



Q#	RFP Reference Number	RFP Page Number	Vendor Question	Lottery Answer
1	Part 1: General Information	5	Considering that the RFP Price Proposal must be submitted as a percent of net instant sales, and that assignment of certain games to secondary vendors, high price point games in particular, can dramatically change a potential vendor's expected revenue, would the Lottery please consider assigning a specified percentage of the business to the primary vendor?	The Lottery has determined we will consider two possibilities: 1.) Primary 100%, 2.) Primary 71%, Secondary 29%
2	Part 1: General Information Appendix E: General Contract Terms for Resulting Contract; 2. Term	5 56	The RFP says, "The contract awarded as a result of this RFP is expected to be for a two (2) year period from March 19, 2021 through March 25, 2023. The Lottery may opt to extend the contract for three (3) additional two (2) year periods." Appendix E, General Contract Terms for Resulting Contract, says, "Contract(s) which result from this RFP, will be for the period March 26, 2021 and ending March 25, 2023. The Lottery reserves the right, at its sole option, to extend the duration of the contract for three (3) additional two (2) year periods." Will the Lottery please confirm the Contract start date?	This should read: on or about March 19, 2021. Amended
3	1.3 Glossary of Terms	5	With the understanding that Work Product will be owned by the Lottery and, as such, excludes pre-existing Intellectual Property, would the Lottery consider reasonable revisions to the relevant definitions to clarify that Work Product is limited to products and services created uniquely and exclusively under this Contract for the Lottery and that Work Product excludes any intellectual property created by the Contractor after the Effective Date of the Contract that was created independent of the Contract and also excludes any third-party intellectual property?	Yes, this is correct.
4	1.6 RFP Coordinator	8	Would the Lottery please provide a physical address (not a PO box) to which Vendor's can ship proposal submissions?	1199 Shoreline Ln. STE 100, Boise, ID 83702
5	1.15 Proposal Submission Criteria 6.1 Letter of Transmittal and Price Proposals Format	10 39	Section 1.15 states that Volume 1 -Technical Proposal and Volume 2 – Price Proposal should be submitted in one binder. Section 6.1 states that vendors must submit their Price Proposal in a separate sealed envelope, which must accompany their entire Proposal package. Would the Lottery please confirm if the Price Proposal should be submitted in a sealed envelope and placed in the three-ring binder with the Technical Proposal or should it be in a separate envelope outside of the binder?	Yes, the Price Proposal should be submitted in a sealed envelope and placed in the three-ring binder with the Technical Proposal.
6	1.23 Public Records and Requests for Confidentiality	12-13	To satisfy the confidential marking requirement, would the Lottery allow vendors to state exemptions up front in the proposal and then provide a table that lists which exemption applies to each confidential marking?	Yes, this is acceptable.
7	Part 2: Lottery Background	16	Would the Lottery be able to supply FY20 weekly sales for each Dreamtouch machine deployed, with sales separated for total draw and total Scratch? Additionally, is the Lottery able to provide FY20 weekly Scratch sales by bin for each machine?	See attached spreadsheet entitled "Vending Sales" and "Dreamtouch Bin Sales".
8	3.4 Financial Viability	19	Due to the potential volume and size of financial information (financial statements for the last five years, and reports and filings with the SEC for the past three years) that's being requested, would the Lottery please confirm that submission of all financial information required in paragraphs a. – d. can be provided in electronic format only?	Yes, this is acceptable.
9	3.4.a Financial Statements 3.4.b. Preparation of Statements	19	The RFP provides that if a Vendor is a subsidiary or component of another corporation or entity, the Vendor's financial statements as well as the consolidated financial statements of the parent company shall be submitted. To the extent The Vendor does not have stand-alone financial statements, will the Lottery please confirm that providing solely the consolidated financial statements of the parent company will be sufficient for purposes of Section 3.4, paragraph a., and the last sentence of 3.4, paragraph b.?	Yes, this is acceptable.

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10	3.4.c. Reports of Filings with Securities and Exchange Commission	20	For Financial Viability requirement 3.4.c, to the extent a contractor's 6-K filings are required by this section, would the Lottery consider accepting a link to a Vendor's 6-K filings on their website, or a link to the SEC website http://www.sec.gov where the Vendor's 6-Ks are also filed? Otherwise, the Lottery could be overwhelmed with thousands of pages of 6-K filings from the past three years.	Yes, this is acceptable.
11	3.4.e. Performance Guarantee	20	It is understood that a parent guaranty is required if the Vendor is a subsidiary and relies on the financial resources of the parent to perform under the Contract. Would the Lottery please confirm our understanding that no document is required with the proposal submission with respect to the parent guaranty and that the parent guaranty is only required at the time of Contract execution?	Yes, this is correct.
