


**RFP – LC000054 – Online Play System, Player Loyalty Program & Related Services (Q & A) #2**

RFP Section Reference	Question
Appendix B, C, D, E	We are unable to open the embedded attachments in the RFP. Please can the attachments be made available separately for download? <b>The PDF must be downloaded from a browser, saved and then opened directly in a non-browser reader (i.e Adobe Reader). The attachments will only open up in this manner. Double-click the blue tag beside the attachment icon and explanation.</b>
Appendix C	If not disclosed in Appendix C, please can the lottery provide, by month (or similar), the split of DBG sales by game and by channel for the last 3 years (i.e. the split of sales by game between retail, play at pump and online play) <b>See attached file. Double-click the blue pin.</b> 
2.5	Please can the Lottery indicate if there are any plans to add credit card funding in the future and if this is a regulatory issue currently? <b>Per the North Carolina State Lottery Commission's Policy, the NCEL and its retailers may not accept credit cards for Lottery purchases. We do not believe this Policy will change in the near future.</b>
6.6	Per the RFP, the Apparently Successful Contractor will have to have passed the Corporate Capability evaluation. Does this mean that the score for this section will either be 100 for pass, or 0 for failure to pass? Or will this section be scored where it is possible to receive a passing evaluation at less than the full 100 marks? <b>No, each Responding Contractor may earn up to 100 points for Corporate Capability which will be added to the overall score.</b>
6.6	Please can the Lottery clarify how the price score will be calculated? Will the Lottery use the Pricing Proposal that includes Digital Instants, or will the Lottery use the Price Proposal without Digital Instant, or will the Lottery calculate a blended average? What sales projections will the Lottery use to calculate the price score? <b>The Lottery will evaluate and score both pricing models for each Responding Contractor, which will be applied across all Responding Contractors. Presumably, the Responding Contractor with the lowest rate for each pricing model will receive 100% of the total score for that category.</b>
6.6	Will the Price score include in its calculation the cost of the Specified Options? <b>Only for Specified Options that have been clearly required to be included in the main Pricing Proposals (i.e., digital instants).</b>
2.2.8	Can the Lottery please provide additional historical data about the current online program including sales by player, monthly active players, monthly new player registrations, monthly first time deposits, hotline support calls etc.? <b>Sales by player and hotline support calls not provided. Please see the table below (2.2.8) for FY18 data on monthly players, new players per month, lifetime-to-date players, monthly Online Play purchases, lifetime-to-date Online Play purchases. Also included is a secondary table providing an average of the monthly spend per player as well as the average monthly transaction amount.</b>
5.2.2	Respondents are to submit a percentage of Gaming Revenues for 'On-Line Draws' (i.e. Carolina Cash 5, Mega Millions, Powerball and Lucky for Life).- Please can the lottery confirm which sales channels will apply to this percentage. E.g. Mega Millions can played in-store, at the pump and also through the existing online play system. In a scenario where sales were \$2 in each channel, \$6 in total, what sales figure would apply to the new system ? <b>Only Draw Games sold through Online Play will be applied to the proposed rate. Play-at-the-Pump sales will be a separate rate, which will not be evaluated as part of the Price scoring.</b>
5.3.1	How does the Lottery envision selecting 3rd party games? Will this be responsibility of the Lottery or of the selected vendor? <b>The lottery will work with the Successful Contractor to select any 3rd party games.</b>
5.3.1	Can the Lottery provide examples of the type of Digital Marketing Systems it envisions

	<p>integrating in the future? The Lottery currently uses Salesforce Marketing Cloud and is exploring additional CRM tools from Salesforce and other digital marketing/automation companies (Marketo, Hubspot, etc.). The Successful Contractor will be expected to integrate with such digital services and tools at the Lottery's request.</p>
5.3.2 & 5.3.3	<p>Can you please clarify the difference between invited (5.2.3) and offered (5.3.3) options? No invited options have been listed. An "Invited Option" is identified as being of specific interest to the Lottery. Responding Contractors are not obligated to include Invited Options in their Proposals; however, if specifications are presented, corresponding pricing must also be presented based upon the quantities and hypothetical acquisition timing provided in the RFP. For the corresponding pricing, "to be determined" or an equivalent non-response must not be used. The Lottery makes no commitment to procure Invited Options, or choose the quantity or timing for acquisition of Invited Options should they choose to procure them. (see Subsection 1.1 of the RFP). "Offered Option" means an option which has not been specified or invited in the RFP but which the Responding Contractor wishes to offer to the Lottery. The Lottery makes no commitment to procure Offered Options, or choose the quantity or timing for acquisition of Offered Options should they choose to procure them. (see Subsection 1.1.1.1 of the RFP)</p>
A.2.1	<p>"Contractor is responsible for all costs associated with Age and Identity Verification and Player Geolocation." Please can the Lottery provide historical data for the number of new player registrations per month. Please provide historical data for the number of player logins per month. Please see Lucke-Rewards membership data in the table (A.2.1) below. To clarify, in the new system, the Lottery expects all Player's Club members to be age and identity verified, not just Online Play users.</p>
A.2.2	<p>"Contractor is responsible for all fees associated with payments." Please can the Lottery provide historical data on the number of accounts maintained each month. Please provide historical data on funding transactions broken out by type (e.g. ACH, debit, etc.) and amount deposited. Please see Online Play funding data in the table (A.2.2) below. Note: Online Play's inception date was 12/5/2013 with ACH Only. Visa Debit was added as a funding type beginning 12/5/2014.</p>
General	<p>Due to national holidays, staff absences as a result of vacations, and requirements for international shipping of proposal copies, would NCEL consider extending the RFP due date by two calendar weeks to August 29, 2018 4PM (ET)? Yes. Please see revised procurement schedule below.</p>

