

RFP – LC000068 SCRATCH-OFF TICKET PRINTING AND RELATED
SERVICES Q&A #7

1. RFP Sections A.2.21.b and A.2.22.b, Page 106

Question: RFP Sections A.2.21.b and A.2.22.b both request detailed plans covering staffing, training and procedures. Please confirm whether there are specific elements that should be uniquely emphasized in each section, and whether cross-referencing between sections is acceptable to avoid unnecessary duplication.

Answer: *Section A.2.21.b should focus on packaging of scratch-off tickets whereas Section A.2.22.b should focus on the delivery of the tickets. Cross referencing between sections where applicable is also acceptable.*

2. RFP Section 5.2.2, Base Price - Primary, Pages 83-84

Question: Will the Lottery provide additional details on how Base Price - PRIMARY-Method 2 is applied in practice? An example showing the step-by-step calculation (including activations, returns, free tickets, third-party provided games) would be helpful for clarity. Specifically, will the sequencing of Contractor Provided vs. Third-Party Provided games and their associated theoretical GGR (that contribute to achieving the GGR goal for the year) impact the Contractor Provided Net Activations eligible for the Incentive Compensation Rate?

Answer: *Please see an example below of the fee calculation for Contractor produced games.*

Discounted Base:

Activations	\$120
Returns	\$20
Free tickets	\$0
<i>Net Activations</i>	<u>\$100</u>

Discounted Rate*	<u>5%</u>	*Assuming discounted rate is 5%
Total Compensation	<u>\$5</u>	

Incentive (once GGR goal is met):

Activations	\$120
Returns	\$20
Free tickets	\$0

Net Activations	<u>\$100</u>	
Incentive Rate*	<u>7%</u>	*Assuming incentive rate is 7%
Total Compensation	<u><u>\$7</u></u>	

Games from Third-party providers count towards the GGR goal calculations and will not be netted out of the calculation.

3. RFP Section 5.2.2, Base Price – Primary, Page 83-84

Question: Will the Lottery clarify why returned packs are being excluded from the fee calculation for third-party provided games, given that returns are deducted in the GGR formula for contractor-provided games? We would like to better understand the rationale and ensure consistency in how net activations are treated across all game types.

Answer: *The Contractor will only be compensated for third party games based on the per pack pricing rate that is provided. While GGR from third party games does count towards the goal, incentive pricing only applies to Contractor produced games.*

4. RFP Section 5.2.2, Base Price – Primary, Pages 83-84

Question: Who is responsible for the destruction/shred of the third-party provided inventory throughout the contract term and the financial impacts associated?

Answer: *The primary Contractor is responsible for the destruction of all games regardless of who produced them.*

5. RFP Section 5.2.2 Base Price - Primary, Pages 83-84

Question: Will the Lottery please clarify if the Incentive Compensation rate is to be applied to invoicing each month after GGR goals are met or if this will be handled as a true-up at the end of the Lottery’s fiscal year?

Answer: *Incentive rate will apply at the point that the GGR goal is met and going forward on a monthly basis for the remainder of the fiscal year.*