12	3.6 History of Contract Performance	20	Would the Lottery please clarify what is meant by "ticket fees" in 3.6.c, which states "List fees for ticket printing"?	These fees refer to anything other than Base Pricing and Option Pricing found in Appendix C.
13	3.9 Approval of Vendor Employees	21	Would it be permissible for Vendors to provide employees' personal information (date of birth, social security number, and address) once it has been determined the Lottery will contract with the Vendor? If not, would the Lottery please confirm this information will be kept confidential by the Lottery?	Yes, this information will be collected later by the Idaho Lottery Security Division.
14	5.1.m. General Ticket Quality Requirements and Specifications	25	Would the Lottery please modify this requirement by adding "..., if used" to the end of the requirement? Some vendors do not use dual pass imaging to produce the indicated games, and the text, as written, appears to require that process.	Yes, this is acceptable. Amended.
15	5.12 Game Design Selection	35	Section 5.12 provides that if the Lottery chooses a particular game and the Vendor identifies that game as one subject to copyright or trademark by another Vendor or state prior to the execution of Working Papers, then the Vendor will, at the Lottery's discretion, either negotiate an appropriate fee or change the game name. Would the Lottery please amend this provision as set forth below to include patents and changes to game designs?	Yes, this is acceptable. Amended.
			"If the Lottery chooses a particular game and the Vendor identifies that game as one subject to copyright, patent or trademark by another Vendor or state prior to the execution of Working Papers, then the Vendor will, at the Lottery's discretion, either negotiate an appropriate fee, or change the game name or design."	Yes, this is acceptable. Amended.
16	6.2 Base Pricing	39	The RFP requires pricing as a flat % of Net sales including a sliding scale for pricing based on price pt., a % of GGR including a sliding scale for pricing based on price pt. and a price per 1000. It also says that the Lottery desires to have the option to choose which cost structure to use on a game by game basis. Will the Lottery kindly confirm our understanding that the Lottery will choose a single method for compensating a vendor across all games in a resulting contract? Selecting a cost structure on a game by game basis will result in the Lottery receiving less than favorable pricing as vendors would have to protect themselves in the event they only print the lower price points for instance in a % of sale model.	Yes, this is acceptable. Amended.



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17	6.2 Base Pricing	39	Will the Lottery kindly provide the formula to calculate Gross Gaming Revenue including details on prize payouts for each price point. This will ensure all vendors arrive at the same Gross Gaming Revenue as the Lottery.	GGR is defined as Net Sales less prizes. <table border="1"> <thead> <tr> <th colspan="4">Idaho Scratch Average Payouts</th> </tr> <tr> <th></th> <th>FY18</th> <th>FY19</th> <th>FY20</th> </tr> </thead> <tbody> <tr> <td>\$1</td> <td>59.05%</td> <td>60.72%</td> <td>68.00%</td> </tr> <tr> <td>\$2</td> <td>63.14%</td> <td>62.45%</td> <td>62.29%</td> </tr> <tr> <td>\$3</td> <td>66.63%</td> <td>65.84%</td> <td>66.27%</td> </tr> <tr> <td>\$5</td> <td>68.97%</td> <td>68.68%</td> <td>68.81%</td> </tr> <tr> <td>\$10</td> <td>71.03%</td> <td>71.23%</td> <td>70.83%</td> </tr> <tr> <td>\$20</td> <td>72.74%</td> <td>72.24%</td> <td>72.30%</td> </tr> <tr> <td>\$30</td> <td></td> <td>76.03%</td> <td>75.54%</td> </tr> </tbody> </table>	Idaho Scratch Average Payouts					FY18	FY19	FY20	\$1	59.05%	60.72%	68.00%	\$2	63.14%	62.45%	62.29%	\$3	66.63%	65.84%	66.27%	\$5	68.97%	68.68%	68.81%	\$10	71.03%	71.23%	70.83%	\$20	72.74%	72.24%	72.30%	\$30		76.03%	75.54%
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18	Appendix E 1.3 Right to Memorialize Final Agreement	55	Section 1.3 states that at its option, the Lottery may memorialize the agreement between the Lottery and the Contractor in one or more final Contract documents. Would the Lottery please confirm that there will be an opportunity to negotiate the terms and conditions of the Contract post-award?	Yes, there will be a negotiation phase after the Contract is awarded.																																				
19	Appendix E 5. Intellectual Property and Ownership of Instant Scratch Ticket Games, Materials and Information	57	Would the Lottery consider reasonable revisions to this section to clarify that the perpetual license to the Contractor's Pre-Existing Intellectual Property will terminate if the Lottery ends its use of such licensed Pre-Existing Intellectual Property?	Yes, the Lottery will consider reasonable revisions when finalizing contract after award.																																				
