quote/Response. All cost related information, either direct, or that can be derived, must only be in the Cost Proposal portion of the Quote/Response. Cost information included in the main portion of the Quote/Response may result in the disqualification of the submission.

Costs which are not specifically identified in the Bidder's Quote/Response and accepted by the Lottery as part of a Contract, will not be compensated hereunder.

E. Costing Alternatives

Bidders may propose alternatives for equivalent, better or more cost effective performance than specified under the Bidder's original Quote/Response at any time during the life of the Contract and any subsequent renewals.

F. Oral Presentations/Product Demonstrations

Selected Bidders who are asked to participate in Oral Presentations/Product Demonstrations will be expected to prioritize this in their schedules. The Lottery will make every effort to find a mutually convenient time for the Bidder and the Lottery. However,

failure to appear at the scheduled time of the presentation/demonstration may result in disqualification, reduction of points or other action that the Lottery deems appropriate. All costs associated with Presentations/Demonstrations are the responsibility of the Bidder.

G. Best Value

The Contract will be awarded to the Bidder with the highest overall score that has met all mandatory performance and business specifications, provided it is the "best value" for the Lottery.

Service Provider Compensation – Limitation: The Bidder must agree and annually certify that the methodology used to calculate the amount to be paid by the Lottery to the Bidder is not less favorable than the methodology used to calculate the amount paid to the Bidder by any other governmental or private entity with a similar risk management arrangement and similar Contract terms and conditions during the Contract period. In the event that the methodology used to calculate the amount paid to the Bidder by another governmental or private entity is less favorable to the Bidder than the methodology used to calculate the amount paid by the Lottery to the Service Provider under the Contract, the same methodology must be immediately offered to the Lottery. The Bidder must also agree to provide current or historical methodologies offered or negotiated with other governmental or private entities at any time during the Contract period upon request of the Lottery.

Pricing: Price Limitation – The Bidder must agree that no other customer of similar size and similar terms and conditions shall receive a lower price for the same commodity and service during the Contract period, unless this lower price is immediately effective for the Lottery. The Bidder must also agree to provide current or historical pricing offered or negotiated with other governmental or private entities at any time during the Contract period upon request of the Contract manager.

Section 12. MISCELLANEOUS

A. Acceptance of RFP Terms

A Proposal submitted in response to this RFP will be considered a binding offer. By submitting a Proposal, each Bidder covenants and agrees that it fully understands and will abide by the terms and conditions of this RFP and it will not make claims for or have any rights to cancel or withdraw its Proposal or for other relief due to any misunderstanding or lack of information. The signature of the Bidder or an officer of the Bidder legally authorized to execute Contractual obligations will indicate acknowledgement of this condition.

B. Waiver of Deficiencies and Rejection for Non-Compliance

Proposals that do not meet all material requirements of this RFP or that fail to provide all required information, documents, or supporting materials, or include language that is conditional or contrary to terms, conditions, and requirements, may be rejected as non-responsive.

The "material" requirements of the RFP are those set forth as: (i) mandatory; (ii) without which an adequate analysis of Proposals is impossible; (iii) affect the competitiveness of Proposals, or (iv) affect the cost to the Lottery.

The Lottery reserves the right to waive minor deficiencies in the Proposals.

The decision as to whether a deficiency will be waived or will require the rejection of a Proposal will be solely within the discretion of the Lottery. **Failure to comply with or respond to any part of this RFP may result in rejection of the Proposal.** A waiver of non-compliance for a minor deficiency in the Proposal does not relieve the Bidder of a Contractual obligation.

C. Rejection of Proposals

The Lottery reserves the right to reject any Proposal at any point prior to an award of the Contract, or to reject all Proposals and cancel this procurement, if such action has been determined by the Lottery in its sole discretion, to be in its best interest.

D. Proposals Valid for One (1) Year

All Proposals submitted will remain valid for one (1) year from the date on which Proposals are due, unless the period is extended by mutual agreement of the Lottery and the affected party.

E. Proposal Opening

Proposals will be subject to public opening. At the time the Lottery issues its intent to award notification, Proposals may be viewed by written request directed to the Director.

F. Withdrawal of Proposals

A Bidder may withdraw its Proposal by written notice submitted on the Bidder's letterhead, signed by an authorized representative of the Bidder, delivered to the Lottery Director and received prior to the Proposal submission deadline. The Bidder or its authorized representative may also withdraw its Proposal in person prior to the Proposal submission deadline, upon presentation of appropriate identification and evidence of authority satisfactory to the Lottery.

G. Late Proposals

Proposals pursuant to this RFP must be received by the Lottery no later than the Proposal submission deadline. Failure of a Bidder to submit its Proposal by the specified time will result in rejection. Proposals that are rejected for being late will be returned unopened to the Bidder.

H. Proposal Clarification Process

The Lottery may request in writing, clarifications from Bidders for the purpose of resolving ambiguities or questioning information presented in the Proposals. Clarifications may occur throughout the Proposal evaluation process. Clarification responses shall be in writing and shall address only the information requested. Responses shall be submitted to the Lottery within the reasonable time stipulated at the occasion of the request.

