

*Best Practice*

## **Request For Proposal (RFP) Process**

April 2007



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Best Practice

Request For Proposal (RFP) Process

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Any comments related to this document are welcome via [rfp\\_process@naspl.org](mailto:rfp_process@naspl.org). Feedback and suggestions for improvement are encouraged and appreciated. All comments will be reviewed by the Global RFP Standards Task Group and the submitter will be notified of the Task Group's resolution.

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## **About the Collaborative Associations**

### **North American Association of State and Provincial Lotteries (NASPL)**

NASPL has approved the creation of a standards initiative, which is dedicated to the adoption or creation of Technical Standards, Best Practices, and Certification Programs that will further the lottery objectives of integrity, security, interoperability, and profitability.

The NASPL Standards Initiative (NSI) was approved and funded by NASPL and the vendor community as a collaborative development effort with participation from the lotteries, gaming vendors, and retail associations. Project management and facilitation services for standards development and certification are provided by The Open Group in conjunction with NASPL.

The NSI Vision is to provide an interoperable lottery environment that is based on a set of open Technical Standards, approved Best Practices, and Certification Programs that, when implemented, will improve the quality and integrity of the lottery environment, and will provide increased efficiencies, resulting in reduced costs and increased profit margins for lotteries, vendors, and lottery retailers.

The NSI mission is to establish a resilient organizational structure, set of processes, and procedures that will engage all constituents (lotteries, vendors, and retail representatives) in an environment of open discussion and cooperative development.

Further information about NASPL is available at [www.naspl.org](http://www.naspl.org).

### **World Lottery Association**

The World Lottery Association (WLA) is an international member organization representing 144 lotteries from 74 countries on all five continents, with combined annual revenues in excess of US\$120 billion.

The aims and objectives of the WLA are to advance the collective interests of its members and to enhance the capability, common knowledge, and status of individual members by:

- Providing forums for the exchange of experience and information
- The establishment of codes of conduct and certification of standards for lottery operations in order to establish norms to which members may wish to aspire
- The establishment of programs to assist in technical and educational areas to be made available to member organizations who request such assistance
- The establishment of services in educational, statistical, informational, or administrative matters
- The convening of seminars, conventions, conferences, general meetings, special meetings, and working groups to further the aims of the WLA

- If so requested, to provide stimuli and organizational assistance in the establishment of working groups seeking to form multi-jurisdictional lotteries, national or international in scope
- Representing several or all members in conveying positions or opinions to authorities, private or public, wherever such members have authorized the WLA to speak on their behalf

The WLA shall promote alignment and harmonization of its aims and objectives with those of the five Regional Associations – AALE (Africa), APLA (Asia Pacific), CIBELAE (South America), EL (Europe), and NASPL (North America).

The WLA also represents 63 lottery industry suppliers as Associate Members.

In carrying out its aims and objectives, the WLA shall strive for territorial integrity, public order, and morality.

The WLA launched an initiative to standardize lottery procurements, in particular major technology procurements, aiming at lowering the cost of developing RFPs, lowering the cost of developing responses, and increasing transparency of the procurement process. This is to be achieved by establishing recommended formats, languages, and requirements for routine aspects of an RFP and the procurement process, allowing the lotteries and the bidders to focus resources on the products and services sought and offered, respectively.

The WLA vision is to provide the international lottery community with a recommended standard RFP according to which each relevant procurement should be conducted.

More information can be found at [www.world-lotteries.org](http://www.world-lotteries.org).

### **The Open Group**

The Open Group is a vendor-neutral and technology-neutral consortium, whose vision of Boundaryless Information Flow will enable access to integrated information within and between enterprises based on open standards and global interoperability. The Open Group works with customers, suppliers, consortia, and other standards bodies. Its role is to capture, understand, and address current and emerging requirements, establish policies, and share best practices; to facilitate interoperability, develop consensus, and evolve and integrate specifications and Open Source technologies; to offer a comprehensive set of services to enhance the operational efficiency of consortia; and to operate the industry's premier certification service, including UNIX certification.

Further information on The Open Group is available at [www.opengroup.org](http://www.opengroup.org).

The Open Group publishes a wide range of technical documentation, the main part of which is focused on development of Technical and Product Standards, Best Practices, and Guides. Full details and a catalog are available at [www.opengroup.org/bookstore](http://www.opengroup.org/bookstore).

Readers should note that updates – in the form of Corrigenda – may apply to any publication. For NASPL published documents, this information is available at [www.opengroup.org/naspl/published](http://www.opengroup.org/naspl/published).

## **QLot Consulting Group**

QLot Consulting Group was established in 1998 and its exclusive focus is within the lottery industry. All of QLot's Principal Consultants have prior working experience with various lotteries and/or lottery suppliers. This brings detailed knowledge of literally all major processes, suppliers, technologies, and products applicable to the lottery industry.

QLot provides its clients – whether lotteries, governments, or suppliers – with well-informed, unbiased, and independent consulting and support services in all legislative/regulatory as well as technical and commercial areas, especially where computerized systems and/or agent networks are used.

QLot is strictly supplier-independent. Neither the company nor any of its consultants has any affiliations to any supplier of any products to the lottery industry or elsewhere.

QLot has consultants in Sweden, Germany, Czech Republic, Austria, Switzerland, and in the US. More information about QLot can be found at [www.qlot.com](http://www.qlot.com).

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## Referenced Documents

The following documents are referenced in this Best Practice:

- Standard Request for Proposal (RFP) Template and Guide (Doc. No. BP0501a and BP0501b), April 2007, published by The Open Group in association with NASPL and the WLA.
- NASPL Best Practice, Quality Assurance of Product Development in the Lottery Industry: Requirements Definition (Doc. No. BP0401), April 2004, published by The Open Group in association with NASPL.
- NASPL Best Practice, Quality Assurance of Product Development in the Lottery Industry: Development Process (Doc. No. BP0402), April 2004, published by The Open Group in association with NASPL.
- NASPL Best Practice, Quality Assurance of Product Development in the Lottery Industry: Acceptance Testing (Doc. No. BP0403), April 2004, published by The Open Group in association with NASPL.



# 1 Introduction

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The Global RFP consists of two Best Practices, as follows:

1. First, the Best Practice for the RFP Process (this document) recommends the practices that should take place in the lottery environment, and around which the RFP is developed and published, Proposals are evaluated, and a Contract awarded.
2. Second, the Best Practice for the Standard RFP Template (SRT) recommends the content, format, and policies that should be part of the published RFP. This Best Practice itself consists of two separate documents, as follows:
  - Standard RFP Template (SRT)
  - Guide to the Standard RFP Template (SRT Guide)

The SRT establishes the order in which the RFP should be structured and establishes the use of the compliance box to denote variations from the SRT standard text. The SRT does not dictate the language that must be used; rather it defines recommended standard text, but each jurisdiction is free to add or change requirements in the standard text. When changing text, the compliance box alerts the vendor to changes from the standard text. At points within the SRT, references are made to the options available in the RFP Process Best Practice document.

The Best Practice for the Global RFP has been developed and approved by NASPL and the WLA in association with The Open Group and QLot Consulting.

## 1.1 Best Practice Requirements

The best practice requirements for use of the recommended RFP Process are defined in Chapters 3 through 9 under the appropriate “Best Practice Requirements” heading. They are reiterated in Appendix A (Best Practice Requirements Checklist). It is imperative that lotteries intending to use the recommended RFP Process consult those sections prior to utilization, so that all of the required elements of the Best Practice are understood and can be followed correctly.

Since each jurisdiction has laws, rules, regulations, and orders (“laws”) that control what the Lottery is required to do in that jurisdiction, instances will occur where these laws do not provide the Lottery with an option in handling the process of the procurement and will take precedence over these recommended best practices.

## **1.2 This Document**

This document recommends the Best Practice for the Request For Proposal (RFP) Process. It provides a set of procedures that address the major processes associated with an RFP with respect to lottery requirements, including:

- RFP Development
- RFP Format, Content, Policy, and Process
- Communication during the RFP Process
- Proposal Evaluation (including Bidder Site Visits/Demonstrations)
- Notification of Successful Bidder and Contract Award
- Establishing Global RFP Requirements

### **1.2.1 Purpose**

The purpose of the Best Practice for the RFP Process is to provide a documented set of processes, procedures, and methods that will allow lotteries and vendors to follow an approved and repeatable method for the purpose of procuring products and services from gaming vendors.

### **1.2.2 Intended Audience**

The Best Practice for the RFP Process is primarily intended as a process guide for lottery management staff and other individuals directly involved in the planning and execution of the overall RFP process.

This document is specifically not intended for prospective bidders. It is not intended for use in any contest regarding a procurement to support or reject a legal or factual position taken by any party.

This proposed Best Practice is not intended to increase the cost to the lottery and is not intended to be used by an oversight entity in a jurisdiction to require an additional layer of justification for changes in the text.

### **1.2.3 Scope**

The scope of the Best Practice for the RFP Process, although general enough for many systems and services procurement, has several aspects that are specific to the lottery industry.

This Best Practice is related in some ways to the Best Practice for Quality Assurance of Product Development in the Lottery Industry: Requirements Definition. Quality assurance is the subject of three other NASPL Best Practice documents (see Referenced Documents), and is considered outside the scope of this document.

### 1.3 General Background for the Global RFP Best Practice

A Best Practice provides a clear description of a set of processes, procedures, and guidelines that when practically applied to an operation brings a business advantage. A Best Practice has a record of success in providing significant advantage in cost, schedule, quality, integrity, performance, safety, environment, or other measurable factors that impact an organization. Various organizations identify and publicize Best Practices so that others – particularly internal business units, external business partners, or otherwise affiliated external organizations – can benefit from implementing the Best Practice and improving the operation of their business.

Best Practices can be applied to particular subject areas (such as new technologies or management theories), product sectors (such as software and hardware development), and vertical markets (such as the lottery industry). Best Practices are used frequently in the fields of healthcare, government administration, education, project management, hardware and software product development, and elsewhere. A commitment to using the Best Practice in any field is a commitment to using a prescribed method to ensure success.

This Best Practice represents a joint effort with the World Lottery Association (WLA) and NASPL, and applies to the lottery industry on a global scale. It has been approved by NASPL and the WLA, and serves as a recommendation for adoption by the lottery industry. This Best Practice is a practice that when implemented is intended to improve the quality and integrity of the lottery environment, and to provide increased efficiencies, resulting in reduced costs and increased profit margins for lotteries, vendors, and lottery retailers.

Typically, a NASPL Best Practice is described in terms of its:

- Purpose
- Components
- Constituents and their roles
- Prescriptive requirements
- Methods and techniques
- Tools
- Relationship to other Best Practices

The development of this Global RFP Best Practice involves the following stages:

1. In this case, the NSI and the WLA select a candidate practice to be developed through a joint initiative involving both organizations.
2. The Best Practices Working Group or the underlying Task Group – in this case the Global RFP Standards Task Group – develops a Best Practice document.
3. The Best Practice document is subject to a formal review process by members of a Review Board, which is typically composed of the NSI Steering Committee, the Best Practices Working Group, the NSI Retail Council (if appropriate), a subject area expert from the industry (if appropriate), and the NASPL membership. In this case it will also include WLA designated reviewers.

4. Final voting on review comments is open to the NSI Steering Committee and in this case the WLA designated reviewers.
5. The NASPL Executive Committee together with the WLA Executive Committee will act as an “Approvals Board” in that they determine whether the review and approvals process was carried out according to the documented procedures, which is the final step in “approving” the Best Practice for publication.
6. A set of conformance criteria and a conformance policy for the Best Practice are defined.

The approved Best Practice describes the practice in enough detail to enable it to be readily deployed by other organizations, assuming the availability of the necessary resources.

## 1.4 Prescriptive Terminology

This section provides the meaning of the prescriptive terms “must”, “should”, “may”, “must not”, and “should not” which must be used when describing and interpreting the best practice requirements specified in this document.

**It is important to note that jurisdictional policy and legislation take precedence over the best practice requirements set out in this document.**

Must	Indicates an absolute, mandatory requirement of the Best Practice that has to be implemented in order to conform to the Best Practice.
Should	Indicates a recommendation that ordinarily must be implemented. To conform to the Best Practice, an acceptable justification must be presented if the requirement is not satisfied.
May	Indicates an optional requirement to be implemented at the discretion of the practitioner, and which has no impact on conformance to the Best Practice.
Must not	Indicates an absolute preclusion of the Best Practice, and if implemented would represent a non-conformity with the Best Practice.
Should not	Indicates a practice explicitly recommended not to be implemented. To conform to the Best Practice, an acceptable justification must be presented if the requirement is implemented.

It is particularly worth noting that the term “should” is sometimes used in cases where there may be jurisdictional requirements that preclude the best practice from being classified as a “must” for everyone.

## 2 Business Context

This chapter describes the typical business environment, the business drivers, and the objectives driving this Best Practice as context.

### 2.1 Business Environment Summary

#### 2.1.1 Business Scenario – General Description

This section describes the constituents in a typical lottery operation. The roles played by the constituents are not necessarily the same for every lottery. The constituents may take on different roles during the execution of business processes based upon local practice, how the lottery is organized, the budget allocated to the Lottery Organization, or any number of other factors. Therefore, in one jurisdiction a constituent may take a role that is taken by another constituent in another jurisdiction; for example, developing software or hardware for a lottery may be done by a vendor or by a Lottery Organization. These roles may actually change over time.

The key organizations and entities in the typical lottery business environment are illustrated in the following figure.

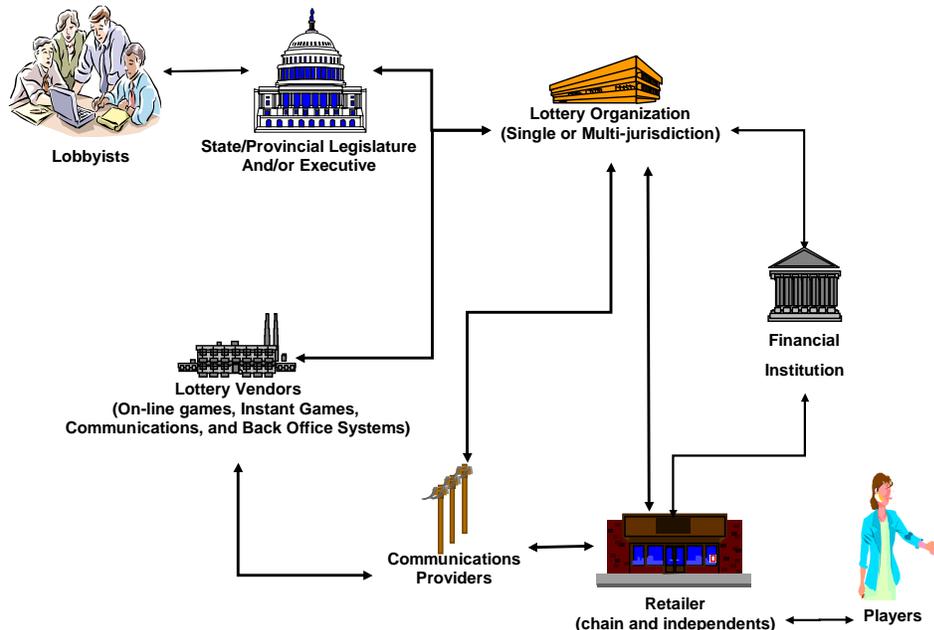


Figure 1: The Lottery Business Environment

Not all organizations will have all of these components and relationships. However, the figure illustrates a number of points typical of lottery enterprises, each of which has particular implications for the benefits of standards for the lottery industry:

- Vendors provide solutions for many lotteries; therefore, standardization of the RFP format and requirements results in a reduction of the need for per-lottery customizations and improves the efficiency of the Bidder’s Proposal response, as well as their delivery mechanisms if they are awarded a Contract.
- Lotteries may buy different systems or components from different vendors over time. Standardization of the RFP format and requirements eliminates the need to “reinvent the wheel” for each separate procurement.
- Many Lottery Organizations outsource portions of their operations to vendors. Thus, these vendors play a dual role of both supplier of equipment and consumables, and also of operator. While some vendor-lottery relationships are simplified – e.g., maintenance – the vendor may also take on some of the integration and operational burdens of the Lottery Organization; e.g., integration with third-party back-office systems. Thus, the RFP process must address services as well as equipment and product solutions.
- Lotteries are not ordinarily competitive, so agreeing upon a standardized RFP template and issue and selection processes is of benefit to all lotteries in terms of reduced RFP costs.
- Specific RFP content and processes are controlled by the Lottery issuing the RFP, and vendors should not have influence over these issues, other than to work with the NSI or WLA in the standards effort to agree common requirements and best practices; see Chapter 9 (Establishing Global RFP Requirements). Bidders compete on the technical and fiscal content of their responses; there should be no competitive advantage for any vendor in the RFP content and processes themselves. Thus, standardization should reduce the cost to vendors of responding to RFPs while leveling the playing field for all.

The following list of constituents and the roles they play in the larger lottery environment is provided here to give a big picture view. The constituents involved in the RFP process and the roles they play are a subset of those in the larger lottery environment and are identified in more detail in subsequent sections.

