



**First Amended Request for Proposals**

**For**

**Scratch Ticket Testing**

**For the**

**Minnesota Lottery**

**Date: November 20, 2018**

**Amended: January 8, 2019**

**Minnesota's Commitment to Diversity and Inclusion**

The State of Minnesota is committed to diversity and inclusion in its public procurement process. The goal is to ensure that those providing goods and services to the State are representative of our Minnesota communities and include businesses owned by minorities, women, veterans, and those with substantial physical disabilities. Creating broader opportunities for historically under-represented groups provides for additional options and greater competition in the marketplace, creates stronger relationships and engagement within our communities, and fosters economic development and equality.

To further this commitment, the Department of Administration operates a program for Minnesota-based small businesses owned by minorities, women, veterans, and those with substantial physical disabilities. For additional information on this program, or to determine eligibility, please call 651-296-2600 or go to [www.mmd.admin.state.mn.us/mn02001.htm](http://www.mmd.admin.state.mn.us/mn02001.htm).

## Table of Contents

|   |    |
|---|----|
| <b>Table of Contents</b> .....                                  | 2  |
| <b>1. Introductory Letter to Prospective Partners</b> .....     | 3  |
| <b>2. Lottery Background Information</b> .....                  | 4  |
| <b>3. Information Regarding This Request for Proposal</b> ..... | 6  |
| 3.1. Proposal Instructions and Contents.....                    | 6  |
| 3.2. Schedule .....   | 7  |
| 3.3. Written Statement of Qualifications .....                  | 7  |
| 3.4. Evaluation .....   | 8  |
| 3.5. Proposed Contract.....                                     | 9  |
| 3.6. Term.....  | 9  |
| 3.7. General Requirements.....                                  | 10 |
| <b>4. Written Statement of Qualifications</b> .....             | 17 |
| 4.1. Company Philosophy, Strengths, and Capabilities .....      | 17 |
| 4.2. Relevant Experience and References.....                    | 17 |
| 4.3. Scratch Ticket Testing Technical Capabilities .....        | 17 |
| 4.4. Reports .....  | 18 |
| 4.5. Staffing Proposal and Key Biographies .....                | 18 |
| 4.6 Corporate Information .....                                 | 19 |
| <b>5. Pricing</b> .....   | 20 |

### **Appendix A – Required Forms**

Certification Regarding Lobbying  
Affirmative Action Certification  
Equal Pay Certificate  
Affidavit of Noncollusion  
Veteran-Owned Preference Form  
Resident Vendor Form

### **Appendix B – Proposed Contract**

## **1. Introductory Letter to Prospective Partners**

Dear Prospective Partners,

The entire Minnesota Lottery team is pleased to announce the following Request for Proposal. The Minnesota Lottery prides itself on offering fun, innovative, and secure games and drawings. We are excited to see what the industry has to offer and the potential of developing a new partnership.

This RFP is designed to allow you, the experts, to showcase your capabilities.

We encourage you to review this RFP and determine if our needs are a fit for your company. In accordance with the RFP, please direct any questions to E. Autumn, paralegal, at [e.autumn@mnlottery.com](mailto:e.autumn@mnlottery.com).

We look forward to your response.

Robert A. Doty  
Executive Director  
Minnesota Lottery

## 2. Lottery Background Information

The Minnesota State Lottery, in operation since 1990, has a mission of offering “fun, innovative and secure games that provide responsible and ethical entertainment.” Twenty-four percent of Lottery sales are contributed to the State of Minnesota each year, representing a major source of funding for the State and for important environmental causes as detailed on the “Where Does the Lottery Money Go” graphic on [mnlottery.com](http://mnlottery.com).

To continue this funding for state programs, the Lottery needs to ensure player confidence is upheld by continuing to offer scratch tickets that are secure and immune to tampering, compromises, and fraud.

### Key Lottery Challenges

The Minnesota Lottery seeks to ensure that every scratch ticket is truly resistant to fraud to achieve and maintain player confidence and the integrity of the Minnesota Lottery. Consequently, the Lottery seeks to retain an independent laboratory to test its scratch lottery tickets prior to their sale, and to perform other security tasks as may be assigned.