20	Appendix E 5. Intellectual Property and Ownership of Instant Scratch Ticket Games, Materials and Information	57	Would the Lottery please revise the language in this section requiring a worldwide and perpetual license to Pre-Existing Intellectual Property in the development of Work Product or otherwise consider reasonable negotiations to clarify the scope of the required license to Pre-Existing Intellectual Property consistent with the Lottery's use of such Intellectual Property in connection with the term of the Contract and the scope of use within the state of Idaho?	Yes, the Lottery will consider reasonable revisions when finalizing contract after award.																																				
21	Appendix E 5. Intellectual Property and Ownership of Instant Scratch Ticket Games, Materials and Information	57	The requirement to schedule Pre-Existing Intellectual Property is impractical given the number of patents, patent applications, trademarks, trademark applications, copyrights, and other intellectual property of a typical lottery contractor, including us. The proposed schedule also suggests that the Contractor's failure to include some of its property on the schedule could result in transfer of ownership to the Lottery. Written requests would also have to be made on a regular basis to update the list, which would be administratively burdensome for both the Lottery and the Contractor. The Vendor respectfully requests that the Lottery revise this section of the Contract to remove this language.	The Lottery will consider revisions as requested at time of final contract negotiation after award.																																				
22	Appendix E 7. Warranty and Indemnification	58	In addition to being relieved of its indemnification obligations as set forth in this section, would the Lottery please confirm that the Contractor would also be relieved of its obligations to provide for continued right to use or replacement, described in Section 8 of the RFP with respect to any name chosen by the Lottery that has been expressly determined to infringe or violate a trademark in connection with a game as expressed in the written opinion supplied hereunder by Contractor's trademark counsel?	Yes, this request and concern can be visited at time of finalizing contract after award.																																				



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23	Appendix E 11. Insurance and Letter of Credit/Bonding 11.1 Insurance b.	60	<p>In the first sentence of paragraph b., the requirement asks to name the Lottery as “additional named insured.” The industry-standard term is “Additional Insured” and a “named insured” refers to the owner of the policy who pays the policy premium.</p> <p>Would the Lottery please delete the word “named” in the first sentence of paragraph b.?</p>	<p>There will be no revision to this section in the RFP, but Yes, the final contract, after award, will not include the word "named", as requested.</p>
24	Appendix E 11. Insurance and Letter of Credit/Bonding 11.1 Insurance b.	60	<p>This section states that “All required policies shall require thirty (30) days’ notice to the Lottery, by certified or registered mail, return receipt requested, prior to any cancellation, refusal to renew or any material change in the nature or extent of the coverage provided.” The industry-standard cancellation clause does not provide for “refusal to renew or any material change in the nature or extent of the coverage provided.”</p> <p>Therefore, would the Lottery please delete the wording “refusal to renew or any material change in the nature or extent of the coverage provided” in paragraph b.?</p>	<p>Yes, while there will be no revision to the RFP on this request, the final contract will not include that language, as requested.</p>
25	Appendix E 11. Insurance and Letter of Credit/Bonding 11.1 Insurance d. iv. Comprehensive Crime	61	<p>Would the Lottery please clarify that the intent of the Crime section is to cover losses by the Vendor’s employees? As is industry standard, a Crime policy provides blanket joint loss payee wording, so the Lottery does not need to be explicitly named. Per the blanket loss payee wording, they will be considered a loss payee. Would the Lottery please make the following changes to this section:</p> <p>Comprehensive Crime with a liability limit of \$1,000,000 per occurrence having at least the following coverage: dishonesty (blanket coverage), forgery, credit card forgery, theft (inside and outside), embezzlement, wire funds transfer fraud, computer fraud or theft and other dishonest acts of by any employee or agent of the Vendor whose duties are to provide services under the Contract. The Lottery shall be named considered a loss payee on all Comprehensive Crime policies.</p>	<p>There will be no revision to this section in the RFP, but Yes, requested clarification will be visited during finalization of contract, after award.</p>
26	Appendix E 11. Insurance and Letter of Credit/Bonding 11.1 Insurance d. v. Errors and Omissions	61	<p>This section states that the Errors and Omissions coverage should include coverage for claims of copyright, trademark and patent infringement for the Intellectual Property Rights, Pre-Existing Intellectual Property Rights and Work Product. Some of these coverages may be purchased; others, such as patent infringement, require a separate policy, and may not be readily available in the marketplace and cost prohibitive.</p> <p>An alternative is to use self-insurance to cover the exposures mentioned above.</p> <p>Would the Lottery accept self-insurance to cover Patent Infringement?</p>	<p>No, the Lottery will not accept self-insurance for patent infringement at this time.</p>