<b>Constituent</b>	<b>Role Played</b>
Jurisdictional Executive or Legislature	<p>Authorize lottery operation under jurisdictional law.</p> <p>Direct use of lottery revenues (and, by implication, lottery operating budgets).</p> <p>Monitor and audit lottery operations, sometimes impacting lottery development.</p> <p>May appoint Lottery Executive.</p>
Lottery Oversight Organization (e.g., Board of Directors, Lottery Commissioners)	<p>Oversee the Lottery Organization and their policies and procedures.</p> <p>Hire lottery executives.</p> <p>Approve major lottery contracts.</p>

<b>Constituent</b>	<b>Role Played</b>
Lottery Organization	<p>Conduct overall operation of the lottery.</p> <p>May operate lottery IT infrastructure.</p> <p>May develop games.</p> <p>Oversee lottery integrity and security, including validation of winners.</p> <p>Optimize profitability from games (current and future), selecting new games, stopping old games, developing new games, and managing the selection and implementation of game infrastructure through RFPs.</p> <p>Manage lottery retailers; including licensing, accounting, and game material inventory; e.g., instant game books.</p> <p>Manage vendors, including possible outsourcing of lottery operations.</p> <p>Develop marketing campaign.</p> <p>Manage large prize payouts individually or in conjunction with multi-jurisdictional organizations.</p>
Lottery Retailer/Agent	<p>Sell lottery tickets and games at retail location.</p> <p>Market lottery products.</p> <p>Validate and redeem tickets.</p> <p>Manage and account to lottery for sales including ticket books, report sales to lottery commission, redemption of unsold game books.</p> <p>Manage accounting of lottery contribution to store profit and loss.</p> <p>Optimize contribution of lottery sales (within lottery regulations) to store.</p>
Financial Institution (e.g., bank)	<p>Provide “sweep accounts” to facilitate transfers of funds from online and instant ticket purchases between the retailer/agent and the lottery.</p> <p>May provide interface between State Treasury and lottery.</p>
Player	<p>In some jurisdictions where allowed, play online, instant, and video games, self-validate tickets, redeem tickets, and receive winnings.</p>
Lottery System Vendor/Bidder	<p>Provide lottery systems, components, games, and/or products.</p> <p>Deliver game design, marketing, retail support, and related services in many jurisdictions.</p> <p>May provide the networking component (possibly customized) of a lottery system.</p> <p>Operate lottery IT systems (under subcontract from Lottery Organization) in many jurisdictions.</p> <p>Provide maintenance, field, and technical service in some jurisdictions.</p> <p>Respond to Requests For Information (RFI), Requests For Proposals (RFP), and Requests For Software Changes (RFS).</p>
Telecommunications Provider	<p>Provide the networking component (possibly customized) of a lottery system.</p>
Lobbyist	<p>Impact lottery responsibilities and limitations (through legislature) within a jurisdiction, as permitted by jurisdictional law.</p>

## 2.1.2 Operational Scenario

To provide an understanding of where and when the Best Practice will be applied, this section depicts a typical cycle of RFP development and publication, Proposal Submission, Proposal Evaluation, selection of the Successful Bidder, and contract award as this cycle applies to the lottery industry. This operational scenario highlights the major processes and illustrates the associated need for common RFP requirements and processes. It also identifies the constituents who will be carrying out the Best Practice.

Procurement is required for new lottery gaming systems, the creation of new software and/or hardware for an existing system, the updating or enhancement of an existing system, or the provision of services related to the operation of a lottery.

The RFP process constitutes a set of processes and procedures where agreements based on the business requirements of a lottery for new products and on the capabilities of a vendor in delivering against those needs are established.

The constituents involved in this business environment and the operational scenarios that will be affected by this Best Practice are as follows:

- **Lotteries and other Lottery-related Agencies:** The lottery identifies business requirements and uses them to develop an RFP. The lottery publishes the RFP. Bidders submit Proposals in response to the RFP. The Lottery then evaluates the Proposals, selects a Proposal for contract award, and notifies all vendors who have submitted a Proposal of the outcome of the evaluation. The Lottery then negotiates a Contract with the Successful Bidder(s).
- **Bidders:** The Bidders may assist the Lottery in developing an RFP by responding to a formal Request For Information (RFI). Once the RFP is published, the Bidders may submit questions through an optional Pre-Proposal Conference or individually to the Lottery to clarify RFP information and/or requirements. The Bidders then prepare a Proposal and submit it to the Lottery in accordance with the rules for Proposal Submission contained in the RFP. The Bidders will demonstrate their systems and services as requested by the Lottery. After Bidder selection, the Bidder may, if permitted by the Lottery, then solicit and receive feedback from the Lottery on the reasons why their Proposal was/was not selected for contract award; they may use this feedback to improve their response processes for future RFPs. If selected, the Successful Bidder will then negotiate a Contract with the procuring lottery.
- **Independent Third-Party Consultants:** The Lottery may employ independent third-party consultants to assist in the RFP development process and/or in the Proposal Evaluation process. Such consultants may, for example, represent independent businesses supplying technical, legal, or other specialized knowledge, come from academia, or be individuals from other jurisdictional agencies.

When employing third-party consultants, several best practice factors should be considered:

- Conflict of Interest – A third-party consultant should not have a conflict of interest in the procurement relative to any of the potential vendors. This may require consultants to disclose any pertinent relationships of this nature.

- Scope of Work – The scope of work with the third-party consultant should be clearly defined in terms of expected responsibilities, deliverables, and work schedule.
- Contract and Procurement Uncertainties – The Contract or relationship with the third-party consultant should acknowledge and accommodate any variable and open-ended elements to the potential workload (such as the number of vendor gaming system proposals to be reviewed). Either the Lottery or the consultant is at risk otherwise.

Bidders may employ independent third-party consultants to assist in the preparation of their Proposals, and perhaps in the implementation of their gaming system.

- **Lottery Retailers:** Optionally, the Lottery may involve their retailers in identifying business requirements prior to the publication of the RFP. Retailers may also be involved in the development of RFP content based on the relevance of the procurement to retailers.

There are important practical business factors that will necessarily affect any procurement activity in the lottery industry; for example:

- **Competitive** – Bidders compete for business based on their response to the RFP. The competitive elements need to be clearly defined in the RFP.
- **Diverse** – Since there is no enforcement of a common method among lotteries, every jurisdiction’s operation executes slightly differently and according to its own method of choice and interpretation. This Best Practice will provide commonality between jurisdictions where possible.
- **Time, Cost, Innovation, and Quality-sensitive** – The Successful Bidder’s Proposal will be selected on delivery date, price, innovation, quality, and ability to meet the requirements stated in the RFP.
- **Local and Culturally-specific** – Geographical differences contribute to diversity within different jurisdictions. This includes diversity in participants, methodologies, languages, legal frameworks, modes of operation, and cultural protocols.
- **Resource-heavy** – Considerable resources are required from both the Lottery publishing the RFP and evaluating the Proposals, and the Bidder preparing a Proposal.

It is imperative that the Best Practice supports this business environment.

### 2.1.2.1 **Operational Functions and Processes**

The key functions and processes that require best practice support are further identified in the table below. The specific needs within each business function or process requiring best practice support are also described.

<b>Function/Process Name</b>	<b>Best Practice Needs</b>
RFP Development	Need to address the Lottery’s business and operational requirements. Should use common formats and processes where possible.
RFP Format, Content, Policy, and Process	Need to standardize the format, content, and policy of the RFP and Proposals, and the processes for Proposal Submission. This area is addressed in the Standard RFP Template (SRT), and the SRT Guide contained therein.

<b>Function/Process Name</b>	<b>Best Practice Needs</b>
RFP Publication and Communication during the RFP Process	Need to standardize the methods and processes used for publication of the RFP and to provide rules and procedures for any communication between the Bidders and the Lottery during the RFP process.
Proposal Evaluation	Need to standardize process and guidelines that identify and describe the Proposal Evaluation process including Site Visits and software and hardware Demonstrations.
Notification of Successful Bidder and Contract Award	Need to standardize process for notification of the Successful Bidder and contract award to all Bidders, including procedure for resolving Bidder protests, if any.
Establishing and Evolving Common RFP Requirements through the Global RFP Standards Task Group	This represents an ongoing, iterative process, which is expected to feed into the development of subsequent RFPs. It represents the need to move toward inclusion of common requirements where feasible, including requirements for approved Technical Standards and Best Practices. The process must allow for evolution of technology and business practices.

### **2.1.2.2 Operational Topology**

The topology of the environment to which this Best Practice applies typically represents distributed and separate locations with variable overlap, and sometimes complete overlap, between some of these entities:

- Lottery Organization
- Regulatory Authority
- Procurement Office
- Bidder Organization
- Standards Initiative

### 2.1.2.3 Operational Location Information

The following matrix shows the *primary* constituents participating in each of the functions or processes related to this Best Practice. This demonstrates the need for integration of different requirements when creating and adopting this Best Practice.

Functions/Processes	Constituents Identified by Locations				
	Regulatory Authority	Lottery Organization	Procurement Office	Vendor Organization	Standards Initiative
RFP Development		X	X		
RFP Format, Content, Policy, and Process	X	X	X		
RFP Publication and Communication during the RFP Process			X	X	
Proposal Evaluation (including Site Visits/Demonstrations)	X	X	X	X	
Notification of Successful Bidder and Contract Award	X	X	X	X	
Establishing and Evolving Common RFP Requirements through the Global RFP Standards Task Group		X	X	X	X

## 2.2 Business Rationale

The above provides some context for the business environment and requirements for this Best Practice and illustrates the variety of requirements and points of implementation that need to be considered to reach full business value. This section describes the business drivers, objectives, and benefits of implementing this Best Practice.

### 2.2.1 Business Drivers, Objectives, and Benefits

This section outlines some of the business objectives for introducing the Best Practice and some of the benefits that can be attained once the Best Practice is adopted.

Lack of approved best practices for RFP processes and procedures, lack of standard templates, and lack of requirements for Technical Standards where appropriate (e.g., standard profiles for protocols, interfaces, and data formats for use in system specification, etc.) all impose a cost burden on lotteries when creating an RFP and more significantly on vendors who are regularly responding to RFPs on an ongoing basis.

### **2.2.1.1 *Reduced Costs to Lotteries in Developing RFPs***

Developing an RFP is very costly to all constituents. There is a significant amount of time and resources spent in creating and publishing the RFP. Cost and resources involved in the creation of the RFP are reduced significantly through the use of a common template, standard terminology, standard RFP text where appropriate, a common set of best practices to be followed when creating the RFP, and where appropriate a common and standard set of requirements to be included in the RFP itself (e.g., requirements for proposal submission, bidder certification, communication during the RFP process, etc.).

### **2.2.1.2 *Reduced Vendor Cost in Responding to RFPs***

Responding to an RFP, as vendors do on a regular basis, is a risky financial investment for vendors. If a vendor wins the Contract, that investment can be recouped; if not, it is extremely costly. RFPs based on a standard template with standard text where applicable reduce the time and resources spent by vendors on understanding the RFP and interpreting its requirements. This also enables vendors to more easily convert the RFP for one jurisdiction to another and allows the vendor instead to focus on understanding and responding to the portion of the RFP that deals with the new functionality, innovation, and value-add.

### **2.2.1.3 *Reduced Cost to Lotteries in Evaluation of Proposals***

Currently, lotteries spend a great deal of time, resources, and a significant investment in independent third-party consultants for the interpretation and evaluation of Bidder Proposals. Requiring the vendors to use the prescribed standard response method defined within the Standard RFP Template reduces the time spent by lotteries in interpreting the response components, and instead allows them to focus on evaluating the merits of the proposed technology and related services (if applicable), and the proposed price of each Bidder's Proposal.

### **2.2.1.4 *Reduced Investment Risk through Establishment of Standards and Certification as RFP Requirements***

There are many business benefits for establishing RFP criteria that promote common standards and best practices. By agreeing through a standards organization – such as the NSI or the WLA – on which certifications, Technical Standards, or Best Practices should be part of the standard RFP requirements, the lotteries are able to reduce their risk of procuring solutions that do not conform to certification requirements associated with the use of approved Technical Standards and Best Practices.

Some of these benefits are highlighted below:

- Online lottery system contracts are typically long-term (five to ten years). Closed-system solutions often proposed in response to RFPs tie lotteries to a single vendor for a long period of time. Open standards that support interoperability between multiple vendors should be evaluated and supported where appropriate to reduce that buy-in risk.
- Technologies within closed systems are difficult to expand, and as innovation in the marketplace moves forward this may leave the capability of closed systems behind. Supporting standard interfaces that allow plug-and-play potential between vendors allows lotteries to incorporate new functionality and innovation when it is available.

- Open system solutions could result in the reduction of time and resources spent in installation, training, and maintenance.
- Closed system conversion to a different vendor is very difficult, time-consuming, and costly. Data conversion has to be built from scratch and has in the past been error-prone and unreliable, placing the lottery operation at risk. Providing open systems through support of standard interfaces and protocols can ease the conversion by allowing partial conversion and support for multi-vendor environments.

## 3 Best Practice Components

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In order to achieve the end-value benefits described in the previous sections, the RFP Process Best Practice should address the best practice requirements of the major processes associated with the RFP:

- RFP Development
- RFP Format, Content, Policy, and Process (These requirements are outside the scope of this document, but are addressed in the Standard RFP Template (SRT) and SRT Guide.)
- Communication during the RFP Process (including RFP Publication) (Some of these requirements are also captured in the SRT and SRT Guide and are cross-referenced here for convenience.)
- Proposal Evaluation (including Site Visits/Demonstrations)
- Notification of Successful Bidder and Contract Award
- Establishing Global RFP Requirements

These processes are described in detail in subsequent chapters.

The applicability of this Best Practice may generally extend to all areas of procurement for the lottery industry, for which an RFP is issued, including but not limited to:

- Acquisition of a new lottery gaming system(s)
- Creation of new software and/or hardware components for use in an existing lottery environment
- Updates or extensions to existing lottery gaming system(s) components
- Provision of new services associated with the operation of a lottery

### 3.1 Relationship with Other Best Practices

Requirements for the Format and Content of the RFP and the Policies and Processes to be included in an RFP, although referenced here for completeness, are the subject of a separate Best Practice, the Standard RFP Template (SRT).

This RFP Process Best Practice is related in some ways to the Best Practice for Quality Assurance of Product Development in the Lottery Industry: Requirements Definition. The RFP Process Best Practice is centered around RFP Publication, Proposal Submission and Evaluation, and selection of the Successful Bidder, whereas the Quality Assurance documents (see Referenced Documents) are focused on the best practices that should be implemented after the Bidder has been selected by the Lottery to provide products and/or services.

## 4 RFP Pre-Development

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### 4.1 Overview

The requirements in this chapter are in support of the Lottery’s efforts to develop and define the content of an RFP. There are several areas within the development process which typically come before the creation of, and serve as input to, the RFP and which require best practices:

- Business Requirements Definition
- Request For Information (RFI) (OPTIONAL)
- Draft RFP (OPTIONAL)
- Procurement Schedule

### 4.2 Constituents and Roles

For the purposes of this Best Practice, the “RFP” is the Request For Proposal published by the Lottery, for the purpose of procuring gaming system products and/or related services. The “Bidder” is any vendor who could potentially submit a Proposal in response to the Lottery’s RFP.

<b>Constituent</b>	<b>Role</b>
Lottery Organization	Identify business requirements and develop an RFP to reflect them. May issue an RFI for Bidders.
Bidder	Respond to RFI and/or RFP.
Independent Third-party Consultant Engaged by the Lottery	May assist the Lottery in identifying Lottery requirements and in developing the RFP. They may also assist in evaluating the Proposals and in monitoring Contract compliance during implementation and beyond.
Independent Third-party Consultant Engaged by the Bidder	None.
Lottery Retailer	May be invited by the Lottery to assist in the identification of business requirements either through responding to lottery issues identified in the RFI or as part of the RFP development team.

## 4.3 Process Description and Prescriptive Requirements

### 4.3.1 Business Requirements Definition

Prior to publishing an RFP, the Lottery undertakes a Business Requirements Definition process, during which it typically defines the business drivers, strategic considerations, and objectives that are motivating its request for new products and/or services. The definition of these requirements ensures that the resulting RFP contains Lottery-defined requirements that are in support of their current and future goals and objectives. These requirements are used to solicit the broadest range of relevant vendor solutions to the Lottery's business challenges and goals.

#### 4.3.1.1 Business Considerations

Publishing business requirements instead of detailed technical requirements makes it the Bidder's responsibility to determine the most responsive, innovative, and effective ways to meet the Lottery's business requirements. This approach also relieves the Lottery of the need to invent or inadvertently limit solutions for technology, systems, and operations. Finally, business objectives provide the Lottery with more quantifiable measurements against which the value of proposed solutions can be evaluated.

In defining business requirements, the Lottery can describe the work they want to do or must do, the business process improvements they seek, what their revenue, product, and operational goals are, and what they would like to be able to do but have been limited in doing by systems, operational constraints, or legislative and regulatory requirements.

Types of business requirements include, for example, the need for solutions that attempt to:

- Take advantage of retailing or technical trends for distributing and managing the Lottery product mix
- Satisfy performance goals that the Lottery is determined to meet
- Allow Lottery staff to perform their jobs more efficiently
- Allow retailers to perform their jobs more efficiently
- Increase player convenience and satisfaction
- Bring new products to market more effectively
- Attract new customer segments
- Accelerate the application, approval, and set-up processes for new retailers
- Adhere to government objectives that affect the Lottery, such as improved service and responsiveness to citizens

Note that business requirements need to be clearly defined, with specific objectives. The examples above indicate general areas only, and in practice the business requirements would have measurable objectives associated with them.

### **Best Practice Requirements**

Prior to the creation of an RFP, the Lottery should define its business and operational requirements.