### General Scratch Ticket Testing Information

In general, the Minnesota Lottery would like to purchase scratch ticket testing for its \$2 and above scratch tickets. The Lottery releases approximately 40 such scratch tickets a year. **The Contractor will provide the Lottery with a detailed test analysis for each scratch game and submit the report to the Lottery within two (2) weeks after receipt of sample scratch game tickets.**

### Key Qualifications

The ideal company must demonstrate expertise in testing scratch tickets and have at least one (1) current contract with another United States lottery and at least one (1) U.S. lottery willing to serve as a reference. For security and integrity purposes, the Lottery requires the provider of scratch ticket testing services to have no existing contracts with the Minnesota Lottery. Additional key qualifications are outlined below.

## General Lottery Information

### General Information

The State of Minnesota has a population of approximately 5.5 million. Approximately 60 percent of the state’s population lives in the Minneapolis–St. Paul metropolitan area. Other metropolitan areas include Duluth (approx. 100,000), Rochester (approx. 100,000), and St. Cloud (approx. 60,000). According to the Census Bureau, 70 percent of the state’s population is considered urban. The 2000 Census reported that 15 percent of the state’s population is non-white. General information regarding the Lottery can be found on [mnlottery.com](http://mnlottery.com).

## **Lottery Games**

The Minnesota Lottery sells two main types of Lottery games: scratch games and lotto games. Additionally, the Lottery conducts Second Chance, promotional drawings, and the Minnesota Millionaire Raffle.

The Lottery currently launches four new scratch games the first Tuesday of each month. The games vary in price from one dollar to fifty dollars. Typically, 38 scratch games are available for sale at any one time; each Lottery merchant must sell at least 27 scratch games on any given day. The Lottery currently contracts with approximately 3,100 retailers throughout the State to sell its scratch and lotto tickets. Lottery scratch tickets are also available via vending machines in high-traffic locations. Lottery games provide both a competitive advantage and a revenue enhancement for retailers.

The Minnesota Lottery offers three lotto games: Gopher 5, Daily 3, and Northstar Cash. Additionally, the Lottery also offers the Minnesota Millionaire Raffle game for a limited time each year. Finally, the Lottery conducts Second Chance and promotional contests.

Additionally, Powerball®, Mega Millions®, Lucky For Life™, and Lotto America® are conducted in conjunction with and by the Multi-State Lottery Association (MUSL) and Progressive Print-N-Play™ uses the Lottery's central gaming system vendor.

### 3. Information Regarding This Request for Proposal

*The Lottery is committed to a fair and open process to provide the best value for the Lottery and its good causes. Value is a combination of the best services at the best possible price as described below. This section provides the rules for this process. Please review this section closely.*

#### 3.1. Proposal Instructions and Contents

All proposals must be sent to and received by:

Pam Mogensen  
Contracts and Purchasing Manager  
Minnesota State Lottery  
2645 Long Lake Road  
Roseville, MN 55113

**Not later than 2:00 p.m. (Central Standard Time) on December 21, 2018.**

Late proposals will not be accepted. Scratch ticket testing companies must submit one (1) original and four (4) copies of their written statement of qualifications. Companies must submit one (1) original and one (1) copy of their price proposal. Proposals are to be sealed in mailing envelopes or packages with the name and address clearly written on the outside. An authorized member of the company must sign the original written and price proposals in ink. **Price proposals must be separately sealed and signed. No price information shall appear in any portion of the written response to the RFP.**

##### 3.1.1. Sole Point of Contact and Written Questions

The Lottery is the sole point of contact regarding all procurement and contractual matters relating to the services described herein. Once issued, the Lottery is the only office authorized to clarify, modify, amend, alter or withdraw specifications, terms, and conditions of this RFP and any contract awarded as a result of this RFP. All communications concerning this RFP must be addressed to:

E. Autumn  
Paralegal  
Minnesota State Lottery  
2645 Long Lake Road  
Roseville, MN 55113  
E-mail: e.autumn@mnlottery.com

In the event the point of contact is not available, communications may also be addressed to:

Pam Mogensen  
Contracts and Purchasing Manager  
Minnesota State Lottery  
2645 Long Lake Road  
Roseville, MN 55113  
E-mail: [pam.mogensen@mnlottery.com](mailto:pam.mogensen@mnlottery.com)

Companies are encouraged to submit written questions. **Written questions must be received by the Lottery no later than 2:00 p.m. (Central Standard Time) on November 30, 2018.** Telephone inquiries will not be answered, although questions may be mailed or emailed.

On or before December 5, 2018, the Lottery will issue official answers to questions submitted. The answers to all questions will be posted on [www.mnlottery.com/vendor-opportunities](http://www.mnlottery.com/vendor-opportunities). Answers that materially impact the requirements of the RFP will be considered as amendments to the RFP and companies will be so notified. No other modification of the requirements of the RFP, except by the issuance of amendments, will be recognized.