27	Appendix E 11.2 Performance Bond a, b, c	61-62	<p>It is standard practice in today’s Surety Market, when writing bonds, that a bond be annually renewable and that there is no forfeiture language in the RFP or contract. The majority of lotteries have accepted these changes into their RFP and Contract.</p> <p>We respectfully submit three questions pertaining to this section:</p> <ol style="list-style-type: none"> 1. Are “Industry Standard” bond forms acceptable? 2. Section 11.2, paragraph a., states that the Performance Bond shall be in effect at all times during the term of the Contract and any extensions or renewals thereof and for ninety (90) days following the conclusion of the Contract. Surety Companies require that a bond be renewed on an annual basis. <p>Would the Lottery please amend this section to include that the Performance Bond can be renewed on an annual basis?</p> <ol style="list-style-type: none"> 3. It is industry standard in the Surety Market not to write bonds with forfeiture language included in the RFP/contract. It is the desire of the Surety Companies that a claim be made against the bond. 	<p>Industry standard forms may be acceptable but the Lottery reserves the right to review the bond and require a substitute, as set forth in 11.2 b.</p> <p>Yes, renewal on an annual basis is acceptable, and the final contract, after award, will reflect this.</p>



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			<p>Would the Lottery either amend 11.2, paragraphs a. and b., to read as follows or consider reasonable changes during Contract negotiations that are consistent with the Lottery's overall requirements?</p> <p>a...."In the event that the Contractor or any officer, director, employee or agent of the Contractor or any subcontractor or any parent or subsidiary corporation of the Contractor or subcontractor fails to fully and faithfully perform each material requirement of this Contract, including without limitation the Contractor's obligation to indemnify the Lottery and pay damages to the Lottery, and those damages amounts incurred by the Lottery related thereto may be applied against the performance bond. "</p> <p>b. ..."The Performance Bond must specifically refer to the Contract and shall bind the issuer/grantor to all of the terms and conditions of the Contract. A claim may be made against the bond, if the Contract is terminated due to Contractor's default, breach of the Contract by the Contractor, or the Contractor's bankruptcy, whether voluntary or involuntary.</p>	<p>No. 3: No, not at this time for RFP. The Lottery is willing to revisit this at time of finalizing contract, after award.</p>
28	Appendix E 17.2(i) "Winners On Their Face"	68	<p>Would the Lottery confirm our understanding that the Contractor would not be required to indemnify the Lottery for any payment made by the Lottery on a "Winner On Its Face" as set forth in this section in the event that such payment would be contrary to or not required under any applicable lottery law including specifically ID Code 67-7437?</p> <p>Would the Lottery also please confirm our understanding that the indemnification obligation of the Contractor for payment in connection with any "Winners On Their Face" would be limited to errors made solely by the Contractor, not by the Lottery or a player or any third party not under the Contractor's responsibility or control?</p>	<p>To clarify, this section is referring to tickets that are printed (not altered) with all of the correct symbols, play format, and other normal characteristics; that appears to be a winner, but is not considered a winner in the validation file. This situation is referring to errors made by the printer; not by the Lottery or a player as 67-7437 refers to.</p> <p>Yes, the Lottery confirms this.</p>
29	Appendix E 18.2 Termination for Cause	69	<p>Would the Lottery please confirm our understanding that subsection (b.) of this clause would not constitute a termination for cause?</p>	<p>No, while a triggering of that provision may be without fault of any party, the Lottery desires to include it in this section.</p>
30	Appendix E 18.2 Termination for Cause	69	<p>Given that the applicable cure period will be set forth in the notice of default or non-compliance and given that cure in certain extreme circumstances can take more than 20 calendar days, would the Lottery consider a longer maximum potential cure period?</p>	<p>While there will be no revision to the RFP, the Lottery will consider a longer maximum potential cure period when finalizing the contract, after award.</p>
31	Appendix E 18.3 Effect of Termination	69	<p>Would the Lottery confirm our understanding that the following termination by the Lottery refers to a termination for cause only? "Upon termination by the Lottery, the Lottery may take over the services and may award another party a contract to complete the services contemplated by the Contract."</p>	<p>The Lottery will review the term when finalizing the contract, after award, and will clarify as necessary.</p>
32	Appendix E 31 Force Majeure	72	<p>Would the Lottery add epidemics and pandemics to the list of force majeure events?</p>	<p>Yes. The Force Majeure term will be revised to include pandemics and epidemics when finalizing contract after award.</p>



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33	Section 1.1, Introduction and Objectives, This section states that it is the intent of the Lottery to award a contract to both primary and secondary vendor(s).	5	Question: Considering that the RFP pricing response must be submitted as a percent of net instant sales and also gross gaming revenue, and that assignment of certain games to secondary vendors, high price point games in particular, can dramatically change a potential vendor's expected revenue, would the Lottery please consider assigning a specified percentage of the overall instant business to the primary vendor?	Please refer to question #1 above.
34	Section 1.3, Glossary of Terms	6	Question: The term bonuses is used in the definition of "Gross Gaming Revenue." Will the Lottery please provide their definition of "bonus."	Bonuses are a form of prizes. Please consider "bonuses" as prizes.