#### **4.3.1.2 Strategic Considerations**

Prior to publishing the RFP, the Lottery makes strategic, architectural decisions about the gaming system procurement, including, for example:

- Will the Lottery purchase the technology or use some form of financing (e.g., a facilities management contract where the vendor finances the technology)?
- What business areas are considered for the long term and what are the potential implications (e.g., introducing new products or sales channels may generate legal or political implications)?
- Is an extension under the current Contract available and desirable?
- Is the planned new Contract with the Bidder an omnibus (i.e., with many services) or strictly limited?
- Is any cooperation or interface to other lotteries available and desirable?
- Is the location of the technical platform important; i.e., can it be located outside the Lottery premises, outside the jurisdiction, at another commercial entity's site (e.g., competing or cooperating lottery), etc. If located at the Lottery, what arrangements apply for the vendor and its staff?
- Will multiple vendors be able to provide the total package?
- Will multiple vendors be willing to provide the total package?
- Will the Lottery itself run part of the gaming operation? To what extent does the lottery intend to operate or in other ways be involved in realizing the products and/or services sought?
- Will the new Contract schedule need to be coordinated with other Contracts?
- Does the Lottery have enough information about the products and/or services in the industry, or is a Request For Information (RFI) necessary?

### **Best Practice Requirements**

Prior to the creation of an RFP, the Lottery should define its strategic requirements.

#### **4.3.2 Request For Information (RFI) (OPTIONAL)**

The Lottery could determine that during the Business Requirements Definition process the implications of certain requirements (e.g., available technology, cost, feasibility) are unknown. The Lottery could decide to further investigate these requirements using the RFI process.

The RFI process bridges the gap between the Business Requirements Definition process and formal RFP Publication – it enables the Lottery to elicit a range of information from potential Bidders regarding current and future industry features, functionality, and technologies. The RFI process also enables the Lottery to develop criteria for deciding whether to continue with RFP Publication or to take another course of action.

Information gained from the RFI process is used by the Lottery to develop and/or revise their anticipated RFP requirements to ensure that the RFP they eventually publish will elicit Proposals that most effectively address capabilities, issues, and requirements that the Lottery deems important. Likewise, it can provide an opportunity for Bidders to better understand the goals and objectives of the Lottery Organization to ensure a more effective Proposal in response to the RFP.

#### **4.3.2.1 Best Practice Requirements**

If the Lottery chooses to conduct an RFI, then the Lottery should develop and define the content of the RFI. RFI content may include requesting information to determine:

- Corporate and financial capabilities of Bidders (at a broad level – a detailed capability assessment will normally take place during the RFP Proposal Evaluation process)
- The Bidder’s experience and viability (at a broad level – a detailed capability assessment will normally take place during the RFP Proposal Evaluation process)
- Technology capabilities (an invitation to submit information and/or demonstrations of current and new technologies)
- The Bidder’s strategic vision of the future of the lottery industry and associated technologies/functionality

The RFI process should provide an open, interactive, and meaningful dialogue between Lotteries and Bidders.

Unless there are specific reasons otherwise, the RFI process should be vendor-neutral.

The Lottery must document a description of the RFI process. The RFI process document should include:

- Issuance of an RFI document, which should:
  - State the Lottery’s vision, expectations, and anticipated needs, in general terms
  - Detail the Lottery’s intent, expectations, format, and timeline(s) for the RFI
  - Clearly state what information the Lottery seeks from the Bidder and how the Lottery will use such information
- Scheduling and expectations of Bidder Presentations and/or Demonstrations
- Review of responses and findings (typically a vendor-neutral executive summary issued to all responders to the RFI)
- Development of the general and particular requirements and options that are to be incorporated into the anticipated RFP and subsequently addressed by the Bidders

- If possible, Bidders should be given some approximate timetable for RFP Publication, the deadline for Proposal Submission, the Proposal Evaluation period, and notification of the Successful Bidder
- The definition of the process for communications with Bidders

An RFI may:

- Require a written response, a Presentation and/or Demonstration, or both, as desired by the Lottery
- Allow confidential discussion sessions for additional Bidder input, as part of the RFI Presentation and/or Demonstration process
- Require a confidentiality agreement between the Lottery and Bidder, as permitted by jurisdictional law

The Lottery must not reveal information that is disclosed by a Bidder to the Lottery, to any other Bidder, except as required by jurisdictional law.

#### **4.3.3 Draft RFP (OPTIONAL)**

The Lottery could decide to issue a Draft RFP prior to publishing the RFP. The intent is to obtain feedback and opinion from all interested parties before finalizing the scope of the RFP. The Draft RFP process may help the Lottery to fine-tune the RFP by generating necessary changes without the need to use the more cumbersome process of creating formal amendments to the published RFP.

The Draft RFP process is not intended to create premature perceptions and expectations on the part of the Bidders, nor is it intended to constrain Bidders or stifle the creative process.

##### **4.3.3.1 Best Practice Requirements**

The Lottery may issue a Draft RFP prior to formal RFP Publication.

If the Lottery issues a Draft RFP, the Bidders should be given a specified period of time in which to evaluate the terms of the Draft RFP and to provide feedback.

Modifications made to the RFP as a result of the Draft RFP process should not intentionally favor an individual Bidder, or group of Bidders.

Bidder feedback to the Draft RFP may be provided via written response, open meeting, or both, as desired by the Lottery.

The Lottery may consider Bidder feedback in preparing its RFP, but should be cognizant of the fact that each Bidder will be subjective and feedback could advertently or inadvertently be directed at slanting the RFP in their favor.

#### **4.3.4 Procurement Schedule**

During the development of an RFP, when determining milestones and timelines, consideration needs to be given to the fact that the procurement cycle (including acquisition and implementation) can be a lengthy process, and allowing adequate time is a critical factor.

Typically, depending on the scope of the procurement, each stage can take two or three months to complete, and it can take up to two years from Contract signing for a new system to be fully implemented.

If Contract signing is delayed significantly before scheduled implementation, the Lottery may consider invoking an extension under the current Contract.

##### **4.3.4.1 Best Practice Requirements**

The Lottery should realistically estimate the time required to complete the procurement cycle, including a contingency allowance.

When creating a plan and associated schedule to be included in the RFP, the Lottery should consider all phases and underlying tasks involved in the procurement cycle, which include, but are not limited to:

- Writing and publishing the RFP
- Preparation of Proposals
- Proposal Evaluation and Contract Award
- Negotiation and Contract signing
- Contract signing and implementation
- Engagement of Consultants

The Lottery should refer to Section 1.5 (Schedule) of the SRT Guide for specific major milestones and duration guidelines.

#### **4.3.5 Official RFP Website**

##### **4.3.5.1 Best Practice Requirements**

The Lottery should set up a website to be used as the official RFP website for the RFP.

If an official RFP website is used, the Lottery should ensure that the website is accessible by the Bidders from the URL specified in Section 1.8 (Official RFP Website) of the SRT.

The Lottery should post all sources of relevant RFP information (in read-only format) that is issued by the Lottery, including, but not limited to:

- The RFP
- All amendments to the RFP

- A list of all amendments to the RFP
- Clarification questions and responses

The Lottery should ensure that the official RFP website is functioning properly before the RFP or other related processes, such as the RFI, are begun.

The Lottery should notify all registered potential Bidders about new information related to the RFP once it is posted to the website.

## 5 RFP Format, Content, Policy, and Process

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### 5.1 Overview

After the RFP pre-development work addressed in Chapter 4 has been completed, the Lottery will create its RFP.

There are best practice requirements for format, content, policy, and process associated with every section of a published RFP. Since those requirements are so extensive, and to preserve the flow of this Best Practice document, the best practice requirements associated with format, content, policy, and process have been converted to a separate Best Practice – the Standard RFP Template (SRT) – which contains an RFP template with standard text and includes a Guide for jurisdictional variances and additional guidelines.

The Lottery will then publish the RFP according to the best practices for publication and communication addressed in Chapter 6.

### 5.2 Constituents and Roles

<b>Constituent</b>	<b>Role</b>
Lottery Organization	Create and publish the RFP.
Bidder	Obtain the RFP and review its contents noting RFP requirements and rules for submission.
Independent Third-party Consultant Engaged by the Lottery	May assist the Lottery in reviewing the content of an RFP.
Independent Third-party Consultant Engaged by the Bidder	May assist Bidders in reviewing the content of an RFP.
Lottery Retailer	None.

### 5.3 Process Description and Prescriptive Requirements

#### 5.3.1 RFP Format, Content, Policy, and Process

The best practice requirements for the format, content, policy, and processes associated with the RFP are contained in the Standard RFP Template (SRT) Best Practice.

## 6 Communication During the RFP Process

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### 6.1 Overview

The Lottery will publish in the RFP the policies for all communication with Bidders during the RFP process, and all communication during the RFP process will then adhere to those policies.

During the RFP process, further clarification or information on the RFP and the submitted Proposals may be needed. It is important to the integrity of the procurement process that all such communications are conducted in accordance with jurisdictional law and/or lottery requirements for confidentiality, and that they ensure essential fairness for all Bidders.

The communication requirements in this chapter cover several areas, which require best practices:

- RFP Pre-Publication
- RFP Publication
- General Communication Policies for the RFP Process
- RFP Clarifications
- Pre-Proposal Conference
- Modification/Withdrawal of Proposals
- Amendments to the RFP
- Proposal Clarifications

### 6.2 Constituents and Roles

Constituent	Role
Lottery Organization	Specify, in the RFP, the policy and procedures to be used in communication with the Bidder. Inform the Lottery staff and consultants of the RFP communication policy and procedures prior to issuing the RFP. Adhere to the RFP communication policy and procedures.
Bidder	Inform the Bidder staff and consultants of the RFP communication policy and procedures once the RFP is issued. Adhere to the RFP communication policy and procedures.

<b>Constituent</b>	<b>Role</b>
Independent Third-party Consultant Engaged by the Lottery	Adhere to the RFP communication policy and procedures.
Independent Third-party Consultant Engaged by the Bidder	Adhere to the RFP communication policy and procedures.
Lottery Retailer	None.

### **6.3 RFP Pre-Publication**

Prior to publishing the RFP, the Lottery will inform the Lottery staff and incumbent vendor(s) that it is about to publish an RFP and describe the impact that could have on operations and communications.

#### **6.3.1 Best Practice Requirements**

The Lottery must announce to its employees and incumbent vendor(s) that it is entering into a procurement process in which communications with potential Bidders is restricted. The announcement:

- Should define the general nature of the procurement and any critical dates that might affect Lottery operations
- Must define the designated Lottery contacts and restrictions for any communications related to the RFP and the method of internal documentation and reporting of any possible violations of the communications restrictions

### **6.4 RFP Publication**

Publication of the RFP so that potential Bidders are informed of its availability and are able to access it, is critical to obtaining a broad and timely level of interest and response to the RFP.

#### **6.4.1 Best Practice Requirements**

The Lottery must adhere to the policy and procedures, related to publication of the RFP, as specified in the published RFP, which may include or align with those described in: Section 1.5 (Schedule), Section 1.8 (Official RFP Website), Section 1.10 (Bidder Expression of Interest), and Section 1.13 (Amendments to the RFP) of the SRT.

For the purpose of ensuring adequate communication about the availability of the RFP, the Lottery should alert Bidders to the publication of the RFP through:

- Industry-related publications
- Online publication

- Other mechanisms as determined by lottery policy and jurisdictional law

## **6.5 General Communications Policies for the RFP Process**

There are certain general communication practices that need to be followed throughout the RFP process and should be stated as such in the published RFP.

### **6.5.1 Best Practice Requirements**

The Lottery must adhere to the policy and procedures related to communication during the RFP, as specified in the published RFP, which may include or align with those described in Section 1.6 (Issuing Office), Section 1.7 (Procurement Officer and Point of Contact), and Section 1.9 (Bidder Contact with the Lottery) of the SRT.

Direct voice communications between Lottery and Bidder contact persons may occur. If so, it must only be with respect to administrative activities, such as advance notice of an impending email, travel plans for Site Visits, etc. The Lottery should document all such communication and the nature of it.

## **6.6 RFP Clarification Questions (Bidder to Lottery)**

### **6.6.1 Best Practice Requirements**

The Lottery must adhere to the policy and procedures, related to RFP clarification questions, as specified in the published RFP, which may include or align with those described in Section 1.11 (RFP Clarification Questions), Section 1.11.1 (Submission of RFP Clarification Questions), and Section 1.11.2 (Response to RFP Clarification Questions) of the SRT.

## **6.7 Pre-Proposal Conference**

### **6.7.1 Best Practice Requirements**

The Lottery must adhere to the policy and procedures, related to the Pre-Proposal Conference, as specified in the published RFP, which may include or align with those described in Section 1.12 (Pre-Proposal Conference) of the SRT.

## **6.8 Modification/Withdrawal of Proposals**

### **6.8.1 Best Practice Requirements**

The Lottery must adhere to the policy and procedures, related to modification and withdrawal of proposals, as specified in the published RFP, which may include or align with those described in Section 1.27 (Modification/Withdrawal of a Proposal) of the SRT.

## **6.9 Amendments to the RFP**

### **6.9.1 Best Practice Requirements**

The Lottery must adhere to the policy and procedures, related to amendments of the RFP, as specified in the published RFP, which may include or align with those described in Section 1.13 (Amendments to the RFP) of the SRT.

## **6.10 Proposal Submission/Receipt**

The Lottery must ensure that the Proposal Submission procedure is clearly stated in the RFP and that no ambiguity exists regarding when and where Proposals must be submitted.

### **6.10.1 Best Practice Requirements**

The Lottery must adhere to the policy and procedures, related to Proposal Submission, as specified in the published RFP, which may include or align with those described in Section 1.14 (Responsive Proposal Submission Criteria) of the SRT.

The Lottery should not discuss, confirm, or deny the receipt of any Proposals with any third party prior to the deadline for Proposal Submission.

When determining the Proposal Submission location and procedure, the Lottery should also be cognizant of the need for confidentiality; it should not be possible for non-authorized individuals to determine who has or has not submitted a Proposal.

The Lottery should issue a receipt for all Proposals received, indicating the time and date received, as well as the type and quantity of material received.

The Lottery must handle and store all Proposals in such a way as to ensure the confidentiality and integrity of all Proposals throughout the Proposal Evaluation process; see Section 7.4.1.1.

## **6.11 Proposal Clarifications (Lottery to Individual Bidder)**

### **6.11.1 Best Practice Requirements**

The Lottery must adhere to the policy and procedures, related to proposal clarification, as specified in the published RFP, which may include or align with those described in Section 1.26 (Proposal Clarification Process) of the SRT.

# 7 Proposal Evaluation

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This chapter describes the roles of the evaluators and details each phase of the Proposal Evaluation process.

## 7.1 Overview

The Lottery will describe, within the RFP, the general process that will take place after the Proposals have been submitted. Providing this information as part of the RFP offers the best combination of latitude for the Lottery and assurance to the public that the procurement is being conducted in accordance with jurisdictional law.

The Lottery will publish in the RFP its general criteria for the Proposal Evaluation process. The Lottery could require Demonstrations and/or Site Visits as part of its Proposal Evaluation.

There are several areas that will require best practices, which are organized as follows in this chapter:

- Detailed Constituents and Roles for Lottery Staff (see Section 7.3)
- Proposal Evaluation Process and Criteria (see Section 7.4), including:
  - Evaluation Planning (see Section 7.4.1)
  - Evaluation Phases and Procedures (see Section 7.4.2)

The evaluation phases and procedures are presented in logical phases and steps as follows:

- Phase 1: Proposal Submission Requirements Review (see Section 7.4.2.1)
- Phase 2: Technical Proposal Evaluation (see Section 7.4.2.2)
  - Step 1: Pre-Qualification and Evaluation of Bidder Capability (see Section 7.4.2.2.1)
  - Step 2: Independent Review & Assignment of Individual Technical Evaluation by Technical Proposal Evaluation Team Members (see Section 7.4.2.2.1)
  - Step 3: Technical Proposal Evaluation Team Review & Assignment of Consolidated Technical Evaluation (see Section 7.4.2.2.3)
  - Step 4: Demonstrations (see Section 7.4.2.2.4)
  - Step 5: Site Visits (see Section 7.4.2.2.5)
  - Step 6: Technical Proposal Evaluation Team Review & Assignment of Final Technical Evaluation (Confirmation/Modification of Consolidated Technical Evaluation) (see Section 7.4.2.2.6)
- Phase 3: Price Proposal Evaluation (see Section 7.4.2.3)

- Phase 4: Determine the Best Overall Proposal (see Section 7.4.2.4)
- Phase 5: Final Decision on Contract Award Recommendation (see Section 7.4.2.5)

## 7.2 Constituents and Roles

<b>Constituent</b>	<b>Role</b>
Lottery Organization	Review Proposals submitted by Bidders. Follow up with requests for clarification or further information. Attend Bidder Demonstrations and Site Visits as part of the Proposal Evaluation process.
Bidder	Respond to requests for clarification or further information. Prepare and deliver Demonstrations and Site Visits to the Lottery.
Independent Third-party Consultant Engaged by the Lottery	May assist the Lottery in Proposal Evaluation and follow-up.
Lottery Retailer	None.

## 7.3 Detailed Constituents and Roles for Lottery Staff

Note that the term “team” as used in this chapter may refer to an individual or group of individuals. In fact, while the Evaluation Committee, Technical Evaluation Team, and Price Proposal Evaluation Team are separately described below, the Lottery may wish to consolidate these teams into two or even a single team, with the same individuals. (This reflects the variance in the size of lotteries and the availability of resources.) It should be taken to apply to whoever is responsible for carrying out the specified role.

The constituents and respective roles below can be the responsibility of and be handled by a single Proposal Evaluation Committee that is responsible for evaluating all aspects of the Proposal Evaluation process including technical, corporate capability, price, and site visits/demonstrations. Note, however, that some jurisdictions may require separate teams to carry out the specified roles.