### 3.2. Schedule

This RFP process will proceed as follows:

Companies will submit written statements outlining their qualifications in the areas outlined below. Companies will also submit a proposed price for scratch ticket testing. These written qualifications will be preliminarily scored by the review committee. The Lottery will then name one or more Finalists. Each Finalist will be interviewed via telephone by the committee. The Lottery General Counsel (who is not a member of the evaluation committee) will open and score the price proposals. The review committee will score the Finalists' proposals after considering the information gathered in the interviews and designate an apparent successful bidder.

The time and critical dates for awarding a contract under this RFP are as follows:

| <b>Event</b>  | <b>Date</b>                            |
|---|--|
| RFP Issued .....  | November 20, 2018                      |
| Deadline for Lottery's Receipt of Written Questions ..... | November 30, 2018, at 2:00 p.m.        |
| Lottery's Answers to Questions Posted .....               | On or before December 5, 2018          |
| Written Proposals Due .....                               | December 21, 2018, at 2:00 p.m.        |
| <u>Finalists Designated .....</u>                         | <u>January 7, 2018</u>                 |
| <u>Finalist Interviews.....</u>                           | <u>On or about January 11, 2018</u>    |
| Apparent Winning Proposal Designated.....                 | On or about January <u>4 18</u> , 2019 |

These dates are for informational and planning purposes and may change during the course of the procurement process at the discretion of the Director of the Lottery. Potential bidders will be informed of any material change.

### 3.3. Written Statements of Qualifications

Written statements of qualifications should include all of the information requested in Section 4. **Written statements of qualifications must be no more than 30 single-sided or 15 double-sided pages with reasonable formatting.** The required forms found in Appendix B (and described in Section 3.7.1), any exceptions to the proposed contract, financial statements, an example report, and other required documents should be attached to the written proposal and do not count toward the page limit.

Price proposals should include all of the information requested in Section 5. Price proposals should be in the format found in Section 5.

### 3.4. Evaluation

All responses received by the deadline will be evaluated by a review committee comprised of representatives of the Lottery. Responses will first be reviewed for responsiveness to determine if the pass/fail requirements have been met. Proposals that fail to meet minimum requirements will not advance to the next phase of the evaluation.

A 100-point scale will be used to determine the apparent successful bidder:

| <b>Qualifications Criteria</b>                         | <b>Maximum Points</b> |
|--|-----------------------|
| Company Philosophy, Strengths, and Capabilities .....  | 10                    |
| Relevant Company Experience.....                       | 15                    |
| Technical Capabilities of Scratch Ticket Testing ..... | 35                    |
| References.....  | 10                    |
| Staffing and Biographies.....                          | 10                    |
| Price .....  | 20                    |

The finalist with highest score will be recommended by the evaluation committee as the apparent successful bidder.

#### 3.4.1. Pass/Fail Criteria

The following will be considered on a pass/fail basis for the first round of written statements of qualifications:

1. Written statements must be received on or before the due date and time specified in this solicitation.
2. Company staff must have at least three (3) years of Scratch Ticket Testing experience, at least one (1) current contract with another United States lottery and at least one (1) U.S. lottery willing to serve as a reference.
3. The written statement must not exceed thirty (30) pages with reasonable formatting.



4. The company must not have an existing contract with the Lottery.

If all pass/fail requirements are met, written proposals will be evaluated by the review committee on a 100-point scale as outlined above.

### **3.4.2. Pricing**

Cost proposals of bidding companies will be scored independently. The review committee will not consider cost proposal scores. The lowest-priced bidder will be awarded maximum points, and more expensive proposals will be scaled to the lowest-price finalist. Certified Targeted Group Businesses should indicate their status as part of the Price Proposal.

### **3.4.3. Negotiation and Recommendation**

After review and approval of the recommendation of the evaluation committee by the Lottery Director, the Lottery will begin to negotiate a contract with the company that has been recommended by the evaluation committee. Contract negotiations will not address changes to material terms and conditions, services, products, options or pricing for performance of the contract unless for the clear benefit of the Lottery. The company will be held to the terms submitted in their Proposal, but may be required to reduce costs depending upon aspects of the proposed program that may be determined by the Lottery to be unnecessary or not cost effective.

First consideration will be given to the finalist with the highest points. In the event that contract negotiations are unsuccessful, the company with the next highest number of points will be selected for consideration.

