



~~First~~ Second Amended Request for Proposals

For

Mobile Convenience Application Development Services

For the

Minnesota State Lottery

Date: August 6, 2021

Amended: ~~August 27, 2021~~ September 15, 2021

Changes in First Amended RFP included. New changes to schedule follow double-crossed-out text.

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.

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1. Introductory Letter to Prospective Software Development Partners

Dear Prospective Partners,

The Minnesota Lottery needs a mobile application. As more people turn to their smart phone home screen first, the Minnesota Lottery's absence is noteworthy. But we need more than just a cookie-cutter, repackaged version of our (excellent) website. The Minnesota Lottery needs a best-in-class mobile application that will increase brick and mortar sales by enhancing the experience of purchasing a Lottery ticket at one of the Lottery's 2,900 retailers through features that leverage smart phone technology.

The Minnesota Lottery is excited about this RFP. It is designed to allow potential application developers to put their best foot forward. Instead of dictating every decision, we want to know how your mobile environment will improve the Minnesota Lottery experience for your players.

We look forward to your response.

Sincerely,

Adam Prock
Executive Director
Minnesota Lottery

2. Lottery Background Information

The Minnesota State Lottery, in operation since 1990, invests approximately \$7,500,000 in marketing dollars annually to drive awareness, favorability, and purchase intent among potential lottery players. 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 mnlottery.com/playing-our-part.

The Lottery seeks to extend its marketing and operations efforts by introducing a mobile convenience application for Android and iOS. As described in this RFP, the Lottery is looking for a best-in-class mobile application that will increase brick and mortar sales by enhancing the experience of purchasing a Lottery ticket at one of the Lottery's 2,900 retailers. Through this RFP process, the Lottery aims to find a software development partner to provide, maintain, and update a mobile convenience application.

Key Qualifications

The ideal developer will combine significant application, lottery technology, and user interface design experience to create a mobile application that is indispensable to Minnesota adults.

The ideal developer will demonstrate their skills in each of these areas, with a focus on a rock-solid application that seamlessly integrates with the existing Lottery technology stack. The developer must have at least two (2) current contracts with a government lottery or government-sponsored lottery to provide a mobile application, website, or database marketing solution and must support all required features as described in this RFP.

General Lottery Information

General Information

General information regarding the Lottery can be found at mnlottery.com.

Marketing Division

The Lottery sales and marketing division contains three (3) divisions: marketing, including digital (headed by the marketing manager); sales/retail relations (headed by the state sales manager); and creative services (headed by the creative services manager). The Lottery also has in-house research and public affairs departments.

Operations Division

The Lottery operations division contains seven (7) divisions: lotto games; scratch product management; customer support services; warehouse and distribution; office services; consumer acceptance testing; and information technology, including an IT service desk, infrastructure, and systems and programming. The operations division, specifically scratch product management and lotto games, works with other departments to provide product and portfolio management for scratch and lotto games tickets.

Lottery Games

There are two (2) types of Lottery games: lotto games and scratch games. Lotto games are printed by Lottery terminals located at retail stores. Scratch games are pre-printed tickets containing play data under a latex coating. Scratch games are developed primarily by the companies that produce/print the tickets for the Lottery, with guidance from Lottery game development staff. Some scratch games are designed internally by Lottery staff and the Lottery's advertising agency.

The Lottery currently manages eight lotto games. Gopher 5[®], Daily 3[®], Northstar Cash[®] and Progressive Print-N-Play[™] games are conducted solely by the Minnesota State Lottery (all of which will have new logos released in early 2022), while Powerball[®], Mega Millions[®], and Lotto America[®] are conducted in conjunction with the Multi-State Lottery Association (MUSL). The Lottery also offers the Minnesota Millionaire Raffle[™] game for a limited time each year.

Last fiscal year, the Lottery introduced 48 new scratch games at price points from \$1 to \$50 per ticket, with approximately 27-40 games being available for sale at any one time. Information regarding the current Lottery scratch games may be found at mnlottery.com/games/scratch.

Lottery Sales/Financial Results

Total Lottery sales for Fiscal Year 2020 (ending June 30, 2020) were \$668 million. This amounted to a 5% increase over Fiscal Year 2019. Of the \$668M, \$519M came from scratch ticket sales (up 20%) and \$150M from Lotto game sales (down 26%) when compared to previous year sales that included a record breaking \$1.5 billion Mega Millions jackpot. Total sales for Fiscal Year 2020 were as follows:

Game	Approx. Share
Scratch Games	78%
Lotto Games.....	22%
Powerball	7%
Mega Millions.....	4%
Daily 3.....	3%
Gopher 5.....	2%
Progressive Print-N-Play	2%
Northstar Cash	1%
Lotto America	1%
Minnesota Millionaire Raffle.....	1%

The Minnesota Lottery had another record year in FY2021.