<b>Constituent</b>	<b>Role</b>
Evaluation Committee	Provide oversight for the activities of the Proposal Evaluation process and be the arbiter of any issues that arise during the process. Be responsible for determining the Proposals that best fit the combined criteria of the RFP (e.g., the Lowest and Best Proposals) and making a contract award.
Technical Proposal Evaluation Team	Evaluate and rate Proposals from a technical perspective.
Price Proposal Evaluation Team	Evaluate and rate Proposals from a cost perspective and conduct relative price assessments.

<b>Constituent</b>	<b>Role</b>
Independent Third-party Consultant Engaged by the Lottery	Support the teams by providing advisory services as requested by the Evaluation Committee.
Procurement Officers	Monitor the Proposal Evaluation process and ensure that the processes set forth in the RFP are followed.
Site Visit/Demonstration Team	Plan and agree the scope of the Demonstrations and/or Site Visits with the Bidders. Attend, evaluate, rate, and document their findings in a Demonstration Report.
Final Decision-maker	Make(s) the final decision on who will be the Contractor. This function may be within the Lottery itself (e.g., Lottery Executive, Lottery Board, Purchasing Director, Tender Committee, etc.) or an external body (e.g., Government procurement body, etc.).
Negotiation Team	Conduct discussions with the Bidder(s) in accordance with jurisdictional law.
Bidder	Provide Demonstrations and/or Site Visits. Respond to the Lottery's communication requests according to the policy and procedures published in the RFP.

Prior to the beginning of the Proposal Evaluation process, the Lottery establishes an Evaluation Committee, which will have one or more individuals assigned to each of the following roles at various points throughout the course of the Proposal Evaluation process.

### **7.3.1 Role of Evaluation Committee**

Typically, the Evaluation Committee will:

- Provide oversight for the activities of the Proposal Evaluation process and be the arbiter of any issues that arise during the process. They will draw upon selected staff as needed to expedite the business of the evaluation and will be responsible for making assignments for the participation of consultants.
- Manage and be responsible for the determination of the Proposals that best meet the combined criteria of the RFP (e.g., Lowest and Best Proposals).
- Support the negotiation discussions with the Successful Bidder or through a Best and Final Offer process, for the primary purpose of maximizing the Lottery's ability to get the best value, provided that such negotiation is permissible within that jurisdiction.
- Make a Contract Award Recommendation to the Final Decision-maker (e.g., Tender Committee, Lottery Executive, Lottery Oversight Organization) for approval.

While all functions described above are likely to be needed, in some cases they may be fulfilled by the same individuals. For example, where resources or skill sets are limited, a single Evaluation Committee may also handle the roles of the Technical Proposal Evaluation Team and Price Proposal Evaluation Team described below.

### **7.3.2 Role of Technical Proposal Evaluation Team**

The Technical Proposal Evaluation Team will consist of experts who are responsible for conducting a detailed examination of each Proposal and making an assessment of how well the Bidder's solution meets the mandatory and optional requirements of the RFP.

Typically, the Technical Proposal Evaluation Team will:

- Participate in the evaluation and rating of Technical Proposals
- Facilitate development of a Final Technical Evaluation on Technical Proposals
- Check the mathematical correctness of the scoring on Technical Proposals
- Participate in the Bidder Demonstrations and/or Site Visits
- Work with the Evaluation Committee

### **7.3.3 Role of Price Proposal Evaluation Team**

The Price Proposal Evaluation Team will consist of one or more individuals with expertise in accounting analysis and business development to determine whether the Proposal is financially sound, reasonable, and accurate. This role may also include the calculation of the Price Proposal evaluation scores using the scoring formula documented in the Lottery's Evaluation Plan.

### **7.3.4 Role of Consultants Engaged by the Lottery**

Contracted consultants generally support the teams by providing advisory services as requested by the Evaluation Committee.

### **7.3.5 Role of Procurement Officers**

Procurement Officers are assigned to monitor the Proposal Evaluation and ensure that the processes set forth in the RFP are followed. Typically, the Procurement Officer will:

- Oversee all meetings held by the Technical Proposal Evaluation and Price Proposal Evaluation Teams
- Advise the teams on bidding and contracting procedures
- Serve as liaison with the Bidders, including the coordination of Site Visit/Demonstration time(s) and location(s)

### **7.3.6 Role of Site Visit/Demonstration Team**

Typically, the Site Visit/Demonstration Team will:

- Provide the Bidders with expectations of what the Site Visit/Demonstration needs to address

- Monitor the Site Visit/Demonstration process to ensure objectives are met in a timely manner
- Observe/participate in Site Visit(s)/Demonstration(s)
- Document Site Visit/Demonstration results
- Review and interpret Site Visit/Demonstration findings (given that Demonstrations may be given on test equipment and software that does not precisely align with the specifications of the Proposal)

Site Visit and Demonstration findings could be considered during the initial Consolidated Technical Rating or, more typically, could be considered as part of the confirmation/modification of the initial Consolidated Technical Rating as input into the Final Technical Rating (see Section 7.4.2.2.4 and 7.4.2.2.5).

### **7.3.7 Role of Final Decision-Maker**

The Final Decision-maker receives the Evaluation Committee's final recommendation report (the Contract Award Recommendation) identifying the Bidder and Proposal that best meet the business objectives and requirements of the RFP. The report should contain all relevant and supporting documentation (e.g., evaluation reports, scoring protocols, etc.) leading to the recommendation.

The Final Decision-maker must either accept or reject the recommendation. All determinations of the Final Decision-maker, any further directives to the Evaluation Committee, and any announcements related to the continuation or conclusion of the RFP process must be made in writing to ensure a fully documented procurement process.

### **7.3.8 Role of Negotiation Team**

The Negotiation Team, in consultation with the Evaluation Committee, conducts negotiation with Bidders, as permitted by jurisdictional law and lottery procurement practices.

There are two predominant types of negotiation with Bidders.

In the first, the Negotiation Team conducts negotiations with the apparent winner, as identified by the Evaluation Committee. If such negotiations cannot be successfully concluded, the Negotiation Team could, depending on what is specified in the RFP and on jurisdictional requirements, initiate negotiations with the second highest scoring Bidder, as rated by the Evaluation Team. In addition, the Lottery may have recourse to other options, such as issuing another RFP.

In the second, the Negotiation Team, in consultation with the Evaluation Committee, conducts negotiations with more than one Bidder in the competitive range, for the primary purpose of maximizing the Lottery's ability to get the best value, provided that such negotiation is permissible within that jurisdiction.

## 7.4 Proposal Evaluation Process and Criteria

The Evaluation Committee will formulate the Proposal Evaluation process, method, and evaluation criteria at the time the basic RFP requirements are being developed.

The Evaluation Committee will develop an internal Evaluation Plan for the administrative aspects of the Proposal Evaluation process prior to reviewing the Proposals that are submitted.

The Proposal Evaluation process will use a documented method to rate the Proposals against a set of benchmarks and evaluation criteria. At least a high-level description of the evaluation criteria – including technical and price criteria, and their respective weightings – need to be clearly set forth in the RFP. The Evaluation Committee will then adhere strictly to these criteria during the Proposal Evaluation process.

There are many different evaluation methods to consider for use during the Proposal Evaluation process. Some of these are included in Section 6.6.1 (Possible Evaluation and Scoring Methods) of the SRT Guide.

Lotteries often require follow-up activities, such as Demonstrations and/or Site Visits by the Bidder. Each of these activities represents a separate part of the Proposal Evaluation process.

### 7.4.1 Evaluation Planning

An internal Evaluation Plan designates key roles in the evaluation process to lottery staff and defines how the various constituents will conduct their work.

#### 7.4.1.1 *Best Practice Requirements*

The Lottery must develop an internal Evaluation Plan prior to receiving the Proposals and commencing the Proposal Evaluation.

The Evaluation Plan should align with the policies, procedures, and milestones specified in those sections of the published RFP that correspond to Chapter 6 (Proposal Evaluation), Section 1.5 (Schedule), Section 1.25 (Proposal Opening), and Section 1.29 (Disclosure Prohibition) of the SRT.

The Lottery must adhere to all policy and procedures related to the Proposal Evaluation process as specified in the published RFP.

The internal Evaluation Plan should include the following:

- A description of each phase of the Proposal Evaluation process and the roles and responsibilities of all those involved in each phase (as outlined in this chapter)
- A determination of whether Demonstrations will be part of the initial Technical Proposal Evaluation or factored into the evaluation after the initial Technical Proposal Evaluation
- An allocation of each of the roles, as defined in this chapter, for the Proposal Evaluation process to one or more individuals
- The procedures and timeline for each phase

- The evaluation criteria, method, and ranking mechanisms (including detailed methodology) for each phase
- A description of the value elements that may be considered by the Evaluation Committee during the Proposal Evaluation process, including but not limited to:
  - Performance standards
  - Price of optional extension periods
  - Invited Option specifications
  - Offered Options
- A description of the risk elements that may be considered by the Evaluation Committee during the Proposal Evaluation process, including but not limited to:
  - Negotiable terms and conditions
  - Bidder corporate capability (as presented in the Proposals and observed in Site Visits)
  - Staffing plan
- A description of the comparative analysis of the Proposals to determine those that best fit the combined criteria of the RFP (e.g., the Lowest and Best Proposals), consistent with the relative importance of the evaluation factors
- A detailed record of all meetings, so that all team members have access to the same and complete information; to the extent possible, team meetings should occur only when all members are available so that everyone hears and sees the same information
- The requirements for team independence and confidentiality (see below)
- The security procedures that must exist to protect against the accidental disclosure of confidential and proprietary information, Proposals, and evaluation materials (see below)

The requirements for team independence and confidentiality must include the following:

- The work of all teams must take place in a confidential environment, free from the influence of Bidders and other parties interested in the procurement.
- Team members must maintain the strictest level of security necessary to ensure that all work and activities of the teams are conducted in a highly confidential manner.
- Team members must not discuss any aspect of a team's work other than with other team members or identified consultants.
- Team members must not communicate with any Bidder other than as specified in the RFP.
- If a team member is contacted regarding the evaluation by a Bidder or other person(s) not involved in the Proposal Evaluation process, they must notify the Evaluation Committee leader who, in turn, should notify the Procurement Officer and/or other appropriate lottery authority.
- Inappropriate communication by a Bidder or other person(s) may result in the disqualification of a Proposal according to lottery policy or jurisdictional law.

- Team members must sign an agreement accepting the need for independence and confidentiality and to abide by the rules and procedures.

The security procedures to protect against the accidental disclosure of confidential and proprietary information, Proposals, and evaluation materials should include the following:

- Confidential evaluation material and all Bidders' Proposals must be kept in a secure area designated for such purpose.
- If the Evaluation Committee chooses to allow the removal of evaluation material from the secure area, the Evaluation Committee leader must authorize the removal of any Proposal-related material from the designated secure area.
- If such approval is given to take the materials off-site (i.e., away from the Lottery), the materials must be immediately brought back to the designated secure area upon returning to the Lottery.
- The Lottery may, if jurisdictional law allows, deliberately move the evaluation team and materials away from the regular workplace to enhance the focus on the evaluation.

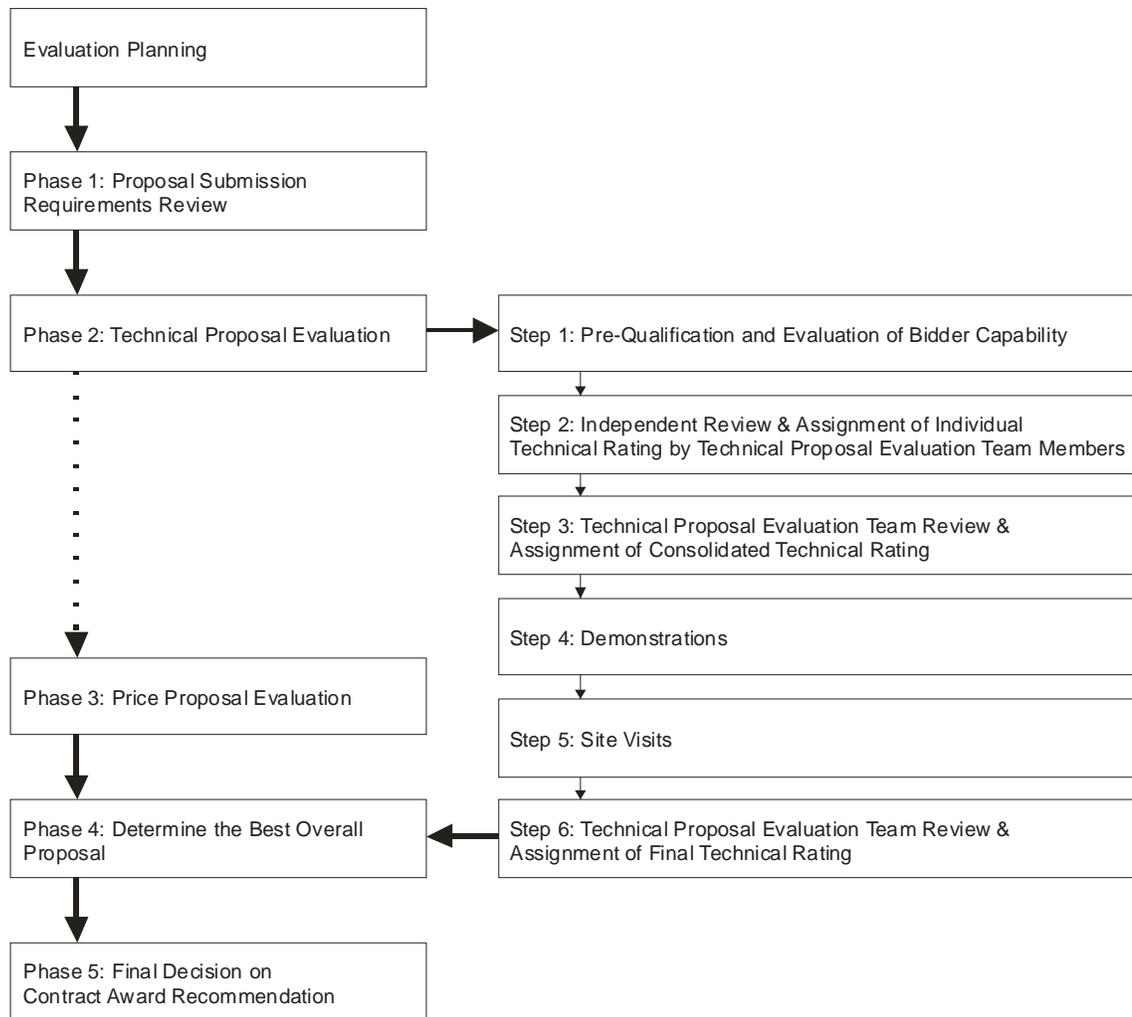
#### **7.4.2 Evaluation Phases and Procedures**

The Proposal Evaluation takes place in several distinct phases (see Figure 2). These phases normally take place in series. Each phase can have common or overlapping evaluation criteria; however, the focus of the criteria is different for each phase. This section outlines a complete set of evaluation phases.

Regardless of their scope, the best practices are intended to preserve the authority and control of the jurisdiction as expressed in its procurement rules and regulations; protect the fairness of the process for all actual and potential Bidders; and ensure that the products and/or services to be delivered as a result of the Contract reflect the requirements established in the RFP.

##### **Best Practice Requirements**

The Lottery should perform the evaluation phases defined in this section, unless specified as OPTIONAL. If the Lottery chooses to perform a phase or step that is specified as OPTIONAL, they must adhere to the best practice requirements specified for that phase or step.



**Figure 2: Evaluation Phases**

**7.4.2.1 Phase 1: Proposal Submission Requirements Review**

The Procurement Officer will open and review the Proposal packages, to determine whether the Proposal meets the formal Proposal Submission requirements set forth in the RFP. The separately sealed Price Proposal is not opened at this stage. This is an opportunity to remove from consideration any Proposal that does not meet the formal Proposal Submission requirements and thus does not qualify for further evaluation.

In accordance with Section 1.30 (Material/Non-Material Deviations) of the SRT, the Lottery can waive or permit cure of non-material deviations, if in the judgment of the Lottery the best interests of the jurisdiction will be served and such waiver or cure will not be prejudicial to competition.

## **Best Practice Requirements**

The Procurement Officer should use the criteria specified in the section of the published RFP which corresponds to that described in Section 1.14 (Responsive Proposal Submission Criteria) of the SRT as the basis for the initial determination that each Proposal is complete and may pass onto further evaluation.

The Proposal must pass Phase 1 before moving onto Phase 2.

The Procurement Officer must examine each Proposal for compliance with the Proposal content and format requirements as specified in the section of the published RFP that corresponds to Section 1.14 (Responsive Proposal Submission Criteria) of the SRT.

The Price Proposals must remain unopened until completion of Phase 2.

If a Proposal does not meet the minimum requirements for Proposal Submission (Responsive Proposal Submission Criteria), the Procurement Officer must obtain whatever internal guidance is necessary under its process to make a determination as to whether the Proposal is materially deficient and therefore will be precluded from further evaluation, or whether a cure should be allowed.

If a Proposal is precluded from further evaluation, the Procurement Officer must obtain whatever internal guidance is necessary under its process to notify the Bidder accordingly.

The Procurement Officer must formally document the results of Phase 1.

### **7.4.2.2 Phase 2: Technical Proposal Evaluation**

The detailed technical review of the Proposals takes place during this phase. The Technical Proposal evaluation consists of several steps:

The Proposals that pass Phase 2 of the Proposal Evaluation process will progress to Phase 3.