The final award decision will be made by the Lottery Director. The Lottery Director may accept or reject the recommendation of the evaluation committee.

## **3.5 Proposed Contract**

Please be aware of the Lottery's proposed contract for Scratch Ticket Testing, attached for your reference as Appendix B.

The key deliverable under this contract will be scratch ticket testing reports within two (2) weeks after receipt of sample scratch game tickets, priced on a per game tested basis. Additionally, the Lottery may request supplemental security services on an hourly basis.

Much of the language reflected in the contract is required by Minnesota statute. If you take exception to any of the terms, conditions, or language in the contract, you must indicate those exceptions in your response to the RFP; certain exceptions may result in your proposal being disqualified from further review and evaluation. Only those exceptions indicated in your response to the RFP will be available for discussion or negotiation.

### **3.6. Term**

The term of this contract is anticipated to run from approximately February 1, 2019 to January 31, 2022, with the option of the Lottery to extend the Contract at its sole option up for three (3) one-year periods. The price terms for any extensions will be at the rate of compensation during the term of the contract or a rate of compensation to be renegotiated by the Parties.

### **3.7. General Requirements**

The following general requirements and rules apply to this RFP:

#### **Proposal Contents**

By submission of a proposal, the company warrants that the information provided is true, correct, and reliable for purposes of evaluation for potential contract award. The submission of inaccurate or misleading information may be grounds for disqualification from the award as well as subject the company to suspension or debarment proceedings as well as other remedies available by law.

#### **Background Investigations during the Contract Term**

The company must allow authorized personnel designated by the Lottery to interview any employee or employee of a subcontractor or authorized agent related to the contract in conjunction with any audit, review, or investigation deemed necessary by the Lottery. The Lottery or authorized personnel may conduct a background investigation of the successful company, all of its principals, and each individual assigned to the project pursuant to Minn. Stat. § 349A.07, subd. 2. The Lottery has the right to also conduct a background investigation of any subcontractor that will conduct an information system audit or a security assessment audit under the contract. The Lottery may cancel or void the contract if the company fails any background investigations. Additionally, the company must make itself available for announced or unannounced site visits during the Contract Term.

#### **Rejection/Selection of Proposals**

The acceptance of a proposal submission will not diminish the Lottery's right to negotiate specific contract terms, including price, with the apparent successful company. This request for proposal does not obligate the state to award a contract or complete the project, and the state reserves the right to cancel the solicitation if it is considered to be in its best interest. The Lottery reserves the right to:

- Reject any or all proposals received in response to the RFP if the Lottery determines that it is in the best interests of the Lottery to do so.
- Reject any proposal which is conditional or incomplete.
- Advertise for new proposals.
- Abandon the solicitation of such requested products and/or services.
- Award in whole or in part a contract deemed to be in the best interests of the Lottery.

The Lottery will notify in writing and/or via email, those companies who submit a proposal in response to the RFP, but who are not awarded a contract (the unsuccessful companies).

### **Disposition of Responses**

All materials submitted in response to this RFP will become property of the State of Minnesota and will become public record in accordance with Minn. Stat. § 13.591, after the evaluation process is completed. Pursuant to the statute, completion of the evaluation process occurs when the government entity has completed negotiating the contract with the selected company. If the company submits information in response to this RFP that it believes to be trade secret materials, as defined by the Minnesota Government Data Practices Act, Minn. Stat. § 13.37, the company must:

- clearly mark all trade secret materials in its response at the time the response is submitted,
- include a statement with its response justifying the trade secret designation for each item, and
- defend any action seeking release of the materials it believes to be trade secret, and indemnify and hold harmless the State of Minnesota, its agents and employees, from any judgments or damages awarded against the State in favor of the party requesting the materials, and any and all costs connected with that defense. This indemnification survives the State's award of a contract. In submitting a response to this RFP, the company agrees that this indemnification survives as long as the trade secret materials are in possession of the State.

The State will not consider the prices submitted by any company to be proprietary or trade secret materials.

### **Contingency Fees Prohibited**

Pursuant to Minn. Stat. § 10A.06, no person may act as or employ a lobbyist for compensation that is dependent upon the result or outcome of any legislation or administrative action.

### **Best and Final Offers**

The Lottery reserves the right to request best and final offers by the companies. The Lottery reserves the right to select the number of companies for the best and final offer. The evaluation scores may be revised as a result of the best and final offer.