## 2.2.8

### Online Play Participation and Purchases by Month

FY18	Monthly Players	New Monthly Players	LTD Players	Monthly Online Play Purchases	LTD Online Play Purchases
July	6,337	642	20,930	\$276,162	\$6,287,224
August	9,545	1,760	22,690	\$438,695	\$6,725,919
September	6,532	563	23,253	\$255,685	\$6,981,604
October	6,654	516	23,769	\$288,423	\$7,270,027
November	8,835	2,598	26,367	\$331,018	\$7,601,045
December	14,531	5,313	31,680	\$567,985	\$8,169,030
January	20,605	7,690	39,370	\$733,352	\$8,902,382
February	15,659	3,012	42,382	\$574,350	\$9,476,732
March	21,823	5,883	48,265	\$872,604	\$10,349,336
April	15,763	2,060	50,325	\$545,496	\$10,894,832
May	16,830	2,601	52,926	\$604,635	\$11,499,467

### Average Player Spend & Average Transaction

FY18	Avg Monthly Player Spend	Avg Monthly Transaction
July	\$43.58	\$2.37
August	\$45.96	\$2.34
September	\$39.14	\$2.44
October	\$43.35	\$2.47
November	\$37.47	\$2.73
December	\$39.09	\$2.45
January	\$35.59	\$2.49
February	\$36.68	\$2.28
March	\$39.99	\$2.38
April	\$34.61	\$2.31
May	\$35.93	\$2.39

## A.2.1

Fiscal Year 2017: Player's Club Membership	New Registrations	New Registrations (Confirmed)	Total Confirmed	Total Registrations
July	9,199	N/A	N/A	731,715
August	12,081	N/A	N/A	744,379
September	5,917	N/A	N/A	750,539
October	3,970	N/A	N/A	754,672
November	9,551	N/A	N/A	764,594
December	9,775	N/A	N/A	774,704
January	11,560	N/A	N/A	786,887
February	12,069	N/A	N/A	799,249
March	10,175	N/A	690,016	809,810
April	6,720	N/A	695,426	816,792
May	6,794	N/A	701,417	823,835
June	11,278	N/A	711,286	835,369
Fiscal Year 2018: Player's Club Membership	New Registrations	New Registrations (Confirmed)	Total Confirmed	Total Registrations
July	8,357	N/A	717,896	843,984
August	15,131	N/A	730,760	859,381
September	5,647	N/A	736,149	865,332
October	6,276	N/A	741,763	871,753
November	10,395	N/A	751,547	882,307
December	23,369	N/A	772,553	906,103
January	23,797	N/A	794,087	931,835
February	13,486	N/A	806,602	945,687
March	19,238	N/A	827,398	965,469
April	11,638	5,474	833,187	978,419
May	12,820	11,027	844,581	991,582
<b>Total Membership</b>			<b>844,581</b>	<b>991,582</b>

## A.2.2

Online Play Funding					
Date	Total Funding Count	ACH Count	ACH Funding	Debit Count	Debit Funding
12-5-2013 thru 12-31-2014	24,699	20,430	\$948,940	4,269	\$134,697
1-1-2015 thru 12-31-2015	36,362	7,547	\$432,883	28,815	\$933,044
1-1-2016 thru 12-31-2016	76,083	11,081	\$610,820	65,002	\$1,617,562
1-1-2017 thru 12-31-2017	169,100	15,301	\$768,376	153,799	\$2,975,916
1-1-2018 thru 5-31-2018	166,190	11,569	\$521,814	154,621	\$2,811,070

## Revised Procurement Schedule (changes in red)

Event	Date
RFP Publication	June 15, 2018
Responding Contractor's Written Questions	June 15, 2018 – July 31, 2018 4 PM (ET)
Lottery Written Responses (post when available)	June 16, 2018 – <b>August 10, 2018</b>
Deadline for Proposal Submission	<b>August 29, 2018</b> 4 PM (ET)
Evaluation Period	<b>August 30, 2018 – September 21, 2018</b>
Notification for Responding Contractor Demonstrations and/or Site Visits	<b>August 30, 2018 – August 31, 2018</b>
Responding Contractor Demonstrations and/or Site Visits	<b>September 10, 2018 – September 21, 2018</b>
Evaluation Committee Recommendation and NC State Commission Review and Approval	<b>October 18, 2018</b>
Notification of Apparent Successful Contractor	<b>October 18, 2018</b>
Contract Negotiation	<b>October 18, 2018 – October 26, 2018</b>
NC Attorney General review and approval of Contract per NCGS §143-52.2	October/November 2018
Contract Executed	October/November 2018 (or shortly after AG approval)
Projected Contract Conversion Date	November 1, 2018 – November 1, 2019 ( <b>Lottery staff and the Successful Contractor may start planning meetings prior to Contract execution</b> )