35	Section 1.3, Glossary of Terms	7-8	Question: "Work Product" – Will the Lottery please confirm that (i) Work Product is limited to the listed items in the definition that are produced by Contractor in fulfillment of a requirement under the Contract and, (ii) in addition to Pre-Existing Intellectual Property, does not include any such Contractor Intellectual Property Rights that are created by Contractor for third parties, or itself, outside the scope of the Contract awarded pursuant to this Contract. In other words, the Contractor will not have to transfer ownership of Contractor Intellectual Property Rights created outside of the obligations or performance of the Contract, correct?	Yes, this is correct.
36	Section 1.23, Public Records and Requests for Confidentiality	12-13	Question: In lieu of providing "the particular disclosure exemption upon which the Vendor bases its claim...on each page or portion" of our proposal, will the Lottery accept a listing of all confidential information (sections) in table format, to include section number, title, page number(s) and disclosure exemption.	This is acceptable.
37	Section 3.4, Financial Viability	19	Question: Will the Lottery accept vendor's audited financial statements and other related financial documents requested on USB?	This is acceptable.
38	Section 3.9, item a, Approval of Vendor Employees	21	Question: Item A of this requirement requests the "...social security number, date of birth, and current address" of all management, supervisory and key account personnel planned to be involved in duties described in the RFP." Does the Vendor need to provide the listed information, in particular each person's full Social Security number, as part of its RFP response, or will this obligation arise only for the Contractor following contract award? If the latter, and due to concerns regarding identify theft, many employees and personnel are reluctant to provide full Social Security numbers, will the Lottery accept the last four digits as part of the RFP response with additional information provided as needed subsequent to award of the contract?	We understand. This information will be requested after the award is made to a successful Contractor. Please refer to question #13 above.
39	Section 5.3.2, Site Visits	26	Question: Please confirm that the obligation of the Vendor under this section is to pay the necessary expenses listed for up to four (4) employees for each visit.	Yes, that is correct.
40	Section 5.6.3., Skids	32	Questions: a. This section states there will be 30 cartons per skid. Is this requirement for all ticket/pack sizes, or can the number of cartons per skid vary based on the carton size as long as the other requirements for pallet size and overall height and weight restrictions are adhered to? Maximizing the number of cartons per pallet will provide the best utilization of the Idaho Lottery's warehouse space.	This is acceptable.
			b. This section states carton labels will face outward and be placed on the wide side of the carton (packs of ticket inside carton will face label). Will the Lottery accept the label placed on the narrow side of the carton if the packing was such that tickets within the carton face the narrow side?	This is acceptable.



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41	Section 5.3.18, Overprint	29	<p>Question: In this section the RFP states “The overprint covering lottery symbols shall be clearly legible and well defined, a color other than black, unblurred, and sharp in order to facilitate detection or tampering.” However, based on a review of the Lottery’s existing instant ticket games the overprint areas appear black. Will the Lottery please clarify this aspect of their overprint designs?</p>	<p>We are not referring to the overprint latex security layers here, this refers to the graphics printed on top of the latex layers. The graphics should be clearly legible and well defined. We actually do print black sometimes in the graphics, we just don’t want it to have a lot of solid black areas because players can easily tamper with the ticket and then fill it in with a sharpie to look as though it hasn’t been scratched.</p>
42	Section 6.2, Base Pricing	39	<p>Question: Please confirm the obligation of Vendor under this section to pay the necessary expenses listed for visits to Contractor’s plant is the same obligation as requested in Section 5.2.3.</p>	<p>Yes this is the same as in Section 5.2.3.</p>
43	<p>Section 6.2, Base Pricing</p> <p>This section states that pricing from potential vendors must be submitted in three modeling options, a percentage of net instant sales, a percentage of GGR, and per 1,000 tickets.</p>	39	<p>Question: In order to compute potential revenue for the three pricing alternatives, would the Lottery please provide the following information?</p> <ul style="list-style-type: none"> • Obsolescence percentages by ticket price point • Percent of ticket sales allotted to instant ticket prize fund by price point <p>Furthermore, will the Lottery please confirm that GGR is defined as sales minus prizes.</p>	<p>We understand this to mean the remaining tickets in a game after the game has ended. Please refer to attachment entitled "Obsolescence Percentage". We do not allot ticket sales to prize fund. Yes, GGR is defined as Net Sales less prizes.</p>
44	<p>Section 6.2, Base Pricing</p> <p>This section states that pricing from potential vendors must be submitted in three modeling options, a percentage of net instant sales, a percentage of GGR, and per 1,000 tickets.</p>	39	<p>Question: Should respondents supply separate Price Schedules for Primary and Secondary vendor contracts ? If only one Price Schedule is to be submitted, will the Lottery please provide details concerning the pricing basis for secondary vendors?</p>	<p>Please refer to question #1 above.</p>