Lottery Retailers

The Lottery currently contracts with approximately 2,900 retailers throughout the State to sell its lottery tickets. Lottery games provide both a competitive advantage and a revenue enhancement for Minnesota businesses.

Of the total number of lottery retailers, 71% are convenience stores, 12% are supermarket/grocery stores, 9% are liquor stores, and the remaining 8% are miscellaneous business types. Convenience stores account for 80% of tickets sold and supermarkets/ grocery stores account for 15% of tickets sold. All other categories contribute only 5% of sales.

Retailers are compensated by the Lottery at a commission of 5.5%–6% on sales and a 1.5% commission on tickets redeemed at the store. In addition, retailers are eligible to receive additional compensation through incentive programs offered by the Lottery. Incentive programs include cash rewards of between \$500 to \$50,000 for selling a lotto game jackpot or a scratch ticket top prize.

Existing Lottery Technology

Central Gaming System (IGT)

International Gaming Technology (IGT) is the Minnesota Lottery’s central gaming system provider. IGT is currently under contract until mid-November 2026. IGT systems provide lottery point-of-sale devices to 2,900 retailers and gaming services to produce lotto games tickets, provide winner determination of lotto games, and validate lotto and scratch games tickets. IGT’s systems are required to provide a secure integration solution to allow the use of integrating third-party components or existing technology.

Clockwork Active Media

Clockwork is the Lottery’s digital and interactive partner helping to develop, update, and maintain the three separate platforms used for our customers’ digital experience.

Craft CMS is used for website content, UI/UX, and member account management.

Rivit manages players’ entries into 2nd Chance and other giveaways, winning numbers, and jackpots. This is a custom system built by Clockwork for the Lottery.

HubSpot is the Lottery’s Customer Relationship Management tool for inbound marketing, social media content, sales funnels, lead conversion, workflows, analytics, and email marketing.

Database Marketing

Currently there are approximately 129,000 active members who enter contests and receive promotional emails, notifications, and winning numbers from the Lottery. The Lottery has database marketing capabilities and routinely communicates winning numbers, new game announcements, contest and event alerts, and other notifications to players. Increased database marketing and CRM functionality is a priority over the coming years.

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 of the road 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
Minnesota State Lottery
2645 Long Lake Road
Roseville, MN 55113

not later than 2:00 p.m. (Central Time) on September 10, 2021. Late proposals will not be accepted. Developers or teams of developers must submit two (2) USB drives:

- One (1) USB drive must contain the written proposal, price proposal, required forms, and any multimedia examples or demonstrations. The price proposal must be a separate PDF. This USB drive must be clearly labeled as containing pricing information.
- One (1) USB drive must contain the written proposal and any multimedia examples or demonstrations. Do not include any pricing information in this one (1) USB drive. This USB drive must be clearly labeled as *not* containing pricing information.

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 because of this RFP. All communications concerning this RFP must be addressed to:

Pam Mogensen
Purchasing Manager
Minnesota State Lottery
2645 Long Lake Road
Roseville, MN 55113
Email: pam.mogensen@mnlottery.com

Developers are encouraged to submit written questions. **Initial written questions must be received by the Lottery no later than 2:00 p.m. (Central Time) on August 20, 2021.** Telephone inquiries will not be answered, although questions may be emailed.

On or before August 27, 2021 the Lottery will issue official answers to questions submitted. The answers to all questions will be posted on mnlottery.com/vendor-opportunities. Answers that materially impact the requirements of the RFP will be considered as amendments to the RFP and Developers 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 in two stages:

First, developers will submit written and price proposals. The review committee will score the written proposals and the Contract Administrator will independently score the price proposals.

Second, based on an evaluation of the written and price proposals, the Lottery may exercise its right to short-list developers for an interview or presentation and designate finalists. The finalists will be asked to provide a comprehensive presentation via Microsoft Teams or another virtual meeting tool (or if possible, safely in person). See Section 3.4.3, below, for more information.