Clarifications are for the purpose of resolving ambiguities and improving the understanding of the Lottery regarding a Proposal. In no case does the clarification or any other process permit revision or supplementation of Proposal after submission. Clarifications are an opportunity to explain, but not enhance, the Proposal.

I. Disclosure and Ownership of Proposal Contents by the Lottery

All matters set forth in a Proposal, including technical and price information, may be subject to disclosure after the Lottery's notification of its intent to award a Contract. All

information in a Proposal and any Contract resulting from this RFP are subject to the provisions of Rhode Island's public records laws regardless of copyright status or Bidder designations on pages of the Proposal.

Any and all materials submitted become the exclusive property of the Lottery. The Bidder waives all rights relating to the Proposal, including without limitation, any and all rights of identification of authorship and any and all rights of approval, restriction or limitation on use unless prohibited by law.

J. Public Records and Requests for Confidentiality

Bidders are advised that all documents, correspondence, and other submissions in the Bid Proposal in response to this RFP may be accessible as public records, pursuant to the Rhode Island Access to Public Records Act (R. I. Gen. Laws §38-2-1 et seq.). RIGL 37-2-18 (a)-(h) "Competitive Sealed Bidding" is also applicable to the bid process.

In the event that a Bidder desires to claim that portions of its submittal are exempt from public disclosure, it is incumbent upon the Bidder to identify those portions in a transmittal letter attached to the Proposal. The claimed exemption from public disclosure must be supported by specific reference to Rhode Island public records law. The transmittal letter must identify the page and the particular exemption(s) from disclosure upon which the claim is made. Each page claimed to be exempt from disclosure under Rhode Island public records law must be clearly identified, on the page, by the words: "This data constitutes a trade secret and shall not be disclosed except in accordance with the Rhode Island public records laws."

Rhode Island public records laws provides that certain records may be exempt from disclosure. Notwithstanding that a Bidder has identified a document or information as confidential or proprietary or otherwise not public under R. I. Gen. Laws §38-2-1 et seq. upon receipt of an Access to Public Records Act request, it is the Lottery that makes the decision as to whether or not the document or information is not public under the Access to Public Records Act. The Lottery's decision to exempt a record from public disclosure is subject to judicial review. All decisions by the Lottery with regard to public records requests will be made in accordance with Rhode Island laws. If the public interest requires disclosure, a record will not be exempt from disclosure.

K. Multiple Proposals from One (1) Bidder Not Allowed

A Bidder shall submit only a single Proposal. Within the single Proposal the Bidder may identify options, including solicited and unsolicited products, services, and features that the Bidder believes may be appealing and useful to the Lottery.

L. Costs Associated with Proposal

All costs and expenses associated with the preparation, development, or submission of bids, including but not limited to copying, postage and delivery fees, and all costs and expenses associated with the mandatory pre-bid Proposal conference and any demonstrations or presentations that may be required by the Lottery shall be borne by the Bidder. The Lottery will not reimburse any Bidder for such costs.

M. Hiring and other Business Relationships with Lottery Staff

During the period from the RFP release until the signing of the Contract, Bidders are prohibited from officially or unofficially making any employment offer or proposing any

business arrangement whatsoever to any Lottery employee. A Bidder making such an offer or proposition may be disqualified from further consideration, or a Contract signed pursuant to this RFP may be terminated.

Furthermore, for the duration of this RFP process, Bidders, their employees and any representative, designee or agent of the Bidder shall refrain from:

1. Providing meals, entertainment, or paying for any other expenses for Lottery officers, employees, agents, or representatives.
2. Providing gifts of any value to Lottery officers, employees, agents or representatives.

N. Protest of Award

Bidders that have submitted a Proposal may protest an award and signing of a Contract. Eligible Bidders protesting award shall follow the procedures described herein. Protests that do not follow these procedures will not be considered. This protest procedure constitutes the sole administrative remedy available to Bidders.

Protests must be received within five (5) business days after issuance of the notice of intent to award the Contract.

All protests must be in writing, signed by the protesting party or its authorized agent and submitted to the Lottery Director. The protest must state all facts and arguments on which the protesting party is basing the protest.

O. News Release Prohibition

Bidders will not issue any news release or make any statement to the news media pertaining to this RFP, Proposal, proposed Contract or the work to be performed without the prior written approval of the Lottery.

P. Term of Contract

The initial Contract term shall be for a period of five (5) years, and may be renewed by mutual consent for two (2) successive five-year (5-year) terms.

Q. Insurance

The Service Provider is required to purchase and maintain comprehensive general liability insurance coverage in the amount of \$2,000,000 with a company or companies licensed to do business in Rhode Island for the operation of the sports betting platform. The Service Provider shall ensure that the insurance company sends the certificate of insurance to the Director of the Lottery.

SECTION 13. RESPONSES

A. Compliance with Format

1. All responses must conform to the Lottery's request. Bidders, in their responses, must refer to the specific sections in this RFP.
2. Responses must be submitted in a manner that will enable the Lottery to analyze each Bidder's response fairly and arrive at a meaningful comparison of Proposals.
3. Except for preprinted brochures or similar material, all pages of the Proposals must be clearly numbered in sequential order.