45	<p>Section 6.2, Base Pricing</p> <p>This RFP section states that the Lottery desires to have the option to choose which cost structure to use on a game by game basis.</p>	39	<p>Question: Given the considerable level of revenue uncertainty associated with pricing individual games by any one of the three methods, and also considering the term “desires” in the above specification, is this pricing requirement open for negotiation between the Lottery and any apparent successful vendor prior to finalization of contract?</p>	<p>Yes, this is acceptable. Amended.</p>
46	Part 8, item c., online terminal/instant games	43	<p>Question: Will the Lottery please clarify its scope of the request for online terminal/instant games. Is the Lottery interested in vendor solutions for online terminal/instant games?</p>	<p>Yes, we are looking at these topics as informational purposes only.</p>
47	Part 8, item m, pari-mutuel wagering	43	<p>Question: Will the Lottery please clarify its scope of request for pari-mutuel wagering as listed on page 43, Part 8 of the RFP. Is the Lottery interested in vendor solutions for horse racing, dog racing, sports betting, etc.?</p>	<p>Yes, we are looking at these topics as informational purposes only.</p>

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48	Appendix C, Price Proposal Worksheet Instructions This document requires vendors to submit Schedule 1, Percentage of Net Instant Sales, and Schedule 2, Percentage of Gross Gaming Revenue.	49	Question: The supplied excel spreadsheet includes fields for pricing per 1,000 tickets (Schedules 3 and 4), but not for the percentages required for Schedules 1 and 2. Where should respondents indicate these percentages, additional rows, additional spreadsheet tabs, or will the Lottery supply a revised base ticket pricing excel spreadsheet?	Please refer to the attachment entitled "Schedule 1,2"
49	Appendix C, Price Proposal Worksheet Instructions (Idaho Lottery data table) The table of instant games launched by price point indicates a ticket size of 2.0" x 4.0" for \$1 games.	51	Question: In all other references to \$1 price point games, the ticket size is specified as 2.5" x 4.0." Would the Lottery please confirm that the correct ticket size is 2.5" x 4.0" ?	\$1 Scratch tickets are in fact 2.5" x 4.0".
50	Appendix C, Price Proposal Worksheet Instructions, (Idaho Lottery data table) The table of instant games on page 51 shows instant games launched by price point. In Section 6.2 of the 2012 Idaho Lottery Scratch Ticket Printing RFP, the Lottery indicated "desire to have the option to choose which cost structure to use on a game by game basis."	51	Question: Would the Lottery please revise and expand the table on Page 51 to include the current cost structure chosen (% of sales or price per thousand), of the Lottery's current vendors selected to produce each game?	Please refer to attachment entitled "Current Pricing".
51	Appendix E, General Contract Terms for Resulting Contract, Section 5 - Intellectual Property and Ownership of Instant Scratch Ticket Games, Materials and Information The terms of Section 5 raise serious concerns as it applies to the Contractor's Pre-Existing Intellectual Property. The terms of the perpetual, worldwide,	57	Questions: a. Will the Lottery be willing to discuss this provision with the Contractor in light of the concerns voiced in above following award to amend this provision in a manner mutually agreeable to the parties? b. Will the Lottery amend the scope of the licensed Pre-Existing Intellectual Property to just such intellectual property as is actually incorporated into the Work Product delivered to the Lottery? c. Will the Lottery delete the right to create derivative works from the licensed rights as this undermines and diminishes the value of Contractor's ownership of such Pre-Existing Intellectual Property? d. Will the Lottery limit the license to the term of the Contract? e. Please clarify what happens with regard to Pre-Existing Intellectual Property of the Contractor that may be inadvertently left off the required list either initially or as a requested addition? f. If the Contractor makes a request to add materials to the list, does the Lottery have the right to reject that request?	a. Yes, the Lottery will consider reasonable revisions when the parties finalize the contract, after award. b. This is what is intended, and the any necessary reasonable revisions will be considered when the parties finalize the contract, after award. c. No, but revisions, as necessary will be considered to limit the licensed rights to the Term and a reasonable time thereafter. d. Yes. e. On further consideration, the Lottery is considering not requiring the disclosure schedule when the contract is finalized, after award. f. See answer above, at e.

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	royalty-free license arguably amounts to a transfer of ownership of a substantial portion Contractor's Pre-Existing Intellectual Property since any such materials that are "used . . . in the development of any Work Product" could encompass a wide variety of proprietary materials, systems, processes or other intellectual property of the Contractor. From a legal perspective, this provision may prevent the Contractor from proposing any new or innovative products or services for fear of losing its ownership rights or the value of its intellectual property to the Lottery. In consideration of the above we submit the following:		g. We request that the requirement that all Pre-Existing Intellectual Property be deleted as that list will be unavoidably incomplete since we do not know now what Work Product will be created during the term of the Contract. Otherwise it will likely result in a list of every item of intellectual property owned by the Contractor, which does not appear to be the purpose of this requirement.	g. See answer above, at e.