The apparent successful winner of this RFP will be determined by the finalists’ total scores, combined with their price proposals. The critical dates for awarding a contract under this RFP are as follows:

Event	Date
RFP Issued	August 6, 2021
Deadline for Written Questions	August 20, 2021
Answers to Questions	August 27, 2021
Written Proposals Due	September 10, 2021
Finalists Designated.....	September 17 24, 2021
Finalist Presentations	Week of September 27 October 4, 2021
Apparent Winning Proposal Designated.....	October 8 15, 2021
Contract Executed.....	October 22 29, 2021
Convenience Application Go-Live	As proposed

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

3.3. Written Proposal Content

Written proposals should include all the information requested in Section 4. **Written proposals shall be no more than 50 single-sided pages, using reasonable formatting.** The required forms found in Appendix A (and described in Section 3.7.1), any exceptions to the proposed

contract, financial statements, and other required documents should be attached to the written proposal and do not count toward the page limit. Any cover page, table of contents, transmittal letter, trade secrets designation table, pricing proposal, and SLA schedule do not count towards the page limit.

Developers are encouraged to submit video or audio examples as part of their written proposals. These examples should be included on the required USB drives; they cannot be hosted on the Internet. Video or audio examples do not count toward the page limit but must be fully described in the text of the written proposal.

The price proposal should include all the information found in Section 5. The price proposal must be in the format found in Section 5.

3.4. Proposal Evaluation

All responses received by the deadline will be evaluated by a review committee comprised of representatives of the Lottery’s executive, operations, public relations, and marketing departments. Proposals will first be reviewed for responsiveness to determine if the minimum requirements have been met. Proposals that fail to meet minimum requirements will not advance to the next phase of the evaluation.

A 1,000-point scale will be used to create the final evaluation recommendation:

Criteria	Maximum Points
Technical Proposal (including optional finalist presentation)	750
Price	250

More information on each element of the 1,000-point scale follows.

3.4.1. Phase 1 - Responsiveness and Pass/Fail Requirements

The Lottery will first review each written proposal for responsiveness to determine if the developer satisfies all mandatory pass/fail requirements. The following will be considered on a pass/fail basis for the written proposals:

1. Written proposals must be received on or before the due date and time specified in this solicitation.
2. The developer must have at least two (2) current contracts with government lottery or government-sponsored lotteries to provide a mobile application, website, or database marketing solution.
3. The developer must support all seven (7) required features.

4. The written proposal must not exceed fifty (50) pages, using reasonable formatting. Proposals will be reviewed only up to page 50; any additional pages will not be reviewed by the evaluation team.

3.4.3. Phase 2 - Evaluation

Only those responses found to have met all pass/fail requirements in Phase 1 will be evaluated by the review committee in Phase 2, as follows:

Criteria	Maximum Points
Development Philosophy, Strengths, and Capabilities.....	150
Client Service Approach and Service Commitments.....	150
Application Security	100
Integration Experience and Approach	100
Application Features	250
Additional Required Responses (Not Scored).....	NA
Price	250
TOTAL.....	1000
Preference Points (if applicable).....	60

3.4.2. Pricing

After scoring the written proposals, the Contract Administrator will independently score the cost proposals. The review committee will not see cost proposal scores. Compliance with the template in Section 5 will be considered a pass/fail requirement. The lowest priced developer will be awarded 250 points, and more expensive proposals will be scaled to the lowest-price developer. Certified Targeted Group Businesses should indicate their status as part of the Price Proposal.

3.4.3. Phase 3 – Finalists

Only those responses that have been evaluated under Phase 2 shall be eligible for Phase 3.

The Lottery will make its selection based on best value, as determined by this evaluation process. The Lottery reserves the right, based on scores of the proposals, to create a short-listing of responders who have received the highest scores to interview, or conduct demonstrations/presentations. The Lottery reserves the right to seek best and final offers from one or more responders and to re-weigh price based on the lowest-price finalist.

If the Lottery exercises its right to short-list responders for an interview or demonstration/presentation phase, the Contract Administrator will short-list the highest scoring responders by determining the natural break in the responders’ scores. Only the highest scoring responders will advance as finalists.

Shortly after naming finalists, the Lottery will present each finalist with an identical agenda for a finalist presentation. The finalist presentations will occur via Microsoft Teams or another virtual meeting tool and each developer will have ninety (90) minutes to introduce their application and present and thirty (30) minutes to answer questions.

3.4.5. 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 developer 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 developer 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 developer with the highest total points. If contract negotiations are unsuccessful, the developer with the next highest number of points will be selected for consideration.