### **Organizational Conflicts of Interest**

The company warrants that, to the best of its knowledge and belief, and except as otherwise disclosed, there are no relevant facts or circumstances which could give rise to organizational conflicts of interest. An organizational conflict of interest exists when, because of existing or planned activities or because of relationships with other persons, a company is unable or potentially unable to render impartial assistance or advice to the State, or the company's objectivity in performing the contract work is or might be otherwise impaired, or the company has an unfair competitive advantage. The company agrees that, if after award, an organizational conflict of interest is discovered, an immediate and full disclosure in writing will be made to the Assistant Director of the Department of Administration's Materials Management Division ("MMD") which will include a description of the action which the company has taken or proposes to take to avoid or mitigate such conflicts. If an organizational conflict of interest is determined to exist, the State may, at its discretion, cancel the contract. In the event the company

was aware of an organizational conflict of interest prior to the award of the contract and did not disclose the conflict to MMD, the State may terminate the contract for default. The provisions of this clause must be included in all subcontracts for work to be performed similar to the service provided by the prime company, and the terms “contract,” “company,” and “contracting officer” modified appropriately to preserve the State’s rights.

### **Preference to Targeted Groups and Economically Disadvantaged Businesses and Individuals**

In accordance with Minn. R.1230.1810, subpart B and Minn. R. 1230.1830, certified Targeted Group Businesses and individuals and certified Economically Disadvantaged Businesses and individuals submitting proposals as prime contractors will receive a six percent preference in the evaluation of their proposal. Eligible TG businesses must be currently certified by the Materials Management Division prior to the solicitation opening date and time. For information regarding certification, call the Materials Management Helpline at 651.296.2600, or email [mmdhelp.line@state.mn.us](mailto:mmdhelp.line@state.mn.us). For TTY/TDD communications, contact the Helpline through the Minnesota Relay Services at 1.800.627.3529. Certified Targeted Group Businesses should indicate their status as part of the Price Proposal.

### **Vendor Contact with the Lottery**

Upon RFP publication, the restrictions on company communications described in this section are instituted to protect the integrity of the procurement process. A company and its agents may not make unsolicited contact with any Lottery personnel or public official of the State regarding the RFP. A company should not represent themselves to Lottery staff or Lottery Retailers as having the endorsement of the Lottery. The Lottery will disqualify a company for intentionally causing a material violation or circumvention of the requirements of this section.

### **Incurred Costs Associated with the Proposal Submission**

Neither the Lottery nor the State will be liable for any of the company’s costs associated with submission of a proposal in response to this RFP.

### **Change of Ownership/Financial Condition**

If a company (including the parent or holding company of the company) experiences a material change in its ownership or financial condition after its Proposal has been submitted and prior to the execution of a contract with the successful company, the company (or its parent or holding company) must notify the Lottery’s Contracts & Purchasing Manager (Pam Mogensen, [Pam.Mogensen@mnlottery.com](mailto:Pam.Mogensen@mnlottery.com)) in writing at the time the change occurs or is identified by the company.

### **News Releases and Advertising**

News releases pertaining to this RFP or the services, study, data, or project to which it relates cannot be made subject to Minn. Stat. § 13. By submitting a proposal, the company agrees not to use the Lottery name, logos, images, or any other data or information related to this procurement process, or the contract resulting thereof, as a part of any press releases or commercial advertising without prior written approval by the Lottery. The results of the RFP process must not be released by any company and will only be made by the Lottery following successful completion of contract negotiations with the successful company.

## **Debriefing**

An unsuccessful company will be given the opportunity for a debriefing with the Lottery. The Contracts & Purchasing Manager will schedule any debriefing after the contract has been executed with the successful company. The debriefing may be held as a personal meeting or as a phone conference according to the preference of the respective unsuccessful company.

## **Insurance Requirements**

Company will not commence work under the contract until they have obtained all the insurance described below and the State of Minnesota has approved such insurance. Company will maintain such insurance in force and effect throughout the term of the contract. Company is required to maintain and furnish satisfactory evidence of the following insurance policies:

1. **Workers' Compensation Insurance:** Except as provided below, company must provide workers' compensation insurance for all its employees and, in case any work is subcontracted, company will require the subcontractor to provide workers' compensation insurance in accordance with the statutory requirements of the State of Minnesota, including Coverage B, Employer's Liability. Insurance **minimum** limits are as follows:

\$100,000 – Bodily Injury by Disease per employee

\$500,000 – Bodily Injury by Disease aggregate

\$100,000 – Bodily Injury by Accident

If Minn. Stat. § 176.041 exempts company from workers' compensation insurance or if the company has no employees in the State of Minnesota, company must provide a written statement, signed by an authorized representative, indicating the qualifying exemption that excludes company from the Minnesota workers' compensation requirements.