52	Appendix E, General Contract Terms for Resulting Contract, Section 10 - Indemnification	59	Questions: a. Please clarify why the Lottery applies required indemnification for Contractor's negligent acts, but only excludes acts of gross negligence of the Lottery from that indemnification obligation? b. Please explain the difference between negligence and gross negligence as applicable to Contractor's indemnification obligation. c. Please confirm that Contractor's indemnification obligation does not apply to damages incurred due to events of force majeure, or the negligent or intentionally wrongful acts of other Lottery vendors or Lottery retailers, or resulting from the changes in law or orders of other state or federal courts or agencies arising out of actions not caused by the Contractor.	a. This term for indemnification is outdated. Instead, this section will be revised to set forth the current, standard state term for indemnification. b. There will be no reference to gross negligence in the indemnification term substituted in the final contract, as referenced above. c. No.
53	Appendix E, General Contract Terms for Resulting Contract, Section 17.2 – Liquidated Damages	66-69	Questions: a. Please confirm whether liquidated damages will not be assessed in the event the Lottery does not incur actual damages? b. Will the Lottery reconsider and confirm whether, since each liquidated damage provision is intended to apply to a specific event, that liquidated damages will not be assessed by the Lottery under multiple provisions relating to a single incident? c. Please confirm whether Contractor will not be liable for liquidated damages to the extent the incident was caused by the Lottery, its retailers, third parties, communications failures or events of Force Majeure?	a. The Lottery believes the amounts set for the various categories for which liquidated damages are allowed are reasonably related to anticipated damage occasioned by a breach. The Lottery declines to confirm this. b. No. Multiple liquidated damage provisions can apply to a single incident. c. Contractor is liable for liquidated damages for breaches that delay and disrupt the Lottery's operations, as set forth in Appendix E, Section 17.2.



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			<p>d. Please confirm whether assessment of liquidated damages shall be in lieu of the right of the Lottery to institute a cause of action for actual damages?</p> <p>e. Please confirm whether Contractor may pay liquidated damages through deductions to invoiced amounts submitted to the Lottery for payment?</p>	<p>d. The Liquidated Damages clause set forth does not limit other remedies, including any ascertainable actual damages, the Lottery may have.</p> <p>e. Payment of assessed liquidated damages shall be paid by deducting damages from the payment/compensation otherwise due Contractor.</p>																																								
54	Option Pricing Excel Spreadsheet		<p>Row number 33 on the supplied excel spreadsheet for pricing options reads "assume 2.5" x 4" ticket size."</p> <p>Question: Given that PSI - per square inch is one of the available price units of measure, can respondents disregard this note?</p>	Yes.																																								
55	General Question		Would the Lottery please provide contract pricing from all its current instant ticket vendors?	Please refer to question #50 above.																																								
56	General Question		Would the Lottery please confirm its total net instant sales for FY'18, FY'19, and FY'20 by price point?	<table border="1"> <thead> <tr> <th></th> <th>2018</th> <th>2019</th> <th>2020</th> </tr> </thead> <tbody> <tr> <td>\$1</td> <td>\$6,204,057</td> <td>\$5,874,932</td> <td>\$5,059,162</td> </tr> <tr> <td>\$2</td> <td>\$6,977,564</td> <td>\$6,835,298</td> <td>\$7,081,854</td> </tr> <tr> <td>\$3</td> <td>\$16,676,646</td> <td>\$15,831,858</td> <td>\$13,071,261</td> </tr> <tr> <td>\$5</td> <td>\$42,497,525</td> <td>\$42,033,950</td> <td>\$46,724,490</td> </tr> <tr> <td>\$10</td> <td>\$28,087,010</td> <td>\$31,605,300</td> <td>\$35,628,840</td> </tr> <tr> <td>\$20</td> <td>\$26,895,340</td> <td>\$30,688,060</td> <td>\$42,708,560</td> </tr> <tr> <td>\$25</td> <td>\$19,568,525</td> <td>\$17,470,925</td> <td>(\$22,550)</td> </tr> <tr> <td>\$30</td> <td></td> <td>\$8,699,250</td> <td>\$22,818,060</td> </tr> <tr> <td></td> <td>\$146,906,667</td> <td>\$159,039,573</td> <td>\$173,069,677</td> </tr> </tbody> </table>		2018	2019	2020	\$1	\$6,204,057	\$5,874,932	\$5,059,162	\$2	\$6,977,564	\$6,835,298	\$7,081,854	\$3	\$16,676,646	\$15,831,858	\$13,071,261	\$5	\$42,497,525	\$42,033,950	\$46,724,490	\$10	\$28,087,010	\$31,605,300	\$35,628,840	\$20	\$26,895,340	\$30,688,060	\$42,708,560	\$25	\$19,568,525	\$17,470,925	(\$22,550)	\$30		\$8,699,250	\$22,818,060		\$146,906,667	\$159,039,573	\$173,069,677
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57	General Question		We would like to request the lottery's tax ID number for the purposes of our courier shipment of the response to this RFP. Per our courier company, UPS, our understanding is that U.S. Customs and Border Protection and U.S. Homeland Security requires that this number be provided on documentation when the Lottery is deemed to be 'importing' anything i.e. the Proposal, in order to avoid delays at customs.	The Idaho Lottery's Tax ID Number is: 82-0428106.																																								