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

3.5 Proposed Contract

You should be aware of the Lottery's attached Proposed Contract in preparing your response. Much of the language reflected in the contract is required by statute. If you take exception to any of the terms, conditions, or language in the Proposed Contract, you must indicate those exceptions in an attachment to your proposal; 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 for three (3) years from Go Live (see section 4.2.2), with an option for the Lottery to extend an additional two (2) years in increments determined by the Lottery.

3.7. General Requirements

The following general requirements and rules apply to this RFP.

Affidavit of Noncollusion

Each responder must complete the attached Affidavit of Noncollusion and include it with the response.

Conflicts of Interest

Responder must provide a list of all entities with which it has relationships that create, or appear to create, a conflict of interest with the work that is contemplated in this request for proposals. The list should indicate the name of the entity, the relationship, and a discussion of the conflict.

Proposal Contents

By submission of a proposal, Responder 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 responder to suspension or debarment proceedings as well as other remedies available by law.

Disposition of Responses

All materials submitted in response to this RFP will become property of the State and will become public record in accordance with Minnesota Statutes, section 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 vendor. If the Responder submits information in response to this RFP that it believes to be trade secret materials, as defined by the Minnesota Government Data Practices Act, Minnesota Statute § 13.37, the Responder 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, 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 Responder 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 the Responder to be proprietary or trade secret materials.

Notwithstanding the above, if the State contracting party is part of the judicial branch, the release of data shall be in accordance with the Rules of Public Access to Records of the Judicial Branch promulgated by the Minnesota Supreme Court as the same may be amended from time to time.

Contingency Fees Prohibited

Pursuant to Minnesota Statutes Section 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.

Reimbursements

Reimbursement for travel and subsistence expenses actually and necessarily incurred by the contractor as a result of the contract will be in no greater amount than provided in the current "Commissioner's Plan" promulgated by the commissioner of Employee Relations. Reimbursements will not be made for travel and subsistence expenses incurred outside Minnesota unless it has received the State's prior written approval for out of state travel. Minnesota will be considered the home state for determining whether travel is out of state.

Organizational Conflicts of Interest

The responder 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 vendor is unable or potentially unable to render impartial assistance or advice to the State, or the vendor's objectivity in performing the contract work is or might be otherwise impaired, or the vendor has an unfair competitive advantage. The responder agrees that, if after award, an organizational conflict of interest is discovered, an immediate and full disclosure in writing must be made to the Assistant Director of the Department of Administration's Office of Equity in Procurement ("OSP") which must include a description of the action which the contractor has taken or proposes to take to avoid or mitigate such conflicts. If an organization conflict of interest is determined to exist, the State may, at its discretion, cancel the contract. In the event the responder was aware of an organizational conflict of interest prior to the award of the contract and did not disclose the conflict to OSP, 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 contractor, and the terms "contract," "contractor," and "contracting officer" modified appropriately to preserve the State's rights.

Preference to Targeted Group and Economically Disadvantaged Business and Individuals

In accordance with Minnesota Rules, part 1230.1810, subpart B and Minnesota Rules, part 1230.1830, certified Targeted Group (TG) businesses and individuals submitting proposals as prime contractors will receive a six percent (6%) preference in the evaluation of their proposal, and certified Economically Disadvantaged (ED) businesses and individuals submitting proposals as prime contractors will receive a six percent (6%) preference in the evaluation of their proposal. Eligible TG businesses and ED businesses must be currently certified by the Office of Equity in Procurement (OEP) prior to the solicitation opening date and time. For information regarding certification, contact OEP at 651-201-2402 or procurement.equity@state.mn.us. For TTY/TDD communications, contact the Helpline through the Minnesota Relay Services at 1.800.627.3529.

Veteran-Owned Small Business Preference

Unless a greater preference is applicable and allowed by law, in accordance with Minn. Stat. § 16C.16, subd. 6a, the Commissioner of Administration will award a six percent (6%) preference in the amount bid on state procurement to certified small businesses that are majority owned and operated by veterans.

A small business qualifies for the veteran-owned preference when it meets one of the following requirements. 1) The business has been certified by the Office of Equity in Procurement as being a veteran-owned or service-disabled veteran-owned small business. 2) The principal place of business is in Minnesota AND the United States Department of Veterans Affairs verifies the business as being a veteran-owned or service-disabled veteran-owned small business under Public Law 109-461 and Code of Federal Regulations, title 38, part 74 (Supported By Documentation). See Minn. Stat. § 16C.19(d).