If during the course of the contract the company becomes eligible for workers' compensation, the company must comply with the workers' compensation insurance requirements herein and provide the State of Minnesota with a certificate of insurance.

2. **Commercial General Liability Insurance:** Company is required to maintain insurance protecting it from claims for damages for bodily injury, including sickness or disease, death, and for care and loss of services as well as from claims for property damage, including loss of use which may arise from operations under the contract whether the operations are by the company or by a subcontractor or by anyone directly or indirectly employed by the company under the contract. Insurance **minimum** limits are as follows:

\$2,000,000 – per occurrence

\$2,000,000 – annual aggregate

\$2,000,000 – annual aggregate – Products/Completed Operations

The following coverages must be included:

Premises and Operations Bodily Injury and Property Damage  
Personal and Advertising Injury  
Blanket Contractual Liability  
Products and Completed Operations Liability  
State of Minnesota named as an Additional Insured, to the extent permitted by law

3. **Commercial Automobile Liability Insurance:** Company is required to maintain insurance protecting it from claims for damages for bodily injury as well as from claims for property damage resulting from the ownership, operation, maintenance or use of all owned, hired, and non-owned autos which may arise from operations under this contract, and in case any work is subcontracted the contractor will require the subcontractor to maintain commercial automobile liability insurance. Insurance **minimum** limits are as follows:

\$2,000,000 – per occurrence Combined Single Limit for Bodily Injury and Property Damage

In addition, the following coverages should be included:

Owned, Hired, and Non-owned Automobile

4. **Professional/Technical, Errors and Omissions, and/or Miscellaneous Liability Insurance**

This policy will provide coverage for all claims the company may become legally obligated to pay resulting from any actual or alleged negligent act, error, or omission related to company's professional services required under the contract.

Company is required to carry the following **minimum** limits:

\$1,000,000 – per claim or event

\$1,000,000 – annual aggregate

Any deductible will be the sole responsibility of the company and may not exceed \$50,000 without the written approval of the State. If the company desires authority from the State to have a deductible in a higher amount, the company must request so in writing, specifying the amount of the desired deductible and providing financial documentation by submitting the most current audited financial statements so that the State can ascertain the ability of the company to cover the deductible from its own resources.

The retroactive or prior-acts date of such coverage will not be after the effective date of this contract and company will maintain such insurance for a period of at least three (3) years following completion of the work. If such insurance is discontinued, extended reporting period coverage must be obtained by the company to fulfill this requirement.

Additional Insurance Conditions:

- Company's policy/policies must be primary insurance to any other valid and collectible insurance available to the State of Minnesota with respect to any claim arising out of the company's performance under this contract;
- If the company receives a cancellation notice from an insurance carrier affording coverage herein, company agrees to notify the State of Minnesota within five (5) business days with a copy of the cancellation notice, unless company's policy/policies contain a provision that coverage afforded under the policy/policies will not be cancelled without at least thirty (30) days advance written notice to the State of Minnesota;
- Company is responsible for payment of contract-related insurance premiums and deductibles;
- If company is self-insured, a certificate of self-insurance must be attached;
- Company's policy/policies must include legal defense fees in addition to its liability policy limits;
- Company must obtain insurance policy/policies from insurance company(ies) having an "AM BEST" rating of A- (minus); financial size category (FSC) VII or better, and authorized to do business in the State of Minnesota; and
- An umbrella or excess liability insurance policy may be used to supplement the company's policy limits to satisfy the full policy limits required by the contract.

The State reserves the right to immediately terminate the contract if the company is not in compliance with the insurance requirements and retains all rights to pursue any legal remedies against the company. All insurance policies must be open to inspection by the State, and copies of policies must be submitted to the State's authorized representative upon written request.

The successful company is required to submit certificates of insurance acceptable to the State of Minnesota as evidence of insurance coverage requirements prior to commencing work under the contract.