For the purposes of this Best Practice, the term “technical” here refers to all the non-price factors including products and services, marketing, sales, and revenue information. Technical Proposal Evaluation is the detailed evaluation of the non-price-related Proposal content, including operations, maintenance, training, marketing, project planning, business capabilities, as well as traditional technical components of a Proposal for conformity with the RFP technical requirements.

During this phase, an objective measure set forth in the RFP for determining the degree of compliance and the value of the Proposal will be employed with weightings reflecting the relative importance of the requirements. Qualitative statements, scores, and relative weights can also be applied for additional factors to RFP requirements; for example, the level of innovation or offers by the Bidder to exceed the mandatory requirements in certain areas. The Lottery specifies in general terms in the RFP all areas that will be evaluated.

For additional scoring and evaluation considerations, refer to Section 6.6.1 (Possible Evaluation and Scoring Methods) of the SRT Guide.

### **Best Practice Requirements**

The Technical Proposal Evaluation Team must evaluate and rate each Proposal that passes Phase 1 according to the criteria set forth in the RFP.

There should be three Proposal evaluation steps provided and assigned in the following order:

1. Individual Technical Evaluation, which should be assigned individually and independently by each member of the Technical Proposal Evaluation Team
2. Consolidated Technical Evaluation, which should be arrived at and assigned by using the individual technical ratings and rationale to create a final ranking by consensus, a composite ranking, or rating for each Proposal
3. Final Technical Evaluation, which should be arrived at by the Technical Proposal Evaluation Team using the method defined in the Evaluation Plan

The Technical Proposal Evaluation Team must document the evaluations.

Below are the steps that should be followed during Phase 2.

#### *7.4.2.2.1 Phase 2/Step 1: Pre-Qualification and Evaluation of Bidder Capability*

In this step, the Technical Proposal Evaluation Team undertakes a general background and capability evaluation of the Bidders to assess each Bidder's ability to deliver on the requirements of the RFP in a timely manner.

This step enables the Lottery to avoid spending valuable time reviewing Technical Proposals from Bidders which simply may not have the background and capabilities to deliver the required products and/or services, or more generally to meet the requirements of the jurisdiction as an approved vendor.

### **Best Practice Requirements**

The Technical Proposal Evaluation Team should refer to the Bidder's corporate information submitted as part of the Proposal, which is described in Chapter 4 (Bidder Corporate Information) of the SRT.

Evaluation of Bidder background may include factors such as:

- Experience as a lottery industry supplier
- Capability to financially support a Contract
- Risks that could accrue from pending litigation

The Lottery should identify which Bidders qualify for Phase 2/Step 2 of the Proposal Evaluation process, based on the Bidders' responses to specific background and capability requirements identified in the RFP.

The Procurement Officer in conjunction with the Evaluation Committee should formally document the results of Phase 2/Step 1.

The Procurement Officer should notify the Bidders that do not qualify for Phase 2/Step 2.

The results of this step should be included as input into Phase 2/Step 2 and may be used as input when assigning the Final Technical Rating in Phase 2/Step 6.

**7.4.2.2.2** *Phase 2/Step 2: Independent Review & Assignment of Individual Technical Rating by Technical Proposal Evaluation Team Members*

This step is for the preliminary review of all Proposals by individual members of the Technical Proposal Evaluation Team.

**Best Practice Requirements**

Each member of the Technical Proposal Evaluation Team must review each Proposal.

The Proposals may be reviewed either:

- Individually (one at a time)
- In parallel, comparing each Proposal section by section

If the Proposals are reviewed individually:

- The review of each Proposal should be completed before the review of the next Proposal begins.
- Review order of Proposals should be randomly determined.

Evaluators should independently examine the individual Proposals in detail and assign a rating for each category and subcategory, in the form chosen as the methodology for evaluating the Proposal.

The ratings should be recorded by each Technical Proposal Evaluation Team member on the Technical Evaluation Scoring Worksheet on an individual and non-collusion basis. Only once all members have completed and submitted their Technical Evaluation Scoring Worksheets to the designated person (e.g., Evaluation Committee chairman) and the respective Worksheet has been duly registered should the Technical Proposal Evaluation Team move on to Phase 2/Step 3 where scoring and the associated reasoning should be discussed.

**7.4.2.2.3** *Phase 2/Step 3: Technical Proposal Evaluation Team Review & Assignment of Consolidated Technical Rating*

This step is for committee review by the Technical Proposal Evaluation Team and assignment of a Consolidated Technical Rating for each Proposal.

**Best Practice Requirements**

The Technical Proposal Evaluation Team should:

- Meet to discuss their review of the Proposal

- Meet only when all evaluators are available so that everyone hears and sees the same information
- Produce a single, common Consolidated Technical Rating, according to the criteria specified in the RFP and according to the evaluation method specified in the Evaluation Plan

Proposals must not be discussed with non-team members, unless authorized by the Evaluation Committee.

The Evaluation Committee must approve requests to obtain advice from consultants or other staff.

Information discussed must pertain only to information requested in the RFP or provided in the Proposal.

The Proposal Evaluation process should be designed to ensure that the products and/or services proposed are initially evaluated on their own merits rather than on the basis of possible preconceived notions of cost/benefit.

#### 7.4.2.2.4 Phase 2/Step 4: Demonstrations (OPTIONAL)

Further validation of the Proposals can be carried out by closer review of the Bidder and the Bidder's products. Typically, there are four ways to do this: inspect, demonstrate, analyze, and test. Although analysis can be conducted separately, inspection, demonstration, and testing all imply a visit to one or more venues representing the Bidder (see also Section 7.4.2.2.5).

If Demonstrations are part of the Evaluation Plan and RFP requirements, then during the Proposal Evaluation it will be appropriate for the Lottery to witness Demonstrations of the proposed solution or of solutions adding information relevant to the submitted Proposal.

The purpose of the Bidder Demonstration is to allow evaluators to view the proposed system and functions and verify that the requirements specified in the RFP can be reasonably satisfied by the Bidder's solution as presented in the Proposal and shown in the Demonstration.

Demonstrations are typically completed in Phase 2/Step 4, incorporating the findings after the initial Consolidated Technical Rating has already been determined, though some lotteries do choose to complete them during Phase 2/Step 2 and make the findings part of the initial Individual Technical Rating.

The Demonstration Team can choose to combine Demonstrations with Site Visits if both can be achieved by the Site Visit element (see Section 7.4.2.2.5), even though the results of the Demonstrations and Site Visits impact two distinctly different phases of the Proposal Evaluation.

The best practice requirements for Demonstrations fall into three areas as follows:

1. Demonstration Schedule and Policy
2. Demonstration Plan and Agenda
3. Demonstration Procedure

### **Best Practice Requirements for the Demonstration Schedule and Policy**

The Demonstration Team should adhere to the schedule for Demonstrations as specified in the published RFP, which may include or align with Section 1.5 (Schedule) of the SRT.

The Demonstration Team should follow the process and policy for Demonstrations as specified in the published RFP, which may include or align with Section 1.38 (Demonstrability of Proposed System) and Section 6.4 (Demonstrations and Site Visits) of the SRT.

### **Best Practice Requirements for the Demonstration Plan and Agenda**

After preliminary evaluation of the Proposals, the Demonstration Team should provide a detailed Demonstration Plan and Agenda to the Bidders at least four (4) weeks before the Demonstration date, depending on the scope and schedule of the procurement.

The Demonstration Plan must include:

- Identification of the members of the Demonstration Team
- The role of the Demonstration Team (see Section 7.3.6)
- A description of the Demonstration process, which must include:
  - The scope of the Demonstration
  - Development of the Demonstration Agenda

The Demonstration Plan may include:

- A definition of the role of Consultants, which should include a statement that Consultants support the Demonstration Teams by providing advisory services as requested by the chairperson or Demonstration Team leaders
- The schedule for the Demonstration, which should be determined by considering both the Lottery's and the Bidders' availability

The Demonstration Agenda should include demonstration requirements and questions that the Bidders will be required to address as part of the Demonstration protocol.

The Demonstration Team should work with the designated Bidder representative to plan the dates, time, travel arrangements, and remote connectivity into the Lottery as appropriate for the Demonstration location.

The Lottery should ask Bidders to identify possible locations for the Demonstration(s).

The Lottery should select the location of the Demonstration(s).

The Lottery must be responsible for paying their own expenses, although if permitted by jurisdictional law, the Lottery may be reimbursed its travel expenses but only at the jurisdiction's regularly published rate for travel expenses.

The Lottery must not accept any form of gratuity or extraordinary services or hospitality.

## **Best Practice Requirements for the Demonstration Procedure**

The Demonstration Team should work with the Bidders to determine what will be demonstrated.

The Demonstration Team should ask Bidders to identify those functions that are currently available *versus* laboratory prototype(s).

For any items that are not available for demonstration, Bidders must provide additional information – such as analytical models or bidder claims – that allow verification of these functions and when they will be available.

The Demonstration Team must prohibit any marketing-oriented items unrelated to the RFP requirements during the Demonstration.

If confidentiality concerns exist, Bidders may want to define limitations for video recording or documenting Demonstrations.

The Demonstration Team members must:

- Attend the scheduled Demonstrations
- Observe the Bidder Demonstrations to measure the demonstrated solution against the Bidder's Proposal
- Upon completion of the Bidder Demonstrations, meet to discuss their observations during the Demonstration
- Interpret the significance of the results of the Demonstrations, which may have been performed on test equipment and software, in a simplified and/or artificial operating environment

The Demonstration Team members must not:

- Discuss any questions or comments regarding the Demonstration openly, outside of the Demonstration Team
- Provide value judgments during the Demonstrations
- Refer to competitive proposals or solutions

The Demonstration Team members should:

- Arrive at a combined evaluation of the Demonstrations
- Document their findings for inclusion in a Demonstration Findings Report

The Demonstration Team members should not:

- Exercise the Bidder's Demonstration system without Bidder participation
- Openly address the validity or completeness of a Demonstration

The Demonstration Team members may request that a Demonstration be repeated if it is unclear.

If Demonstrations were not included as part of the initial Technical Proposal Evaluation, then modifications to the Consolidated Technical Rating based on the results of the Demonstration may be made during the formulation of the Final Technical Rating in Phase2/Step6.

#### 7.4.2.2.5 Phase 2/Step 5: Site Visits (OPTIONAL)

The focus of the Site Visit will be on the Bidder's management and operations and its ability to deliver the equipment and services as proposed.

As noted in Phase 2/Step 4 (Section 7.4.2.2.4), the Lottery can choose to combine Demonstrations with Site Visits if both can be achieved by the Site Visit element, even though the results of the Demonstrations and Site Visits impact two distinctly different phases of the evaluation.

Typically, four venues are under consideration for a Site Visit. These include the development/demonstration laboratory, the corporate headquarters, other lotteries (using the same products), and the manufacturing facility (where retailer terminals are created). Depending on the nature of clarifications needed, time, and travel limitations, it is possible that not all of these venues will receive a visit. (A presentation or videotape could be a practical substitute.) Some of the venues could be co-located, reducing the number of sites. In a Reverse Site Visit, the corporate presentation and demonstrations may be brought to the Lottery, avoiding the need for the Lottery to travel.

Typically, the Lottery will invest one/two days per Bidder in Site Visits if they are considered necessary. A key determinant is whether all competing Bidders or a subset will receive a Site Visit, typically decided by considerations of fairness and practicality.

The best practice requirements for Site Visits fall into three areas as follows:

1. Site Visits Schedule and Policy
2. Site Visit Plan and Agenda
3. Site Visit Procedure

#### **Best Practice Requirements for the Site Visit Schedule and Policy**

The Demonstration Team should adhere to the schedule for Site Visits as specified in the published RFP, which may include or align with Section 1.5 (Schedule) of the SRT.

The Demonstration Team should follow the process and policy for Demonstrations as specified in the published RFP, which may include or align with Section 6.4 (Demonstrations and Site Visits) of the SRT.

If Site Visits are required, the Lottery should indicate in the RFP which party is responsible for the costs of the Site Visit(s).

### **Best Practice Requirements for the Site Visit Plan and Agenda**

The Demonstration Team must define a Site Visit Plan, which must cover:

- The benchmark guidelines
- What is expected from the Bidder during the Site Visit
- How the Site Visits will be set up and scheduled
- How the Site Visit evaluations will be performed

The Demonstration Team must develop checklists that address all of the above items that are relevant to the RFP.

The Demonstration Team may state in its Site Visit Plan its expectation that each Bidder's proposed product and/or services (e.g., terminal) may be demonstrated in an actual operational mode at some time during the Proposal Evaluation.

If Bidders have defined limitations for video recording or documenting Site Visits, the Lottery must adhere to those limitations.

### **Best Practice Requirements for the Site Visit Procedure**

The items observed during a Site Visit may include, but are not limited to, the following, depending on the scope of the procurement:

- Key manufacturing facilities
- Data center and help desk operations
- Facility security
- System management processes
- Network management processes
- Customer relationship management processes
- Test laboratories and proposed equipment
- System engineering development facilities
- Staff resources of various categories

The Demonstration Team should document the results of Site Visits in a Site Visit Report.

#### **7.4.2.2.6 Phase 2/Step 6: Technical Proposal Evaluation Team Review & Assignment of Final Technical Rating (Confirmation/Modification of Consolidated Technical Rating)**

This step is to review the Consolidated Technical Rating assigned in Phase 2/Step 3 (see Section 7.4.2.2.3) and modify it as required.

## **Best Practice Requirements**

The Consolidated Technical Ratings assigned by the Technical Proposal Evaluation Team in Phase 2/Step 3 (see Section 7.4.2.2.3) may be individually and independently reviewed and may be adjusted based on the results of the Demonstrations, Site Visits, and/or Bidder Capability evaluation.

The basis for the adjustment must be documented.

The Final Technical Ratings must be collected and combined, creating a Final Technical Rating Sheet.

Once a final consensus rating (Final Technical Rating) has been established, the Technical Proposal Evaluation should be closed and the rating considered final.

The Technical Proposal Evaluation Team should summarize the information that is relevant or required for the Final Technical Rating of the Proposals.

The Technical Proposal Evaluation Team should pass the summary onto the Evaluation Committee so that it has the information it needs in order to make a determination of the Overall Best Proposal in Phase 4 of the Proposal Evaluation process. This summary may include:

- Review of the Proposals
- Information collected from sources external to the Proposal
- Bidder reference checks
- Proposal clarification questions and answers by the Bidder
- Reviews by other jurisdictional agencies (if needed)
- Reviews and reports from Consultants (if engaged)
- Demonstration and Site Visit results

### **7.4.2.3 Phase 3: Price Proposal Evaluation**

Following completion of Phase 2, the Price Proposal Evaluation Team will evaluate the Price Proposals in accordance with the Lottery's guidelines.

The Bidder is encouraged to propose options regarding innovative functions, features, services, and solutions, as specified in the published RFP, in those sections that correspond to Section 5.3 (Pricing of Options) of the SRT.

The Price Proposal Evaluation Team must adhere to the policy and procedures, related to evaluation of options, as specified in the published RFP, which may include or align with those described in Section 6.7 (Evaluation of Options) of the SRT.

The RFP needs to solicit the Price Proposal in ways that are strictly comparable across Proposals. A pricing worksheet in the RFP is a good way to achieve this. Pricing for the baseline system may be reflected in a number of forms that have been used in the lottery industry.

There are many variations for pricing (Bidder compensation). Examples include:

1. Percentage of net sales including both online and instant products
2. Percentage of net online sales only, common in states supplying their own instant ticket processing or obtaining services from another source
3. Separate percentages of instant and online net sales
4. Purchase of parts of the system plus a percentage of sales
5. Fixed payments plus a percentage of sales
6. Fixed payments based on products and product services
7. Percentage of net sales (sales minus prizes) as opposed to sales (this eliminates a conflict of interest between the Bidder and the Lottery as higher payout creates higher sales but not necessarily higher net sales)

In some cases the percentage payments fluctuate depending on sales volume.

### **Best Practice Requirements**

The Lottery must require that Bidders submit their Price Proposals under separate cover so that the Procurement Officer can easily register the submissions and deposit them in a designated secure area.

The entire contents of the Price Proposals should be kept under seal and unopened until such time as Phases 1 and 2 of the Proposal Evaluation process are complete, and scoring is recorded.

Each Price Proposal must be evaluated and rated by the Price Proposal Evaluation Team according to the criteria set forth in the RFP.

The Price Proposal Evaluation Team must adhere to the guidelines for pricing as specified in the published RFP, which for reference may correspond to Chapter 5 (Pricing) of the SRT.

If clarification from the Bidder is required, the procedures set out in the published RFP, which may correspond to Section 1.26 (Proposal Clarification Process) of the SRT, must be followed.

The Price Proposal Evaluation Team must carry out the rating process according to the procedures and rating scheme documented in the internal Evaluation Plan.

#### **7.4.2.4 Phase 4: Determine the Best Overall Proposal**

This is the phase in which the final evaluation and selection occurs.

During this phase, the Evaluation Committee will determine the Proposals that best fit the combined criteria of the RFP and the Evaluation Plan (e.g., the Lowest and Best Proposals). Refer to Section 6.6.1 (Possible Evaluation and Scoring Methods) of the SRT Guide for possible evaluation methods and techniques to use for comparative analysis.

### **Best Practice Requirements**

The Evaluation Committee should facilitate the final evaluation and determination of the Best Overall Proposal.

When the Evaluation Committee analyzes each Proposal they must do so according to the Evaluation Plan and the requirements specified in the RFP, including the general evaluation/scoring scheme outlined in the RFP.