Submit the appropriate documentation with the solicitation response to claim the veteran-owned preference. Statutory requirements and documentation must be met by the solicitation response due date and time to be awarded the preference.

Workforce Certification

For all contracts estimated to be in excess of \$100,000, responders are required to complete the attached Workforce Certificate Information form and return it with the response. As required by Minnesota Rule 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."

Equal Pay Certification

If the Response to this solicitation could be in excess of \$500,000, the Responder must obtain an Equal Pay Certificate from the Minnesota Department of Human Rights (MDHR) or claim an exemption prior to contract execution. A responder 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.

Insurance Requirements

A. Contractor shall not commence work under the contract until they have obtained all the insurance described below and the State of Minnesota has approved such insurance. Contractor shall maintain such insurance in force and effect throughout the term of the contract.

B. Contractor is required to maintain and furnish satisfactory evidence of the following insurance policies:

1. **Workers' Compensation Insurance:** Except as provided below, Contractor must provide Workers' Compensation insurance for all its employees and, in case any work is subcontracted, Contractor 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 Minnesota Statute 176.041 exempts Contractor from Workers' Compensation insurance or if the Contractor has no employees in the State of Minnesota, Contractor must provide a written statement, signed by an authorized representative, indicating the qualifying exemption that excludes Contractor from the Minnesota Workers' Compensation requirements.

If during the course of the contract the Contractor becomes eligible for Workers' Compensation, the Contractor 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:** Contractor 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 Contractor or by a subcontractor or by anyone directly or indirectly employed by the Contractor 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 shall 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:** Contractor 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 contractor may become legally obligated to pay resulting from any actual or alleged negligent act, error, or omission related to Contractor's professional services required under the contract.

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

\$2,000,000 – per claim or event
\$2,000,000 – annual aggregate

Any deductible will be the sole responsibility of the Contractor and may not exceed \$50,000 without the written approval of the State. If the Contractor desires authority from the State to have a deductible in a higher amount, the Contractor shall so request 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 Contractor to cover the deductible from its own resources.

The retroactive or prior acts date of such coverage shall not be after the effective date of this Contract and Contractor shall 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 Contractor to fulfill this requirement.

C. Additional Insurance Conditions:

- Contractor's policy(ies) shall be primary insurance to any other valid and collectible insurance available to the State of Minnesota with respect to any claim arising out of Contractor's performance under this contract;
- If Contractor receives a cancellation notice from an insurance carrier affording coverage herein, Contractor agrees to notify the State of Minnesota within five (5) business days with a copy of the cancellation notice, unless Contractor's policy(ies) contain a provision that coverage afforded under the policy(ies) will not be cancelled without at least thirty (30) days advance written notice to the State of Minnesota;
- Contractor is responsible for payment of Contract related insurance premiums and deductibles;
- If Contractor is self-insured, a Certificate of Self-Insurance must be attached;
- Contractor's policy(ies) shall include legal defense fees in addition to its liability policy limits, with the exception of B.4 above;

- Contractor shall obtain insurance policy(ies) 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 Contractor’s policy limits to satisfy the full policy limits required by the Contract.
- D. The State reserves the right to immediately terminate the contract if the contractor is not in compliance with the insurance requirements and retains all rights to pursue any legal remedies against the contractor. 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.
- E. The successful responder is required to submit Certificates of Insurance acceptable to the State of MN 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, Contractor certifies that as of the date of services performed on behalf of the State, Contractor 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, Contractor shall 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 Contractor and made available to the State upon request.

Certification of Nondiscrimination (In accordance with Minn. Stat. § 16C.053)

The following term applies to any contract for which the value, including all extensions, is \$50,000 or more: Contractor certifies it does not engage in and has no present plans to engage in discrimination against Israel, or against persons or entities doing business in Israel, when making decisions related to the operation of the vendor's business. For purposes of this section, "discrimination" includes but is not limited to engaging in refusals to deal, terminating business activities, or other actions that are intended to limit commercial relations with Israel, or persons or entities doing business in Israel, when such actions are taken in a manner that in any way discriminates on the basis of nationality or national origin and is not based on a valid business reason.

Subcontractor Reporting

The State of Minnesota is committed to diversity and inclusion in public procurement. If the total value of your contract may exceed \$500,000, including all extension options, you must track and report, on a quarterly basis, the amount you spend with diverse small businesses. When this applies, you will be provided free access to a portal for this purpose, and the requirement will continue as long as the contract is in effect.