**E-Verify Certification (in accordance with Minn. Stat. § 16C.075)**

By submission of a proposal for services in excess of \$50,000, the company certifies that as of the date of services performed on behalf of the State, the company and all its subcontractors will have implemented or be in the process of implementing the federal E-Verify program for all newly hired employees in the United States who will perform work on behalf of the State. In the event of contract award, company will be responsible for collecting all subcontractor certifications and may do so utilizing the E-Verify Subcontractor Certification Form available at <http://www.mmd.admin.state.mn.us/doc/EverifySubCertForm.doc>. All subcontractor certifications must be kept on file with the company and made available to the State upon request.

### **3.7.1. Required Forms**

Each company must submit the following required forms with their written proposal.

#### **Certification Regarding Lobbying**

Each company must complete the attached Certification Regarding Lobbying and include it with the response. The certification should be attached to the written proposal.

#### **Affirmative Action Certification**

For all responses estimated to be in excess of \$100,000, responders are required to complete the attached Affirmative Action Data page and return it with the response. As required by Minn. R. 5000.3600, "It is hereby agreed between the parties that Minnesota Statute § 363A.36 and Minnesota Rule 5000.3400–5000.3600 are incorporated into any contract between these parties based upon this specification or any modification of it. A copy of Minnesota Statute § 363A.36 and Minnesota Rule 5000.3400–5000.3600 are available upon request from the contracting agency." The certification should be attached to the written proposal.

#### **Equal Pay Certification**

If the response to this solicitation could be in excess of \$500,000, the company must obtain an Equal Pay Certificate from the Minnesota Department of Human Rights (MDHR) or claim an exemption prior to contract execution. A company is exempt if it has not employed more than 40 full-time employees on any single working day in one state during the previous 12 months. Please contact MDHR with questions at: 651-539-1095 (metro), 1-800-657-3704 (toll free), 711 or 1-800-627-3529 (MN Relay) or at [compliance.MDHR@state.mn.us](mailto:compliance.MDHR@state.mn.us). The certification should be attached to the written proposal.

#### **Affidavit of Noncollusion**

Each company must complete the attached Affidavit of Noncollusion and include it with the response. The Affidavit should be attached to the written proposal.

#### **Veteran-Owned Preference**

In accordance with Minn. Stat. § 16C.16, subd. 6a, (a) Except when mandated by the federal government as a condition of receiving federal funds, the commissioner must award up to a six percent preference on state procurement to certified small businesses that are majority-owned and operated by veterans. In accordance with Minn. Stat. § 16C.19 (d), a veteran-owned small business, the principal place of business of which is in Minnesota, is certified if it has been verified by the United States Department of Veterans Affairs as being either a veteran-owned small business or a service disabled veteran-owned small business, in accordance with Public Law 109-461 and Code of Federal Regulations, title 38, part 74. To receive a preference the veteran-owned small business must meet the statutory requirements above by the solicitation opening date and time. Only eligible veteran-owned small businesses that meet the statutory requirements and provide adequate documentation will be given the preference. If you are claiming the veteran-owned preference, attach documentation, sign and return the Veteran-Owned Preference Form with your written proposal.



#### **4. Written Statement of Qualifications**

*The Lottery wants to get to know your business offerings. With that in mind, using reasonable formatting, please answer the following questions in 30 pages or fewer. Don't feel obligated to fill 30 pages.*

##### **4.1 Company Philosophy, Strengths, and Capabilities**

In section one of your written proposal, please provide the following information about your company. Include information regarding any subcontractors.

Provide a brief synopsis of your core business philosophy. What important principles has your company honed through its experience? How does your company approach scratch ticket testing? How do you typically manage client relationships? What separates your company from your competition? What human and technological resources will you bring to the Minnesota Lottery? Why should the Minnesota Lottery select you?

##### **4.2 Relevant Experience and References**

In section two of your written proposal, please summarize your relevant experience working with other lotteries. Also provide contact information for at least two (2) references, with at least one (1) being a U.S. lottery. This reference check is part of your company score.

##### **4.3 Scratch Ticket Testing Technical Capabilities**

In section three of your written proposal, please thoroughly describe how you meet the Lottery's required scratch testing specifications. For each test below, describe your approach to the test and to evaluating the results. If you do not do a test, or do not recommend the Lottery do a test, please explain.

The Lottery will determine if your systems and methods meet the specifications, and more importantly, if your systems and methods for meeting these specifications deliver the best scratch ticket testing capability. The Lottery anticipates sending approximately 41 scratch tickets for testing each calendar year.

#### **REQUIRED SCRATCH TICKET TESTS INCLUDED IN THE PER TICKET PRICE**

Scratch ticket testing must include at least all of the following.