The Evaluation Committee must consider:

- The Technical Proposal Evaluation, including the summary report and findings of Demonstrations, if any
- The Price Proposal Evaluation

The Evaluation Committee should conduct the comparative analysis based on:

- Technical rating
- Price

The Evaluation Committee must document the results of the comparative analysis in a Comparative Analysis Report.

The Comparative Analysis Report should be concise, direct, and factual for the purposes of clear communication between the parties.

The Evaluation Committee must make its Contract Award Recommendation based on the findings in the Comparative Analysis Report.

The Lottery may conduct a Best and Final Offer (BAFO) process with all Bidders who are on the shortlist.

#### **7.4.2.5 Phase 5: Final Decision on Contract Award Recommendation**

This is the phase when the final decision is taken.

### **Best Practice Requirements**

The Lottery Executive, or other Final Decision-maker, as dictated by jurisdictional law or procurement practice, should review the evaluation report and make the final determination as to contract award, subject to approval by the Lottery Oversight Organization.

The Final Decision-maker may consult with other jurisdictional agencies for agreement or approval on the course of action to be taken.

In making the final determination, the Final Decision-maker may, on any items or topics contained in the report, through the Evaluation Committee:

- Request clarification
- Request additional information

- Request additional analyses

If the Final Decision-maker accepts the recommendation of the Evaluation Committee, a formal recommendation must be prepared and submitted for consideration and approval by the Lottery Oversight Organization.

## 8 Notification of Successful Bidder

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### 8.1 Overview

Once the Proposal Evaluation is complete and the Successful Bidder selected, it will be necessary to notify all Bidders of the evaluation outcome and to enter into a legally binding Contract with the Successful Bidder.

### 8.2 Constituents and Roles

Constituent	Role
Lottery Organization	Inform all Bidders of the outcome of the RFP Proposal Evaluation. Negotiate a Contract with the Successful Bidder.
Bidder	Receive notification of the RFP Proposal Evaluation outcome. The Successful Bidder will negotiate a Contract with the Lottery.
Independent Third-party Consultant Engaged by the Lottery	May support the Lottery during contract negotiation with technical advice.
Independent Third-party Consultant Engaged by the Bidder	None.
Lottery Retailer	None.

### 8.3 Process Description and Prescriptive Requirements

#### 8.3.1 Notification of Proposal Evaluation Outcome

Typically, all Bidders including those not selected will be notified of the outcome of the RFP Proposal Evaluation process. How and when this notification will occur and the level of communication that is permissible between the Unsuccessful Bidders and the Lottery will depend on lottery policy and jurisdictional law.

##### 8.3.1.1 *Best Practice Requirements*

The Lottery must inform all the Bidders of the outcome of the Proposal Evaluation.

The Lottery must publicly announce the Successful Bidder.

The Lottery must send a formal letter directly to the Bidders informing them whether they have been selected for contract award or not.

The Lottery must have and adhere to a policy regarding how much communication is permissible between the Lottery and the Unsuccessful Bidders.

The Lottery and Bidders must comply with dispute resolution or protest steps outlined in the RFP.

The Lottery must not publicly draw attention to deficiencies in a Bidder's Proposal, nor publicly state particular comparative strengths of the winning Proposal.

The Lottery must comply with the public record laws of the jurisdiction, since jurisdictional public record laws take precedence over the requirements in this section.

The Lottery must make available the Proposals and any evaluation materials for inspection according to lottery policy and jurisdictional law after the Notice of Intent to award a Contract is announced by the Lottery Executive.

### **8.3.2 Contract Award**

In the event that a Successful Bidder is identified, the Lottery will enter into a legally binding Contract with the Successful Bidder.

#### **8.3.2.1 Best Practice Requirements**

In accordance with lottery policy and jurisdictional law, the Lottery should make the RFP and the Successful Bidder's Proposal part of the Contract itself. It must be clear in the Contract which of any Specified, Invited, or Offered Options are contractually selected.

## 9 Establishing Global RFP Requirements

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### 9.1 Overview

The intent of this process is to establish an ongoing, iterative means of evolving and refining standard RFP content and thereby progressing to procurement against open systems standards and incorporating RFP experience into best practices.

### 9.2 Constituents and Roles

Constituent	Role
Lottery Organization	Work within the Global RFP Standards Task Group to identify any issues in their experience throughout the completed RFP cycle and its outcome, which could be addressed through evolving this current Best Practice. Provide input for evolving standardized content related to required Technical Standards to be included in future RFP development.
Bidder	Work within the Global RFP Standards Task Group to identify any issues in their experience throughout the completed RFP cycle and its outcome, which could be addressed through evolving this current Best Practice. Provide input for evolving standardized content related to required Technical Standards for future RFP development.
Independent Third-party Consultant Engaged by the Lottery	May assist in reporting to the Global RFP Standards Task Group the issues identified in the completed RFP cycle and its outcome from the Lottery perspective.
Independent Third-party Consultant Engaged by the Bidder	May assist in reporting to the Global RFP Standards Task Group the issues identified in the completed RFP cycle and its outcome from the Bidder perspective.
Lottery Retailer	If invited by lotteries, may assist in reporting to Global RFP Standards Task Group any issues identified in the completed RFP cycle and its outcome either associated with the Lottery or Bidder perspective, or both, which could be addressed through evolving this current Best Practice.

## **9.3 Process Description and Prescriptive Requirements**

### **9.3.1 Establishing Global RFP Requirements**

Working with the Global RFP Standards Task Group to identify issues and outcomes of each RFP cycle means that further ongoing refinement of the Best Practices is facilitated. Furthermore, this information can be used to define open Technical Standards for common lottery applications and underlying technology in the form of common content for subsequent procurements. The effect of this over time is to evolve a series of open procurement standards for systems and/or system interfaces.

This is an ongoing process, which should feed into future RFP development. It represents the need to move toward inclusion of common requirements where feasible – including requirements for supported Technical Standards and Best Practices. This process is a collaborative effort with lotteries, vendors, and retailers working together to establish RFP criteria, which moves toward the use of open systems or open standards and interfaces, and approved Best Practices.

#### **9.3.1.1 Best Practice Requirements**

Common RFP requirements must be established through the Global RFP Standards Task Group, by following the procedures for proposing, reviewing, and approving open standards and best practices for inclusion as common requirements in the RFP Best Practice.

Representatives from the constituents (lotteries and vendors) engaged in the RFP process should be participating in the Global RFP Standards Task Group so that they remain aware of and can contribute to the proposal, review, and adoption of RFP common criteria.

When proposing, reviewing, and approving Technical Standards and Best Practices for common RFP requirements, participants should attempt to account for variable legacy, budget, migration, and legislative constraints by providing various levels of prescription, such as must, should, may, etc. where appropriate.

The Technical Standards or Best Practices that are approved by NASPL and WLA for inclusion as common RFP requirements must exist as formal standards and Best Practices of the NSI, WLA, or other formal standards group.

The Technical Standards or Best Practices that are approved by NASPL and WLA for inclusion as common RFP requirements must meet the NASPL Specification Adoption Criteria, before being approved for inclusion as a common RFP requirement.

## 10 Conformance Overview

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Defining conformance and creating a certification policy and program for this Best Practice is the next step in establishing an effective Best Practice. Without the associated conformance criteria and certification processes, there is no assurance that a practitioner has implemented practices according to the approved Best Practice.

Certification provides formal recognition of conformance to an industry Best Practice or Technical Standard specification, which allows:

- Suppliers and practitioners to make and substantiate clear claims of conformance to a Technical Standard or Best Practice
- Buyers to specify and successfully procure from vendors who conform to a Best Practice or provide solutions that conform to a Technical Standard

Following the approval of this Best Practice, the Global RFP Standards Task Group will work with The Open Group to establish conformance criteria and define an associated Certification Program for this Best Practice. Conformance assessment is the act of determining the conformance of an implementation to a specification, or the adherence of a business operation to a best practice or process definition. There are many techniques for assessing such conformance, including the use of a standardized test method, quality assessment by industry experts, and vendors' claims of conformance made within a defined legal framework. The techniques to be used will be chosen during the process of defining the Certification Program.

Following implementation of the Certification Program, practitioners wishing to have their business practices certified as conformant to the Best Practice will be able to apply for certification of their business practices, at which time a conformance assessment will be performed.

# 11 Glossary

The following terms and acronyms are used in this document.

## Lottery Industry-Specific Terminology

<b>Term/Acronym</b>	<b>Definition</b>
Administrative System	Systems designed to support the lottery’s business operations, such as accounting, retailer management, claims processing, and information management.
Back-office System	Data processing systems used to support the central business operation of the lottery, as distinct from gaming systems or systems employed by the retailer at the point-of-sale.
Gaming System	The set of software and hardware components required to deploy a particular game or set of games, which includes game terminals, network, and game host computers at the lottery central office.
ICS Vendor	The entity producing the Internal Control System, which may be a third-party vendor or the Lottery Development Organization.
Internal Control System (ICS)	The audit system and its associated processes, which perform auditing of the gaming system component to ensure the integrity, security, and accuracy of gaming transactions.
Lottery Central Office	The main physical location that houses the lottery’s central computer systems to (and from) which all lottery transactions flow and are recorded in a secure manner. Typically, all administrative and data processing staff are located here to monitor and maintain the computer systems to ensure continuous lottery operation.
Lottery Development Organization	The group within the lottery that is responsible for the development and/or integration of software and hardware components that comprise the lottery systems. They are responsible for running the IT systems and to a certain extent they act as an in-house technical development team. This service is often outsourced to third-party vendors.
Lottery Environment	The full set of software and hardware components that comprise a lottery, including gaming systems, the ICS system, administrative and back-office systems, website, instant tickets, telecommunications network infrastructure, as well as the human participants who operate the hardware and software components including the Lottery Organization, vendors, retailers, and players.
Lottery Gaming System	The software and hardware associated with a particular function within the lottery, such as a gaming system.

<b>Term/Acronym</b>	<b>Definition</b>
Lottery Organization (Lottery)	All those responsible for the overall operation of the lottery, which includes the director and other management personnel, and operational and technical personnel including the lottery development office. Together, they are responsible for overseeing lottery integrity, optimizing profitability from games (current and future), system procurement, managing retailers and vendors, and for marketing and payouts.
Lottery Oversight Organization	Board, commission, parent agency, or other legislated oversight body.
Multi-State Lottery Organization	The association that administers multi-State games for its member States.
System Components	The software and hardware components associated with a lottery system.
System Vendor (Vendor)	The entity producing the system components, which may be a third-party vendor or the Lottery Development Organization.

# APPENDICES

## A Best Practice Requirements Checklist

<b>Business Requirements Definition</b>				
	<b>Requirement</b>	<b>Level</b>	<b>Practitioner</b>	<b>Reference</b>
1	Prior to the creation of an RFP, the Lottery should define its business and operational requirements.	Should	Lottery	4.3.1.1
2	Prior to the creation of an RFP, the Lottery should define its strategic requirements.	Should	Lottery	4.3.1.2

<b>Request For Information (RFI)</b>				
	<b>Requirement</b>	<b>Level</b>	<b>Practitioner</b>	<b>Reference</b>
3	The Lottery should develop and define the content of the RFI.	Should	Lottery	4.3.2.1
4	RFI content may include requesting information to determine: <ul style="list-style-type: none"> <li>• Corporate and financial capabilities of Bidders</li> <li>• The Bidder's experience and viability</li> <li>• Technology capabilities</li> <li>• The Bidder's strategic vision of the future of the lottery industry and associated technologies/functionalities</li> </ul>	May	Lottery	4.3.2.1
5	The RFI process should provide an open, interactive, and meaningful dialogue between Lotteries and Bidders.	Should	Lottery Bidder	4.3.2.1
6	Unless there are specific reasons otherwise, the RFI process should be vendor-neutral.	Should	Lottery	4.3.2.1
7	The Lottery must document a description of the RFI process.	Must	Lottery	4.3.2.1
8	The RFI process document should include: <ul style="list-style-type: none"> <li>• Issuance of an RFI document which should:               <ul style="list-style-type: none"> <li>▪ State the Lottery's vision, expectations, and anticipated needs, in general terms</li> <li>▪ Detail the Lottery's intent, expectations, format, and timeline(s) for the RFI</li> <li>▪ Clearly state what information the Lottery seeks from the Bidder and how the Lottery will use such information</li> </ul> </li> <li>▪ Scheduling and expectations of Bidder Presentations and/or Demonstrations</li> </ul>	Should	Lottery	4.3.2.1

<b>Request For Information (RFI)</b>				
	<b>Requirement</b>	<b>Level</b>	<b>Practitioner</b>	<b>Reference</b>
	<ul style="list-style-type: none"> <li>▪ Review of responses and findings</li> <li>▪ Development of the general and particular requirements and options that are to be incorporated into the anticipated RFP and subsequently addressed by the Bidders</li> <li>▪ If possible, Bidders should be given some approximate timetable for RFP Publication, the deadline for Proposal Submission, the Proposal Evaluation period, and notification of the Successful Bidder</li> <li>▪ The definition of the process for communications with Bidders</li> </ul>			
9	<p>An RFI may:</p> <ul style="list-style-type: none"> <li>▪ Require a written response, a Presentation and/or Demonstration, or both, as desired by the Lottery</li> <li>▪ Allow confidential discussion sessions for additional Bidder input, as part of the RFI Presentation and/or Demonstration process</li> <li>▪ Require a confidentiality agreement between the Lottery and Bidder, as permitted by jurisdictional law</li> </ul>	May	Lottery	4.3.2.1
10	The Lottery must not reveal information that is disclosed by a Bidder to the Lottery, to any other Bidder, except as required by jurisdictional law.	Must not	Lottery	4.3.2.1

<b>Draft RFP</b>				
	<b>Requirement</b>	<b>Level</b>	<b>Practitioner</b>	<b>Reference</b>
11	The Lottery may issue a Draft RFP prior to formal RFP Publication.	May	Lottery	4.3.3.1
12	If the Lottery issues a Draft RFP, the Bidders should be given a specified period of time in which to evaluate the terms of the Draft RFP and to provide feedback.	Should	Lottery	4.3.3.1
13	Modifications made to the RFP as a result of the Draft RFP process should not intentionally favor an individual Bidder, or group of Bidders.	Should not	Lottery	4.3.3.1
14	Bidder feedback to the Draft RFP may be provided via written response, open meeting, or both, as desired by the Lottery.	May	Bidder	4.3.3.1
15	The Lottery may consider Bidder feedback in preparing its RFP, but should be cognizant of the fact that each Bidder will be subjective and feedback could advertently or inadvertently be directed at slanting the RFP in their favor.	May	Lottery	4.3.3.1

<b>Procurement Schedule</b>				
	<b>Requirement</b>	<b>Level</b>	<b>Practitioner</b>	<b>Reference</b>
16	The Lottery should realistically estimate the time required to complete the procurement cycle, including a contingency allowance.	Should	Lottery	4.3.4.1

<b>Procurement Schedule</b>				
	<b>Requirement</b>	<b>Level</b>	<b>Practitioner</b>	<b>Reference</b>
17	When creating a plan and associated schedule to be included in the RFP, the Lottery should consider all phases and underlying tasks involved in the procurement cycle, which include, but are not limited to: <ul style="list-style-type: none"> <li>▪ Writing and publishing the RFP</li> <li>▪ Preparation of Proposals</li> <li>▪ Proposal Evaluation and Contract Award</li> <li>▪ Negotiation and Contract signing</li> <li>▪ Contract signing and implementation</li> <li>▪ Engagement of Consultants</li> </ul>	Should	Lottery	4.3.4.1
18	The Lottery should refer to Section 1.5 (Schedule) of the SRT Guide for specific major milestones and duration guidelines.	Should	Lottery	4.3.4.1

<b>Official RFP Website</b>				
	<b>Requirement</b>	<b>Level</b>	<b>Practitioner</b>	<b>Reference</b>
19	The Lottery should set up a website to be used as the official RFP website for the RFP	Should	Lottery	4.3.5.1
20	If an official RFP website is used, the Lottery should ensure that the website is accessible by the Bidders from the URL specified in Section 1.8 (Official RFP Website) of the SRT.	Should	Lottery	4.3.5.1
21	The Lottery should post all sources of relevant RFP information (in read-only format) that is issued by the Lottery.	Should	Lottery	4.3.5.1
22	The Lottery should ensure that the official RFP website is functioning properly before the RFP or other related processes, such as the RFI, are begun.	Should	Lottery	4.3.5.1
23	The Lottery should notify all registered potential Bidders about new information related to the RFP once it is posted to the website.	Should	Lottery	4.3.5.1

<b>Communication During the RFP Process: RFP Pre-Publication</b>				
	<b>Requirement</b>	<b>Level</b>	<b>Practitioner</b>	<b>Reference</b>
24	The Lottery must announce to its employees and incumbent vendor(s) that it is entering into a procurement process in which communications with potential Bidders is restricted.	Must	Lottery	6.3.1
25	The announcement should define the general nature of the procurement and any critical dates that might affect Lottery operations.	Should	Lottery	6.3.1
26	The announcement must define the designated Lottery contacts and restrictions for any communications related to the RFP and the method of internal documentation and reporting of any possible violations of the communications restrictions.	Must	Lottery	6.3.1

<b>Communication During the RFP Process: RFP Publication</b>				
	<b>Requirement</b>	<b>Level</b>	<b>Practitioner</b>	<b>Reference</b>
27	The Lottery must adhere to the policy and procedures, related to publication of the RFP, as specified in the published RFP, which may include or align with those described in: Section 1.5 (Schedule), Section 1.8 (Official RFP Website), Section 1.10 (Bidder Expression of Interest), and Section 1.13 (Amendments to the RFP) of the SRT.	Must	Lottery	6.4.1
28	For the purpose of ensuring adequate communication about the availability of the RFP, the Lottery should alert Bidders to the publication of the RFP through: <ul style="list-style-type: none"> <li>▪ Industry-related publications</li> <li>▪ Online publication</li> <li>▪ Other mechanisms as determined by lottery policy and jurisdictional law</li> </ul>	Should	Lottery	6.4.1