B. Preparation Costs

1. The Lottery will not be responsible for any costs incurred by a Bidder in the preparation and submittal of Bidder's response.

C. Response Requirements

1. Responses that do not conform to the requirements of the RFP will not be considered.
2. All responses must be valid for one (1) year.

D. Rejection Rights

1. The Lottery reserves the right to reject any or all Proposals.
2. Any Proposal not containing sufficient information to permit a thorough analysis may be rejected, as will any response that fails to meet the minimum requirements detailed in the RFP.

SECTION 14. RESTRICTIONS

A. Communications

1. Contact with Lottery personnel is limited to written questions sent to the attention of Terri Kiernan by email tkiernan@rilot.ri.gov by the date stipulated herein.
2. Contact with any Lottery personnel or officials elected or appointed in the State of Rhode Island in an effort to influence the awarding of this bid shall be grounds for rejection of Bidder.
3. Prior to the awarding of this bid, Bidders shall not represent themselves to Lottery staff or retailers as having the endorsement of the Lottery, nor as the Lottery's sports betting service provider.
4. Any Bidders causing or attempting to cause a violation or circumvention of this ethical standard may, in the sole discretion of the Lottery, be disqualified from further consideration.

SECTION 15. RFP SCHEDULE

A. Event Dates

1. The Lottery reserves the right to change the dates listed below. If changes are made, new dates will be posted on the Rhode Island State Purchasing Website; and all applicants known to have received the original RFP will be contacted.
 - RFP Release Tuesday, April 3, 2018
 - Written Questions Due Friday, April 27, 2018
 - Responses to Questions Due Friday, May 4, 2018
 - Proposals Due Friday, May 18, 2018

SECTION 16. SUBMITTAL DATE AND FORMAT

A. Instructions for Response Submittal

1. The original and three (3) copies of the Bidder's technical Proposal, including all attachments, in the same order as the specific sections of the RFP, as well as the

April 3, 2018

original and three (3) copies of the Cost Proposal, must be received by the Lottery no later than 4:00 p.m., Eastern Time, on Friday, May 18, 2018.

2. Any Proposals received after 4:00 p.m. Eastern Time on Friday, May 18, 2018, will not be accepted.
3. Technical Proposals and Cost Proposals must be submitted in separate envelopes addressed to:

Gerald S. Aubin
Director
Rhode Island Lottery
1425 Pontiac Avenue
Cranston, RI 02920

4. Each envelope must be clearly marked to indicate its contents as follows:

“Sealed Bid – Technical Proposal”

“Sealed Bid – Pricing Proposal”

SECTION 17. PROPOSAL CONTENTS

A. Proposals Shall Include the Following:

1. Technical Proposal - describing the qualifications and background of the Bidder and experience with and for similar projects, and all information described earlier in this solicitation.
 - a. One (1) Electronic copy on a USB marked “Technical Proposal - Original”.
 - b. One (1) printed paper copy, marked “Technical Proposal -Original” and signed.
 - c. Three (3) printed paper copies
2. Cost Proposal - A separate, signed and sealed Cost Proposal reflecting the hourly rate, or other fee structure, proposed to complete all of the requirements of this project.
 - a. One (1) Electronic copy on a USB marked “Cost Proposal –Original.”
 - b. One (1) printed paper copy, marked “Cost Proposal -Original” and signed.
 - c. Three (3) printed paper copies

B. Formatting of Proposal Response Contents Should Consist of the Following:

1. USBs are required for the technical Proposal and Cost Proposal. All USBs submitted must be labeled with:
 - a. Bidder’s name
 - b. RFP #
 - c. RFP Title
 - d. Proposal type (e.g., technical Proposal or Cost Proposal)
 - e. If file sizes require more than one (1) USB, multiple USBs are acceptable.

Each USB must include the above labeling and additional labeling of how many USBs should be accounted for (e.g., three [3] USBs are submitted for a technical Proposal and each USB should have additional label of '1 of 3' on first USB, '2 of 3' on second USB and '3 of 3' on third USB.

Bidders are responsible for testing their USB before submission as the Lottery's inability to open or read a USB may be grounds for rejection of a Bidder's Proposal. All files should be readable and readily accessible on the USB with no instructions to download files from any external resource(s). If a file is partial, corrupt or unreadable, the Lottery may consider it "non-responsive". Please note that USBs submitted shall not be returned.

C. Formatting of Written Documents and Printed Copies:

1. For clarity, the technical Proposal shall be typed. These documents shall be single-spaced with 1" margins on white 8.5"x 11" paper using a font of 12-point Calibri or 12-point Times New Roman.
2. All pages on the technical Proposal are to be sequentially numbered in the footer, starting with number 1 on the first page of the narrative (this does not include the cover page or table of contents) through to the end, including all forms and attachments. The Bidder's name should appear on every page, including attachments. Each attachment should be referenced appropriately within the Proposal section and the attachment title should reference the Proposal section it is applicable to.
3. The Cost Proposal must be typed.