3.7.1. Required Forms

Certification Regarding Lobbying

Each responder must complete the attached Certification Regarding Lobbying and include it with the response. The Certification must 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 Minnesota Rule 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 Responder must obtain an Equal Pay Certificate from the Minnesota Department of Human Rights (MDHR) or claim an exemption prior to contract execution. A responder 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. The Certification must be attached to the written proposal.

Affidavit of Noncollusion

Each responder must complete the attached Affidavit of Noncollusion and include it with the response. The Affidavit must 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 shall award up to a six percent (6%) 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 Proposal

The Lottery wants to get to know you and your plans for developing our mobile application. With that in mind, using reasonable formatting, please answer the following questions in 50 pages, at most. These questions are designed to be open ended, and we hope to give you the white space to show off. We're looking for examples and commitments, not buzzwords. Don't feel obligated to use all 50 pages. Your response will be scored out of 750 possible points.

4.1. Development Philosophy, Strengths, and Capabilities (150 points)

Outline your mobile application development philosophy, strengths, and capabilities. What differentiates you from your competitors?

4.1.1. Business Philosophy and Core Capabilities

Provide a brief synopsis of your core business philosophy and capabilities. If you are not exclusively a mobile application developer, please focus on philosophy and capabilities of your development team, but also explain how those capabilities fit into your corporate structure.

4.1.2. Software Development Methodologies

Characterize and describe your approach to software development. Briefly describe how you incorporate design and research in your process and, if applicable, provide an example of an experience where you optimized or changed your approach based on key learnings from your customers. Describe your approach to project management and include information (and a timeline) on how you will manage this project for the Minnesota Lottery. A few questions you may wish to answer:

- What's your technical approach for delivering mobile applications? (*e.g., native, cross-platform compiling*)
- What technologies would you use to support an ecosystem of both Android and iOS devices?
- How might you track specific activities within an app experience and report back to a CRM?
- What type of analytics have you implemented with a mobile application solution?
- Do you use Firebase or something similar for monitoring crashes, network traffic performance, and other app-specific reporting?
- How would you approach branding and customization? We're looking for a custom experience.
- How will you approach SRSs, QA, and CAT? Once delivered, what is your change management and update process?

4.1.3. User Interface Design

Explain your approach to UI/UX. Explain your processes and approach for developing a mobile application that is easy for anyone to use, while being fun to look at. This should include your commitments to accessibility under the State of Minnesota's IT Accessibility Standard effective September 1, 2010 (<https://mn.gov/mnit/government/policies/accessibility/>).

4.1.4. Development History and Case Studies

Describe your history and portfolio developing lottery software. Make sure you describe at least two (2) current contracts with a government or government-sponsored lottery to provide a mobile application, website, or database marketing solution. For each case, explain any innovations, key features, or development challenges you overcame. Focus on mobile applications and other public-facing software, rather than back office or lottery system solutions.

4.2. Client Service Approach and Service Support Commitments (150 points)

Please outline your mobile application client service approach and make concrete commitments that you will uphold during the term of the contract. Why should we work with you?

4.2.1. Client Service

Describe your approach to client service in the context of developing, operating, maintaining, and improving a mobile application. Keep in mind that your contract will be with the Lottery and the Lottery will provide all direct customer service, but your stakeholders will include lottery players with various levels of technological sophistication. Please note that while development of the application can occur outside of North America, North American account management and support is required.

4.2.2. Included Support and Service Levels

Describe how you will support and update the application as part of the Base Price. Clearly indicate which pre-launch and post-launch development tasks will be included as part of the Base Price, and which pre-launch and post-launch development tasks are out of scope. As specified in the Contract, out of scope development will be paid on an hourly basis based on the rates supplied in the pricing proposal. Describe maintenance release processes for enhancements and emergency fixes as well as the change control and testing processes. Describe iOS and OS versions and devices supported and testing processes.

Provide a proposed service level agreement ("SLA") for your mobile application. Keep in mind that your proposed SLAs will be scored by the evaluation committee and become part of your contract. *The Lottery will not require liquidated damages for this contract but will rely on your commitments in this section to hold you accountable. Therefore, each SLA must include a service credit or dollar amount you will be responsible for failure to meet an SLA.*

We expect SLAs regarding uptime, service support and escalation, incident management, change management, data breaches, request-fulfillment times, and any other commercially reasonable agreements you think will benefit the Lottery. Use any format, but the Lottery will score your SLAs on clarity, usability, and favorability toward the Lottery. The Lottery may seek to further negotiate or clarify SLAs with the winning developer. SLA schedules do not towards the 50-page limit; however, any description of your support commitments or philosophy do count towards the page limit.