<b>Communication During the RFP Process: General Communications Policies for the RFP Process</b>				
	<b>Requirement</b>	<b>Level</b>	<b>Practitioner</b>	<b>Reference</b>
29	The Lottery must adhere to the policy and procedures related to communication during the RFP, as specified in the published RFP, which may include or align with those described in Section 1.6 (Issuing Office), Section 1.7 (Procurement Officer and Point of Contact), and Section 1.9 (Bidder Contact with the Lottery) of the SRT.	Must	Lottery	6.5.1
30	Direct voice communications between Lottery and Bidder contact persons may occur. If so, it must only be with respect to administrative activities, such as advance notice of an impending email, travel plans for Site Visits, etc.	May	Lottery Bidder	6.5.1
31	The Lottery should document all such communication and the nature of it	Should	Lottery	6.5.1

<b>Communication During the RFP Process: RFP Clarification Questions (Bidder to Lottery)</b>				
	<b>Requirement</b>	<b>Level</b>	<b>Practitioner</b>	<b>Reference</b>
32	The Lottery must adhere to the policy and procedures, related to RFP clarification questions, as specified in the published RFP, which may include or align with those described in Section 1.11 (RFP Clarification Questions), Section 1.11.1 (Submission of RFP Clarification Questions), and Section 1.11.2 (Response to RFP Clarification Questions) of the SRT.	Must	Lottery	6.6.1

<b>Communication During the RFP Process: Pre-Proposal Conference</b>				
	<b>Requirement</b>	<b>Level</b>	<b>Practitioner</b>	<b>Reference</b>
33	The Lottery must adhere to the policy and procedures, related to the Pre-Proposal Conference, as specified in the published RFP, which may include or align with those described in Section 1.12 (Pre-Proposal Conference) of the SRT.	Must	Lottery	6.7.1

<b>Communication During the RFP Process: Modification/Withdrawal of Proposals</b>				
	<b>Requirement</b>	<b>Level</b>	<b>Practitioner</b>	<b>Reference</b>
34	The Lottery must adhere to the policy and procedures, related to modification and withdrawal of proposals, as specified in the published RFP, which may include or align with those described in Section 1.27 (Modification/Withdrawal of a Proposal) of the SRT.	Must	Lottery	6.8.1

<b>Communication During the RFP Process: Amendments to the RFP</b>				
	<b>Requirement</b>	<b>Level</b>	<b>Practitioner</b>	<b>Reference</b>
35	The Lottery must adhere to the policy and procedures, related to amendments of the RFP, as specified in the published RFP, which may include or align with those described in Section 1.13 (Amendments to the RFP) of the SRT.	Must	Lottery	6.9.1

<b>Communication During the RFP Process: Proposal Submission/Receipt</b>				
	<b>Requirement</b>	<b>Level</b>	<b>Practitioner</b>	<b>Reference</b>
36	The Lottery must adhere to the policy and procedures, related to Proposal Submission, as specified in the published RFP, which may include or align with those described in Section 1.14 (Responsive Proposal Submission Criteria) of the SRT.	Must	Lottery	6.10.1
37	The Lottery should not discuss, confirm, or deny the receipt of any Proposals with any third party prior to the deadline for Proposal Submission	Should not	Lottery	6.10.1
38	When determining the Proposal Submission location and procedure, the Lottery should also be cognizant of the need for confidentiality; it should not be possible for non-authorized individuals to determine who has or has not submitted a Proposal.	Should	Lottery	6.10.1
39	The Lottery should issue a receipt for all Proposals received, indicating the time and date received, as well as the type and quantity of material received.	Should	Lottery	6.10.1
40	The Lottery must handle and store all Proposals in such a way as to ensure the confidentiality and integrity of all Proposals throughout the Proposal Evaluation process; see Section 7.4.1.1.	Must	Lottery	6.10.1

<b>Communication During the RFP Process: Proposal Clarifications (Lottery to Individual Bidder)</b>				
	<b>Requirement</b>	<b>Level</b>	<b>Practitioner</b>	<b>Reference</b>
41	The Lottery must adhere to the policy and procedures, related to proposal clarification, as specified in the published RFP, which may include or align with those described in Section 1.26 (Proposal Clarification Process) of the SRT.	Must	Lottery	6.11.1

<b>Proposal Evaluation Process and Criteria Evaluation Planning</b>				
	<b>Requirement</b>	<b>Level</b>	<b>Practitioner</b>	<b>Reference</b>
42	The Lottery must develop an internal Evaluation Plan prior to receiving the Proposals and commencing the Proposal Evaluation.	Must	Lottery	7.4.1.1
43	The Evaluation Plan should align with the policies, procedures, and milestones specified in those sections of the published RFP that correspond to Chapter 6 (Proposal Evaluation), Section 1.5 (Schedule), Section 1.25 (Proposal Opening), and Section 1.29 (Disclosure Prohibition) of the SRT.	Should	Lottery	7.4.1.1
44	The Lottery must adhere to all policy and procedures related to the Proposal Evaluation process as specified in the published RFP.	Must	Lottery	7.4.1.1
45	<p>The internal Evaluation Plan should include the following:</p> <ul style="list-style-type: none"> <li>▪ A description of each phase of the Proposal Evaluation process and the roles and responsibilities of all those involved in each phase</li> <li>▪ A determination of whether Demonstrations will be part of the initial Technical Proposal Evaluation or factored into the scores after the initial Technical Proposal Evaluation</li> <li>▪ An allocation of each of the roles defined for the Proposal Evaluation process to one or more individuals</li> <li>▪ The procedures and timeline for each phase</li> <li>▪ The evaluation criteria, method, and scoring mechanisms (including detailed methodology) for each phase</li> <li>▪ A description of the value elements that may be considered by the Evaluation Committee during the Proposal Evaluation process</li> <li>▪ A description of the risk elements that may be considered by the Evaluation Committee during the Proposal Evaluation process</li> <li>▪ A description of the comparative analysis of the Proposals to determine those that best fit the combined criteria of the RFP (e.g., the Lowest and Best Proposals), consistent with the relative importance of the evaluation factors</li> <li>▪ A detailed record of all meetings, so that all team members have access to the same and complete information; to the extent possible, team meetings should occur only when all members are available so that everyone hears and sees the same information</li> <li>▪ The requirements for team independence and</li> </ul>	Should	Lottery	7.4.1.1

<b>Proposal Evaluation Process and Criteria</b>				
<b>Evaluation Planning</b>				
	<b>Requirement</b>	<b>Level</b>	<b>Practitioner</b>	<b>Reference</b>
	confidentiality <ul style="list-style-type: none"> <li>▪ The security procedures that must exist to protect against the accidental disclosure of confidential and proprietary information, Proposals, and evaluation materials</li> </ul>			
46	The requirements for team independence and confidentiality must include the following: <ul style="list-style-type: none"> <li>▪ The work of all teams must take place in a confidential environment, free from the influence of Bidders and other parties interested in the procurement.</li> <li>▪ Team members must maintain the strictest level of security necessary to ensure that all work and activities of the teams are conducted in a highly confidential manner.</li> <li>▪ Team members must not discuss any aspect of a team's work other than with other team members or identified consultants.</li> <li>▪ Team members must not communicate with any Bidder other than as specified in the RFP.</li> <li>▪ If a team member is contacted regarding the evaluation by a Bidder or other person(s) not involved in the Proposal Evaluation process, they must notify the Evaluation Committee leader who, in turn, should notify the Procurement Officer and/or other appropriate lottery authority.</li> <li>▪ Inappropriate communication by a Bidder or other person(s) may result in the disqualification of a Proposal according to lottery policy or jurisdictional law.</li> <li>▪ Team members must sign an agreement accepting the need for independence and confidentiality and to abide by the rules and procedures.</li> </ul>	Must	Lottery	7.4.1.1
47	The security procedures to protect against the accidental disclosure of confidential and proprietary information, Proposals, and evaluation materials should include the following: <ul style="list-style-type: none"> <li>▪ Confidential evaluation material and all Bidders' Proposals must be kept in a secure area designated for such purpose.</li> <li>▪ If the Evaluation Committee chooses to allow the removal of evaluation material from the secure area, the Evaluation Committee leader must authorize the removal of any Proposal-related material from the designated secure area.</li> <li>▪ If such approval is given to take the materials off-site (i.e., away from the Lottery), the materials must be immediately brought back to the designated secure area upon returning to the Lottery.</li> <li>▪ The Lottery may, if jurisdictional law allows, deliberately move the evaluation team and materials away from the regular workplace to enhance the focus on the evaluation.</li> </ul>	Should	Lottery	7.4.1.1

<b>Evaluation Phases and Procedures</b>				
	<b>Requirement</b>	<b>Level</b>	<b>Practitioner</b>	<b>Reference</b>
48	The Lottery should perform the evaluation phases defined in this section, unless specified as OPTIONAL.	Should	Lottery	7.4.2
49	If the Lottery chooses to perform a phase or step that is specified as OPTIONAL, they must adhere to the best practice requirements specified for that phase or step.	Must	Lottery	7.4.2

<b>Evaluation Phases and Procedures: Phase 1: Proposal Submission Requirements Review</b>				
	<b>Requirement</b>	<b>Level</b>	<b>Practitioner</b>	<b>Reference</b>
50	The Procurement Officer should use the criteria specified in the section of the published RFP which corresponds to that described in Section 1.14 (Responsive Proposal Submission Criteria) of the SRT as the basis for the initial determination that each Proposal is complete and may pass onto further evaluation	Should	Lottery	7.4.2.1
51	The Proposal must pass Phase 1 before moving onto Phase 2.	Must	Bidder	7.4.2.1
52	The Procurement Officer must examine each Proposal for compliance with the Proposal content and format requirements as specified in the section of the published RFP that corresponds to Section 1.14 (Responsive Proposal Submission Criteria) of the SRT.	Must	Lottery	7.4.2.1
53	The Price Proposals must remain unopened until completion of Phase 2.	Must	Lottery	7.4.2.1
54	If a Proposal does not meet the minimum requirements for Proposal Submission (Responsive Proposal Submission Criteria), the Procurement Officer must obtain whatever internal guidance is necessary under its process to make a determination as to whether the Proposal is materially deficient and therefore will be precluded from further evaluation, or whether a cure should be allowed.	Must	Lottery	7.4.2.1
55	If a Proposal is precluded from further evaluation, the Procurement Officer must obtain whatever internal guidance is necessary under its process to notify the Bidder accordingly.	Must	Lottery	7.4.2.1
56	The Procurement must formally document the results of Phase 1.	Must	Lottery	7.4.2.1

<b>Evaluation Phases and Procedures: Phase 2: Technical Proposal Evaluation</b>				
	<b>Requirement</b>	<b>Level</b>	<b>Practitioner</b>	<b>Reference</b>
57	The Technical Proposal Evaluation Team must evaluate and rate each Proposal that passes Phase 1 according to the criteria set forth in the RFP.	Must	Lottery	7.4.2.2
58	There should be three Proposal evaluation steps provided and assigned in the following order: <ul style="list-style-type: none"> <li>▪ Individual Technical Evaluation, which should be assigned individually and independently by each member of the</li> </ul>	Should	Lottery	7.4.2.2

<b>Evaluation Phases and Procedures: Phase 2: Technical Proposal Evaluation</b>				
	<b>Requirement</b>	<b>Level</b>	<b>Practitioner</b>	<b>Reference</b>
	Technical Proposal Evaluation Team <ul style="list-style-type: none"> <li>▪ Consolidated Technical Evaluation, which should be arrived at and assigned by using the individual technical ratings and rationale to create a final ranking by consensus, a composite ranking, or rating for each Proposal</li> <li>▪ Final Technical Evaluation, which should be arrived at by the Technical Proposal Evaluation Team using the method defined in the Evaluation Plan</li> </ul>			
59	The Technical Proposal Evaluation Team must document the evaluations.	Must	Lottery	7.4.2.2

<b>Evaluation Phases and Procedures: Phase 2/Step 1: Pre-Qualification and Evaluation of Bidder Capability</b>				
	<b>Requirement</b>	<b>Level</b>	<b>Practitioner</b>	<b>Reference</b>
60	The Technical Proposal Evaluation Team should refer to the Bidder's corporate information submitted as part of the Proposal, which is described in Chapter 4 (Bidder Corporate Information) of the SRT.	Should	Lottery	7.4.2.2.1
61	The Lottery should identify which Bidders qualify for Phase 2/Step 2 of the Proposal Evaluation process, based on the Bidders' responses to specific background and capability requirements identified in the RFP.	Should	Lottery	7.4.2.2.1
62	The Procurement Officer in conjunction with the Evaluation Committee should formally document the results of Phase 2/Step 1.	Should	Lottery	7.4.2.2.1
63	The Procurement Officer should notify the Bidders that do not qualify for Phase 2/Step 2.	Should	Lottery	7.4.2.2.1
64	The results of this step should be included as input into Phase 2/Step 2 and may be used as input when assigning the Final Technical Rating in Phase 2/Step6.	Should	Lottery	7.4.2.2.1

<b>Evaluation Phases and Procedures: Phase 2/Step 2: Independent Review &amp; Assignment of Individual Technical Rating by Technical Proposal Evaluation Team Members</b>				
	<b>Requirement</b>	<b>Level</b>	<b>Practitioner</b>	<b>Reference</b>
65	Each member of the Technical Proposal Evaluation Team must review each Proposal.	Must	Lottery	7.4.2.2.2
66	The Proposals may be reviewed either: <ul style="list-style-type: none"> <li>▪ Individually (one at a time)</li> <li>▪ In parallel, comparing each Proposal section by section</li> </ul>	May	Lottery	7.4.2.2.2

<b>Evaluation Phases and Procedures: Phase 2/Step 2: Independent Review &amp; Assignment of Individual Technical Rating by Technical Proposal Evaluation Team Members</b>				
	<b>Requirement</b>	<b>Level</b>	<b>Practitioner</b>	<b>Reference</b>
67	If the Proposals are reviewed individually: <ul style="list-style-type: none"> <li>▪ The review of each Proposal should be completed before the review of the next Proposal begins.</li> <li>▪ Review order of Proposals should be randomly determined.</li> </ul>	Should	Lottery	7.4.2.2.2
68	Evaluators should independently examine the individual Proposals in detail and assign a rating for each category and subcategory, in the form chosen as the methodology for evaluating the Proposal.	Should	Lottery	7.4.2.2.2
69	The ratings should be recorded by each Technical Proposal Evaluation Team member on the Technical Evaluation Scoring Worksheet on an individual and non-collusion basis.	Should	Lottery	7.4.2.2.2

<b>Evaluation Phases and Procedures: Phase 2/Step 3: Technical Proposal Evaluation Team Review &amp; Assignment of Consolidated Technical Rating</b>				
	<b>Requirement</b>	<b>Level</b>	<b>Practitioner</b>	<b>Reference</b>
70	The Technical Proposal Evaluation Team should: <ul style="list-style-type: none"> <li>▪ Meet to discuss their review of the Proposal</li> <li>▪ Meet only when all evaluators are available so that everyone hears and sees the same information</li> <li>▪ Produce a single, common Consolidated Technical Rating, according to the criteria specified in the RFP and according to the evaluation method specified in the Evaluation Plan</li> </ul>	Should	Lottery	7.4.2.2.3
71	Proposals must not be discussed with non-team members, unless authorized by the Evaluation Committee.	Must not	Lottery	7.4.2.2.3
72	The Evaluation Committee must approve requests to obtain advice from consultants or other staff.	Must	Lottery	7.4.2.2.3
73	Information discussed must pertain only to information requested in the RFP or provided in the Proposal.	Must	Lottery	7.4.2.2.3
74	The Proposal Evaluation process should be designed to ensure that the products and/or services proposed are initially evaluated on their own merits rather than on the basis of possible preconceived notions of cost/benefit.	Should	Lottery	7.4.2.2.3

<b>Evaluation Phases and Procedures: Phase 2/Step 4: Demonstrations – Demonstration Schedule and Policy</b>				
	<b>Requirement</b>	<b>Level</b>	<b>Practitioner</b>	<b>Reference</b>
75	The Demonstration Team should adhere to the schedule for Demonstrations as specified in the published RFP, which may include or align with Section 1.5 (Schedule) of the SRT.	Should	Lottery	7.4.2.2.4

<b>Evaluation Phases and Procedures: Phase 2/Step 4: Demonstrations – Demonstration Schedule and Policy</b>				
	<b>Requirement</b>	<b>Level</b>	<b>Practitioner</b>	<b>Reference</b>
76	The Demonstration Team should follow the process and policy for Demonstrations as specified in the published RFP, which may include or align with Section 1.38 (Demonstrability of Proposed System) and Section 6.4 (Demonstrations and Site Visits) of the SRT.	Should	Lottery	7.4.2.2.4