58	General Question		Would the Lottery please provide the game launch schedule for Fiscal Year 2021?	Please refer to attachment entitled "FY21 Launch Schedule".																																								
59	General Question		Would the Lottery please provide insight into any anticipated changes in the near future for either prizes and or bonuses paid by price point?	In early Q1 of calendar year 2020 we increased payout for \$1 games from 59% to 68%. No other changes are planned for other price points.																																								
60	1.3 Glossary of Terms	5	The Lottery describes Gross Game Revenue (GGR) as the monetary value of Net Instant Sales less prizes and bonuses paid. Would the Lottery please provide the annual amount paid in bonuses and prizes by ticket price point in the past two to three years?	Please refer to attachment entitled "FY18,19,20 GGR".																																								
61	1.15 Proposal Submission Criteria	10	Vendors are directed to courier their Proposal to the Issuing Office, and a PO Box address for said Office is provided in 1.6 RFP Coordinator (page 8) of the RFP. Our courier, UPS, does not ship to PO Boxes. Would the Lottery please provide a physical address that we may ship our Proposal package to?	1199 Shoreline Ln. STE 100, Boise, ID 83702																																								

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62	3.4 Financial Viability, a., c., d.	19	Would it be permissible for Vendors to submit the information requested in the identified sections of this requirement on a USB drive instead of by hard copy?	Yes, this is acceptable.
63	3.6.c. List fees for ticket printing	20	Customer ticket printing fees are customized based on many variables and no standard list of fees is available. Please clarify what fees for ticket printing the Lottery is otherwise looking for?	These fees refer to anything other than Base Pricing and Option Pricing found in Appendix C.
64	3.9 Approval of Vendor Employees, a.	21	Would it be permissible for Vendors to provide employees' personal information (date of birth, social security number, and address) once it has been determined the Lottery will contract with the Vendor? If not, would the Lottery please confirm this information will be kept confidential by the Lottery?	Please refer to question #13 above.
65	5.11 Marketing Related Support	34	Would the Lottery please provide additional detail on how it intends to use the annual budget of Fifty Thousand Dollars (\$50,000) for Marketing Support?	This is intended to be used at the Lottery's discretion, but would likely be used for Marketing efforts related to Scratch for Schools or other Do Good initiatives.
66	5.11 Marketing Related Support	34	Would the Lottery please clarify if the annual budget of Fifty Thousand Dollars (\$50,000) for Marketing Support will be shared proportionally among primary and secondary vendors, based on annual contractual spend?	This will apply to the Primary Vendor only.
67	5.25 Licensed Properties	38	Would the Lottery please provide the price point(s) and order quantities that the Lottery envisions for the one (1) licensed game during each contract year at no additional cost to the Lottery?	Our last 9 licensed games were \$5 games with an average quantity of 480,000.
68	5.25 Licensed Properties	38	Would the lottery please confirm that the one (1) licensed game during each contract year at no additional cost to the Lottery is for the Primary Vendor only?	Yes, this is intended for the Primary Vendor only.
69	5.25 Licensed Properties	38	It is our understanding that only the license property fees would be included at no cost to the Lottery, and the printing cost of the game would be paid to the Vendor as per the agreed price schedule. Would the Lottery please confirm this understanding?	Yes, this refers to only license fees. Printing costs are not part of this requirement.
70	Appendix C	49	<p>The Lottery provided a Matrix in Appendix C showing the options used for all games in FY2019 and in FY2020. In the current contract, some additional options were included within the base price such as Color Change (Pulsing) (2 to 3 games), Dual Color Imaging (10 to 12 games), Multi-Scene (5 to 7 games). Given the vendor(s) pricing includes options within the base price, can the lottery please confirm:</p> <p>a. Games identified as "Base only", are games that have no options applied regardless if the option was included as a part of the base price or as an additional cost to the base price?</p> <p>b. The options identified in this table are total options utilized by the Lottery, regardless if the option was included as a part of the base price or as an additional cost to the base price?</p>	<p>Yes, some of the options listed were part of "base pricing". The "Base Only" are games that didn't use any options listed.</p> <p>Historical Options Used, pg 52 of RFP, is a complete list of features (options) we used in FY19 and FY20. Some were included in base pricing while others had additional costs involved.</p>