4.2.3. Proposed Go Live and Milestone Schedule

Provide a proposed Go Live date based on the requirements of the RFP. Your Go Live date can be a specific date or a specific period (e.g., three months) after the contract is signed. Also provide a Milestone Schedule for development. Do not include pricing information in this section.

4.3 Application Security (100 points)

Describe your approach to security and your mobile application's security features and your development environment. Explain your approach to encryption, and how you will use encryption in developing the mobile application. How will your application protect the Lottery and Lottery players?

4.4. Integration Experience and Approach (100 points)

State your experience and philosophy regarding integrating with other software systems in the lottery context. Provide examples regarding integrating with existing APIs and developing your own APIs. How will your mobile application work with our current and future systems?

4.4.1 IGT Integration

Integration with IGT will be required for several of the features described in Section 4.5. Describe your experience and approach integrating with IGT or other central gaming system providers.

4.4.2. Clockwork Integration

As described below, integration with Clockwork to provide Second Chance Entry and Single Sign On is a highly preferred feature for the Lottery. Please describe your experience and approach to integrating with technology providers outside of the traditional lottery providers. Keep in mind that this process may require developing custom APIs and/or assisting with entirely new APIs.

4.5. Application Features (250 points)

Describe your application and how you will deliver the following features. Please note that while only seven (7) features are required, failure to deliver any of the other five (5) features will result in a significant reduction in points.

For each feature, describe your approach and how you will implement the requirement. Use examples from other projects, wireframes, or other design sketches so the Lottery can evaluate the overall quality of your mobile application.

4.5.1. Required Features

The following features (plus Second Chance Entry as described in 4.5.3.) must be included as part of the Base Price.

4.5.1.1. App-wide Navigation Structure

Developer will provide an application-wide navigation structure that is optimized to allow users to find features and resources quickly and easily. The navigation structure will be intuitive for new users, but fully featured for frequent users.

4.5.1.2. Retailer Locator

Developer will use the geolocation functionality on a device, coupled with a secure integration to the database record of Lottery retailers, to display the closest retailers to a player's current location. Developer will visually designate retailers within a map and provide directions. Developer will be able to integrate with an existing Lottery database for retailer information. The Lottery will provide regular updates to retailer data via CSV files.

4.5.1.3 Digital Play Slips and Favorites

Developer will have the ability to create and save digital play slips (such as a QR code or barcode) scannable at all current and future Lottery retailer terminals that contains data created by a player specific to a game (selected numbers, number of drawings, multiplier add-on, etc.). The Lottery expects this will be accomplished by an API with the Lottery's gaming system vendor.

4.5.1.4. Ticket Scanning

Developer will interpret a variety of ticket barcodes and access results information via an integration by an API with the Lottery's gaming system vendor. The functionality will be used to return results' status (win/non-winner, prize amount, how-to-claim info, etc.) of scratch, lotto, and Progressive Print-N-Play games. This is the single most important feature to the Lottery, and should be at the center of the UI/UX.

4.5.1.5. Winning Lotto Numbers

Developer will have the ability to display results of the latest winning numbers and jackpot amounts (where applicable) for all current, recent past, and future (not yet developed) Lottery lotto games. The Lottery expects this will be accomplished by an API with the Lottery's gaming system vendor.

4.5.1.6. Scratch, Lotto, Progressive Print-N-Play Data

Developer will have the ability to display odds and prize data (including prizes remaining, where applicable) for all current, past, and future (not yet developed) scratch, lotto, and Progressive Print-N-Play games. The Lottery expects this will be accomplished by an API with the Lottery's gaming system vendor.

4.5.2. Preferred Features

The Lottery prefers to see the following five (5) features included as part of the Base Price. Please describe each feature and confirm it will be included in the Base Price.

4.5.2.1 Introductory Tutorial and/or Splash Screen

Developer will provide and display an interactive tutorial based on parameters defined by the Lottery (on first open, once per month, etc.) with the ability for the Lottery to independently manage the content. The tutorial will highlight and teach players where core functionality is located and will be interactive in terms of ensuring that a step is understood, guiding players through how the app is used.

4.5.2.2. About the Lottery

Developer will provide and display information about the Lottery and Lottery beneficiaries with the ability for the Lottery to independently manage the content.