<b>Evaluation Phases and Procedures: Phase 2/Step 4: Demonstrations – Demonstration Plan and Agenda</b>				
	<b>Requirement</b>	<b>Level</b>	<b>Practitioner</b>	<b>Reference</b>
77	After preliminary evaluation of the Proposals, the Demonstration Team should provide a detailed Demonstration Plan and Agenda to the Bidders at least four (4) weeks before the Demonstration date, depending on the scope and schedule of the procurement.	Should	Lottery	7.4.2.2.4
78	The Demonstration Plan must include: <ul style="list-style-type: none"> <li>▪ Identification of the members of the Demonstration Team</li> <li>▪ The role of the Demonstration Team (see Section 7.3.6)</li> <li>▪ A description of the Demonstration process, which must include: <ul style="list-style-type: none"> <li>▪ The scope of the Demonstration</li> <li>▪ Development of the Demonstration Agenda</li> </ul> </li> </ul>	Must	Lottery	7.4.2.2.4
79	The Demonstration Plan may include: <ul style="list-style-type: none"> <li>▪ A definition of the role of Consultants, which should include a statement that Consultants support the Demonstration Teams by providing advisory services as requested by the chairperson or Demonstration Team leaders</li> <li>▪ The schedule for the Demonstration, which should be determined by considering both the Lottery's and the Bidders' availability</li> </ul>	May	Lottery	7.4.2.2.4
80	The Demonstration Agenda should include demonstration requirements and questions that the Bidders will be required to address as part of the Demonstration protocol.	Should	Lottery	7.4.2.2.4
81	The Demonstration Team should work with the designated Bidder representative to plan the dates, time, travel arrangements, and remote connectivity into the Lottery as appropriate for the Demonstration location.	Should	Lottery	7.4.2.2.4
82	The Lottery should ask Bidders to identify possible locations for the Demonstration(s).	Should	Lottery	7.4.2.2.4
83	The Lottery should select the location of the Demonstration(s).	Should	Lottery	7.4.2.2.4
84	The Lottery must be responsible for paying their own expenses, although if permitted by jurisdictional law, the Lottery may be reimbursed its travel expenses but only at the jurisdiction's regularly published rate for travel expenses.	Must	Lottery	7.4.2.2.4

<b>Evaluation Phases and Procedures: Phase 2/Step 4: Demonstrations – Demonstration Plan and Agenda</b>				
	<b>Requirement</b>	<b>Level</b>	<b>Practitioner</b>	<b>Reference</b>
85	The Lottery must not accept any form of gratuity or extraordinary services or hospitality.	Must not	Lottery	7.4.2.2.4

<b>Evaluation Phases and Procedures: Phase 2/Step 4: Demonstrations – Demonstration Procedure</b>				
	<b>Requirement</b>	<b>Level</b>	<b>Practitioner</b>	<b>Reference</b>
86	The Demonstration Team should work with the Bidders to determine what will be demonstrated.	Should	Lottery	7.4.2.2.4
87	The Demonstration Team should ask Bidders to identify those functions that are currently available <i>versus</i> laboratory prototype(s).	Should	Lottery	7.4.2.2.4
88	For any items that are not available for demonstration, Bidders must provide additional information – such as analytical models or bidder claims – that allow verification of these functions and when they will be available.	Must	Bidder	7.4.2.2.4
89	The Demonstration Team must prohibit any marketing-oriented items unrelated to the RFP requirements during the Demonstration.	Must	Lottery	7.4.2.2.4
90	If confidentiality concerns exist, Bidders may want to define limitations for video recording or documenting Demonstrations.	May	Bidder	7.4.2.2.4
91	The Demonstration Team members must: <ul style="list-style-type: none"> <li>▪ Attend the scheduled Demonstrations</li> <li>▪ Observe the Bidder Demonstrations to measure the demonstrated solution against the Bidder’s Proposal</li> <li>▪ Upon completion of the Bidder Demonstrations, meet to discuss their observations during the Demonstration</li> <li>▪ Interpret the significance of the results of the Demonstrations, which may have been performed on test equipment and software, in a simplified and/or artificial operating environment</li> </ul>	Must	Lottery	7.4.2.2.4
92	The Demonstration Team members must not: <ul style="list-style-type: none"> <li>▪ Discuss any questions or comments regarding the Demonstration openly, outside of the Demonstration Team</li> <li>▪ Provide value judgments during the Demonstrations</li> <li>▪ Refer to competitive proposals or solutions</li> </ul>	Must not	Lottery	7.4.2.2.4
93	The Demonstration Team members should: <ul style="list-style-type: none"> <li>▪ Arrive at a combined evaluation of the Demonstrations</li> <li>▪ Document their findings for inclusion in a Demonstration Findings Report</li> </ul>	Should	Lottery	7.4.2.2.4

<b>Evaluation Phases and Procedures: Phase 2/Step 4: Demonstrations – Demonstration Procedure</b>				
	<b>Requirement</b>	<b>Level</b>	<b>Practitioner</b>	<b>Reference</b>
94	The Demonstration Team members should not: <ul style="list-style-type: none"> <li>▪ Exercise the Bidder’s Demonstration system without Bidder participation</li> <li>▪ Openly address the validity or completeness of a Demonstration</li> </ul>	Should not	Lottery	7.4.2.2.4
95	The Demonstration Team members may request that a Demonstration be repeated if it is unclear.	May	Lottery	7.4.2.2.4
96	If Demonstrations were not included as part of the initial Technical Proposal Evaluation, then modifications to the Consolidated Technical Rating based on the results of the Demonstration may be made during the formulation of the Final Technical Rating in Phase2/Step6.	May	Lottery	7.4.2.2.4

<b>Evaluation Phases and Procedures: Phase 2/Step 5: Site Visit Schedule and Policy</b>				
	<b>Requirement</b>	<b>Level</b>	<b>Practitioner</b>	<b>Reference</b>
97	The Demonstration Team should adhere to the schedule for Site Visits as specified in the published RFP, which may include or align with Section 1.5 (Schedule) of the SRT.	Should	Lottery	7.4.2.2.5
98	The Demonstration Team should follow the process and policy for Demonstrations as specified in the published RFP, which may include or align with Section 6.4 (Demonstrations and Site Visits) of the SRT.	Should	Lottery	7.4.2.2.5
99	If Site Visits are required, the Lottery should indicate in the RFP which party is responsible for the costs of the Site Visit(s).	Should	Lottery	7.4.2.2.5

<b>Evaluation Phases and Procedures: Phase 2/Step 5: Site Visit Plan and Agenda</b>				
	<b>Requirement</b>	<b>Level</b>	<b>Practitioner</b>	<b>Reference</b>
100	The Demonstration Team must define a Site Visit Plan, which must cover: <ul style="list-style-type: none"> <li>• The benchmark guidelines</li> <li>• What is expected from the Bidder during the Site Visit</li> <li>• How the Site Visits will be set up and scheduled</li> <li>• How the Site Visit evaluations will be performed</li> </ul>	Must	Lottery	7.4.2.2.5
101	The Demonstration Team must develop checklists that address all of the above items that are relevant to the RFP.	Must	Lottery	7.4.2.2.5
102	The Demonstration Team may state in its Site Visit Plan its expectation that each Bidder’s proposed product and/or services (e.g., terminal) may be demonstrated in an actual operational mode at some time during the Proposal Evaluation.	May	Lottery	7.4.2.2.5

<b>Evaluation Phases and Procedures: Phase 2/Step 5: Site Visit Plan and Agenda</b>				
	<b>Requirement</b>	<b>Level</b>	<b>Practitioner</b>	<b>Reference</b>
103	If Bidders have defined limitations for video recording or documenting Site Visits, the Lottery must adhere to those limitations.	Must	Lottery	7.4.2.2.5

<b>Evaluation Phases and Procedures: Phase 2/Step 5: Site Visit Procedure</b>				
	<b>Requirement</b>	<b>Level</b>	<b>Practitioner</b>	<b>Reference</b>
104	The items observed during a Site Visit may include, but are not limited to, the following, depending on the scope of the procurement: <ul style="list-style-type: none"> <li>▪ Key manufacturing facilities</li> <li>▪ Data center and help desk operations</li> <li>▪ Facility security</li> <li>▪ System management processes</li> <li>▪ Network management processes</li> <li>▪ Customer relationship management processes</li> <li>▪ Test laboratories and proposed equipment</li> <li>▪ System engineering development facilities</li> <li>▪ Staff resources of various categories</li> </ul>	May	Lottery	7.4.2.2.5
105	The Demonstration Team should document the results of Site Visits in a Site Visit Report.	Should	Lottery	7.4.2.2.5

<b>Evaluation Phases and Procedures: Phase 2/Step 6: Technical Proposal Evaluation Team Review &amp; Assignment of Final Technical Rating (Confirmation/Modification of Consolidated Technical Rating)</b>				
	<b>Requirement</b>	<b>Level</b>	<b>Practitioner</b>	<b>Reference</b>
106	The Consolidated Technical Ratings assigned by the Technical Proposal Evaluation Team in Phase 2/Step 3 (see Section 7.4.2.2.3) may be individually and independently reviewed and may be adjusted based on the results of the Demonstrations, Site Visits, and/or Bidder Capability evaluation.	May	Lottery	7.4.2.2.6
107	The basis for the adjustment must be documented.	May	Lottery	7.4.2.2.6
108	The Final Technical Ratings must be collected and combined, creating a Final Technical Rating Sheet.	Must	Lottery	7.4.2.2.6
109	Once a final consensus rating (Final Technical Rating) has been established, the Technical Proposal Evaluation should be closed and the rating considered final.	Should	Lottery	7.4.2.2.6
110	The Technical Proposal Evaluation Team should summarize the information that is relevant or required for the Final Technical Rating of the Proposals.	Should	Lottery	7.4.2.2.6

<b>Evaluation Phases and Procedures: Phase 2/Step 6: Technical Proposal Evaluation Team Review &amp; Assignment of Final Technical Rating (Confirmation/Modification of Consolidated Technical Rating)</b>				
	<b>Requirement</b>	<b>Level</b>	<b>Practitioner</b>	<b>Reference</b>
111	The Technical Proposal Evaluation Team should pass the summary onto the Evaluation Committee so that it has the information it needs in order to make a determination of the Overall Best Proposal in Phase 4 of the Proposal Evaluation process.	Should	Lottery	7.4.2.2.6

<b>Evaluation Phases and Procedures: Phase 3: Price Proposal Evaluation</b>				
	<b>Requirement</b>	<b>Level</b>	<b>Practitioner</b>	<b>Reference</b>
112	The Lottery must require that Bidders submit their Price Proposals under separate cover so that the Procurement Officer can easily register the submissions and deposit them in a designated secure area.	Must	Lottery Bidder	7.4.2.3
113	The entire contents of the Price Proposals should be kept under seal and unopened until such time as Phases 1 and 2 of the Proposal Evaluation process are complete, and scoring is recorded.	Should	Lottery	7.4.2.3
114	Each Price Proposal must be evaluated and rated by the Price Proposal Evaluation Team according to the criteria set forth in the RFP.	Must	Lottery	7.4.2.3
115	The Price Proposal Evaluation Team must adhere to the guidelines for pricing as specified in the published RFP, which for reference may correspond to Chapter 5 (Pricing) of the SRT.	Must	Lottery	7.4.2.3
116	If clarification from the Bidder is required, the procedures set out in the published RFP, which may correspond to Section 1.26 (Proposal Clarification Process) of the SRT, must be followed.	Must	Lottery	7.4.2.3
117	The Price Proposal Evaluation Team must carry out the rating process according to the procedures and rating scheme documented in the internal Evaluation Plan.	Must	Lottery	7.4.2.3

<b>Evaluation Phases and Procedures: Phase 4: Determine the Best Overall Proposal</b>				
	<b>Requirement</b>	<b>Level</b>	<b>Practitioner</b>	<b>Reference</b>
118	The Evaluation Committee should facilitate the final evaluation and determination of the Best Overall Proposal.	Should	Lottery	7.4.2.4
119	When the Evaluation Committee analyzes each Proposal they must do so according to the Evaluation Plan and the requirements specified in the RFP, including the general evaluation/scoring scheme outlined in the RFP.	Must	Lottery	7.4.2.4
120	The Evaluation Committee must consider: <ul style="list-style-type: none"> <li>▪ The Technical Proposal Evaluation, including the summary report and findings of Demonstrations, if any</li> <li>▪ The Price Proposal Evaluation</li> </ul>	Must	Lottery	7.4.2.4

<b>Evaluation Phases and Procedures: Phase 4: Determine the Best Overall Proposal</b>				
	<b>Requirement</b>	<b>Level</b>	<b>Practitioner</b>	<b>Reference</b>
121	The Evaluation Committee should conduct the comparative analysis based on: <ul style="list-style-type: none"> <li>▪ Technical rating</li> <li>▪ Price</li> </ul>	Should	Lottery	7.4.2.4
122	The Evaluation Committee must document the results of the comparative analysis in a Comparative Analysis Report.	Must	Lottery	7.4.2.4
123	The Comparative Analysis Report should be concise, direct, and factual for the purposes of clear communication between the parties.	Should	Lottery	7.4.2.4
124	The Evaluation Committee must make its Contract Award Recommendation based on the findings in the Comparative Analysis Report.	Must	Lottery	7.4.2.4
125	The Lottery may conduct a Best and Final Offer (BAFO) process with all Bidders who are on the shortlist.	May	Lottery	7.4.2.4

<b>Evaluation Phases and Procedures: Phase 5: Final Decision on Contract Award Recommendation</b>				
	<b>Requirement</b>	<b>Level</b>	<b>Practitioner</b>	<b>Reference</b>
126	The Lottery Executive, or other Final Decision-maker, as dictated by jurisdictional law or procurement practice, should review the evaluation report and make the final determination as to contract award, subject to approval by the Lottery Oversight Organization.	Should	Lottery	7.4.2.5
127	The Final Decision-maker may consult with other jurisdictional agencies for agreement or approval on the course of action to be taken.	May	Lottery	7.4.2.5
128	In making the final determination, the Final Decision-maker may, on any items or topics contained in the report, through the Evaluation Committee <ul style="list-style-type: none"> <li>▪ Request clarification</li> <li>▪ Request additional information</li> <li>▪ Request additional analyses</li> </ul>	May	Lottery	7.4.2.5
129	If the Final Decision-maker accepts the recommendation of the Evaluation Committee, a formal recommendation must be prepared and submitted for consideration and approval by the Lottery Oversight Organization.	Must	Lottery	7.4.2.5

<b>Notification of Successful Bidder: Notification of Proposal Evaluation Outcome</b>				
	<b>Requirement</b>	<b>Level</b>	<b>Practitioner</b>	<b>Reference</b>
130	The Lottery must inform all the Bidders of the outcome of the Proposal Evaluation.	Must	Lottery	8.3.1.1
131	The Lottery must publicly announce the Successful Bidder.	Must	Lottery	8.3.1.1

<b>Notification of Successful Bidder: Notification of Proposal Evaluation Outcome</b>				
	<b>Requirement</b>	<b>Level</b>	<b>Practitioner</b>	<b>Reference</b>
132	The Lottery must send a formal letter directly to the Bidders informing them whether they have been selected for contract award or not.	Must	Lottery	8.3.1.1
133	The Lottery must have and adhere to a policy regarding how much communication is permissible between the Lottery and the Unsuccessful Bidders.	Must	Lottery	8.3.1.1
134	The Lottery and Bidders must comply with dispute resolution or protest steps outlined in the RFP.	Must	Lottery Bidder	8.3.1.1
135	The Lottery must not publicly draw attention to deficiencies in a Bidder's Proposal, nor publicly state particular comparative strengths of the winning Proposal.	Must not	Lottery	8.3.1.1
136	The Lottery must comply with the public record laws of the jurisdiction, since jurisdictional public record laws take precedence over the requirements in this section.	Must	Lottery	8.3.1.1
137	The Lottery must make available the Proposals and any evaluation materials for inspection according to lottery policy and jurisdictional law after the Notice of Intent to award a Contract is announced by the Lottery Executive.	Must	Lottery	8.3.1.1

<b>Notification of Successful Bidder: Contract Award</b>				
	<b>Requirement</b>	<b>Level</b>	<b>Practitioner</b>	<b>Reference</b>
138	In accordance with lottery policy and jurisdictional law, the Lottery should make the RFP and the Successful Bidder's Proposal part of the Contract itself.	Should	Lottery	8.3.2.1
139	It must be clear in the Contract which of any Specified, Invited, or Offered Options are contractually selected.	Must	Lottery	8.3.2.1

<b>Establishing Global RFP Requirements</b>				
	<b>Requirement</b>	<b>Level</b>	<b>Practitioner</b>	<b>Reference</b>
140	Common RFP requirements must be established through the Global RFP Standards Task Group, by following the procedures for proposing, reviewing, and approving open standards and best practices for inclusion as common requirements in the RFP Best Practice.	Must	Lottery	9.3.1.1
141	Representatives from the constituents (lotteries and vendors) engaged in the RFP process should be participating in the Global RFP Standards Task Group so that they remain aware of and can contribute to the proposal, review, and adoption of RFP common criteria.	Should	Lottery Bidder	9.3.1.1

<b>Establishing Global RFP Requirements</b>				
	<b>Requirement</b>	<b>Level</b>	<b>Practitioner</b>	<b>Reference</b>
142	When proposing, reviewing, and approving Technical Standards and Best Practices for common RFP requirements, participants should attempt to account for variable legacy, budget, migration, and legislative constraints by providing various levels of prescription, such as must, should, may, etc. where appropriate.	Should	Lottery Bidder	9.3.1.1
143	The Technical Standards or Best Practices that are approved by NASPL and WLA for inclusion as common RFP requirements must exist as formal standards and Best Practices of the NSI, WLA, or other formal standards group.	Must	Lottery	9.3.1.1
144	The Technical Standards or Best Practices that are approved by NASPL and WLA for inclusion as common RFP requirements must meet the NASPL Specification Adoption Criteria, before being approved for inclusion as a common RFP requirement.	Must	Lottery	9.3.1.1