1. Micro-surgery (micro-scratch)
2. Ink migration
3. Impression
4. Humidity aging
5. Ticket separation
6. VSC examinations
7. Opacity transmitted

8. Opacity reflected polarized
9. Varnish/graphic ink adhesion
10. Non-treated lifting
11. Kamar lifting test
12. Solvent assisted lifting
13. Latex thinning
14. Infrared luminescence
15. Reflected light readout
16. Ultraviolet light readout
17. Microscope readout
18. IR video readout
19. Electrostatic readout
20. Transparentization (split ticket)
21. Chemical contact test
22. Ammonia fuming
23. Ethyl acetate fuming
24. Scrape adhesion
25. Linear taber abrader
26. Hot soapy water submersion
27. Barcode print quality
28. Any and all other techniques available that are not mentioned above which are industry standards or which may be developed from time to time.

### **OFFERED OPTIONS AND TESTS**

The Lottery is interested in any additional offered options or tests. Please clearly mark capabilities that are not included as part of the base price. The Lottery will expect all capabilities that are not clearly marked as optional will be delivered as part of the base price.

#### **4.4 Reports**

In section four of your written proposal, please summarize your approach to drafting clear, succinct, actionable testing reports. **The Contractor will provide the Lottery with a detailed test analysis for each Scratch Game and submit the report to the Lottery within two (2) weeks after receipt of Sample Scratch Game Tickets. During testing of Scratch Game Tickets for the Lottery, the Contractor must immediately report any material defect to the Lottery that makes the Ticket “fail” required criteria. The Lottery may also request that the Contractor communicate with the Lottery’s printing vendor regarding material defects of a failed Ticket.**

Additionally, please provide one (1) report you have provided to a United States lottery in the past year. This report may be redacted to remove confidential lottery data, but must be an actual report provided to a United States lottery.

#### **4.5 Staffing Proposal and Key Biographies**

In section five of your written proposal, please provide a list and biographies of key staff who will test Minnesota Lottery scratch tickets. Include relevant experiences and expertise.

#### **4.6 Corporate Information**

Provide the following general information for your company and all proposed subcontractors or partners. If any of the following information cannot be provided, please give justification.

- The name and address of the company submitting the proposal.
- Type of business entity (e.g. limited liability corporation, partnership, etc.).
- Place of incorporation or legal address where other form of organization is domiciled.
- The name, addresses, telephone number, and email address of the company's primary contact for the purpose of this RFP.
- Name and location of the major offices, if applicable, that relate to the company's performance as proposed in its proposal.
- The names, addresses, and functions of any and all subcontractors, associated companies, or consultants that have been or will be involved in any phase of the services rendered in this RFP.
- The name(s) of any and all law firms and/or individuals representing the company within the State.
- Any substantial change of ownership in the company or the company's parent or holding company that occurred since January 1, 2010. Pending changes should be disclosed to the extent permitted by law and by regulatory agencies.
- Copies of audited or reviewed financial statements for its two (2) most recent fiscal years. The Lottery reserves the right to require any additional information necessary to determine financial integrity.

## 5. Pricing

Your response to this section **must** be provided in a clearly labeled separately sealed envelope and may not be referenced in any other portion of this proposal.

Please provide your total project cost for each scratch ticket testing and reporting the results of testing. This price must include customer support; insurance, and all other costs and fees associated with the testing and reporting. Additionally, please provide an hourly rate for additional security services. This hourly rate is contractual but will not be scored.

Please clearly state all assumptions and contingencies.

| Product Description                          | Single Unit Cost |   | Quantity         |   | Total Cost |
|--|------------------|---|------------------|---|------------|
| Scratch ticket testing                       | \$               | x | Per scratch game | - | \$         |
| Report verifying findings                    | \$               | x | Per scratch game | - | \$         |
| <b>Grand Total Per Scratch Game (scored)</b> |                  |   |                  | - | \$         |

| Additional Hourly Services                            | Hourly Rate |   | Quantity |   | Total Cost |
|---|-------------|---|----------|---|------------|
| Additional hourly services per agreed-upon work order | \$          | x | 1        | - | \$         |
| <b>Grand Total (not scored)</b>                       |             |   |          | - | \$         |

| Offered Options or Tests                       | Single Unit Cost |   | Quantity |   | Total Cost of Invited Option |
|--|------------------|---|----------|---|------------------------------|
| Detailed description of offered option or test | \$               | x |          | - | \$                           |
| <b>Grand Total (not scored)</b>                |                  |   |          | - | \$                           |