4.5.2.3. Responsible Gaming Information

Developer will support messaging and content for the Lottery's Responsible Gaming program within its own section of the app with the ability for the Lottery to independently manage the content. Other responsible gaming information, features, or applications (quizzes, information, etc.) should be included and described here.

4.5.2.4. Social Sharing

Developer will have the ability to prompt users to share to their connected social media accounts. Content to share will include winning experiences, beneficiary and advertising content, and other independently managed content.

4.5.2.5. Push Notifications

Developer will integrate creation and dissemination of push notifications independently managed by the Lottery, allowing for a greater degree of control and focus with messaging, timing, and audience. Push notifications may be linked to campaigns, jackpots, or geo-fenced to Lottery retailers.

4.5.3. Second Chance Entry (Seventh Required Feature)

Second Chance entry for scratch and lotto tickets is a required feature of the App. The Lottery anticipates this will be accomplished by an API with Clockwork. Second Chance via an API should be included in the Base Price. However, the Lottery is interested in the cost and efficiency savings that may arise from using a hybrid web frame, iframe, or other technology that allows for a browser-based web interface to appear within a native mobile application. Please include in your pricing proposal a *discount* for using this less preferred method, which would not require an API with Clockwork. Feel free to make a recommendation regarding which method would be in the Lottery's best interest.

4.5.3.1. Native Second Chance Entry via API

Explain how you would implement Second Chance Entry directly with the Lottery's current second chance system via an API with Clockwork. Additionally, this should include single sign-on so players can log in to the mobile application using the same credentials as on mnlottery.com. Clockwork has engineered the website to act as an OAuth provider using the Craft content management system in anticipation of a future mobile application. Additional development would be required to fully support a single sign-on experience. Please see the attached Appendix developed by Clockwork. This is the Lottery's strongly preferred method.

4.5.3.2. Second Chance Entry via Web Interface

Explain how you would implement a process where the holder of eligible non-winning tickets would be prompted to enter Second Chance Promotions via a weblink or web frame to mnlottery.com. No direct integration with the Lottery's Second Chance System would be required.

4.6. Additional Required Responses (Not Scored)

The Lottery is requesting you respond to sections 4.6.1. and 4.6.2., below. While no points will be allocated specifically to these responses, your responses may inform the Lottery's scoring of other portions of your proposal.

4.6.1 Offered Options

The Lottery is interested in any offered options, which if exercised by the Lottery, would be in addition to the required features (and any free features). Explain all aspects of any offered options, but do not include any pricing information in your written proposal.

4.6.2. Additional Free Application Features

The Lottery expects that some developers will provide a white-label solution to an existing convenience application. If so, other features may already be developed. Therefore, in addition to the twelve features described in 4.5, above, Developer may deliver additional features as part of the mobile application for no additional cost to the Lottery. If this is the case, please describe them here.

5. Pricing

The Developer's price proposal must contain all the information required in this section. Certified Targeted Group Businesses must indicate their status as part of the Price Proposal.

5.1. Base Price

This section is required and will be scored. The Developer agrees to furnish the goods/services as specified herein, and in compliance with the terms and conditions of this Request for Proposal at the following price:

Mobile Application Development and Included Support:

Total Lump Sum Based On Development Milestones:
\$ _____

Total Monthly Fee (to be paid in 36 equal monthly installments starting at Go Live): \$ _____

Percent Increase to Monthly Fee Per Year for Years Four and Five: ____%

5.2. Second Chance Via Web Interface Discount

This section is required but will not be scored. If the Lottery elects to provide Second Chance Entry via a web interface (as described in 4.5.2.2.) and foregoes the ability to provide Second Chance Entry via an API (as described in 4.5.2.1.) the price in 5.1. will be discounted by \$ _____.

5.3. Post Launch Support

This section is required but will not be scored. For any technical development post-launch that is not included in the Base Price, as defined by the Contract and the Contractor's proposal, the Lottery will pay the following rates:

Position	Labor
Project Manager	\$ /hour
Graphic Designer / Creative Resource	\$ /hour
Strategic Implementation Manager	\$ /hour
UI/UX Strategist	\$ /hour
Sr. Front End Developer	\$ /hour
Jr. Front End Developer	\$ /hour
Sr. Back End Developer	\$ /hour
Jr. Back End Developer	\$ /hour
(Other, please list)	\$ /hour

5.4. Offered Options

Provide a price for any Options described in Section 4.6.1.