

STATE OF SOUTH DAKOTA
SOUTH DAKOTA LOTTERY
711 EAST WELLS AVENUE
PIERRE, SOUTH DAKOTA 57501

COMPLIANCE TESTING & CONSULTING SERVICES FOR SOUTH DAKOTA LOTTERY
PROPOSALS ARE DUE NO LATER THAN JANUARY 20, 2023, 4:00 PM CST

RFP #: 22RFP8124

Buyer: South Dakota Lottery

Phone: (605) 773-5770

READ CAREFULLY

FIRM NAME: _____ AUTHORIZED SIGNATURE: _____

ADDRESS: _____ TYPE OR PRINT NAME: _____

CITY/STATE: _____ TELEPHONE NO: _____

ZIP (9 DIGIT): _____ FAX NO: _____

E-MAIL: _____

PRIMARY CONTACT INFORMATION

CONTACT NAME: _____ TELEPHONE NO: _____

FAX NO: _____ E-MAIL: _____

1.0 GENERAL INFORMATION

1.1 PURPOSE OF REQUEST FOR PROPOSAL (RFP)

The South Dakota Lottery seeks consulting and compliance testing of all offered lottery products, systems, gaming devices, and associated equipment for compliance with rules, regulations, and/or any directives issued by the South Dakota Lottery.

1.2 ISSUING OFFICE AND RFP REFERENCE NUMBER

The South Dakota Lottery is the issuing office for this document and all subsequent addenda relating to it, on behalf of the State of South Dakota, Lottery. The reference number for the transaction is RFP 22RFP8124. This number must be referred to on all proposals, correspondence, and documentation relating to the RFP.

1.3 SCHEDULE OF ACTIVITIES (SUBJECT TO CHANGE)

RFP Publication	November 8, 2022
Deadline for Submission of Written Inquiries	December 9, 2022, at 4:00 PM CST
Responses to Vendor Questions	December 21, 2022
Proposal Submission	January 20, 2023, at 4:00 PM CST
Oral Presentations/discussions (if required)	Optional at the discretion of the Lottery.
Proposal Revisions (if required)	Optional at the discretion of the Lottery.
Anticipated Award Decision/Contract Negotiation	June 2023

1.4 SITE VISITS

The South Dakota Lottery maintains the option to conduct site visits of potential vendors.

1.5 SUBMITTING YOUR PROPOSAL

All proposals must be completed and received by the South Dakota Lottery by **January 20, 2023, 4:00 PM CST** as indicated in the Schedule of Activities.

Proposals received after the deadline will be late and ineligible for consideration.

Vendors must submit the proposal in the following format and any electronic USB proposals must be in PDF format.

Please submit:

- One (1) original hard copy of the complete proposal by mail (minus cost proposal).
- Six (6) hard copies of the complete proposal by mail (minus cost proposal).
- One (1) copy of the complete proposal on a USB flash drive (minus cost proposal).
- One (1) copy of the complete proposal on separate USB flash drive with confidential and proprietary information removed (minus cost proposal).
- One (1) original hard copy of the cost proposal by mail.

- Six (6) hard copies of the cost proposal by mail.
- One (1) copy of the cost proposal on separate USB flash drive.

The cost proposal must be in a separate sealed envelope and labeled “Cost Proposal”.

All proposals must be signed, in ink, by an officer of the responder, legally authorized to bind the responder to the proposal, and sealed in the form intended by the respondent. Proposals that are not properly signed may be rejected. The sealed envelope should be marked with the appropriate RFP Number and Title. **Proposals should be addressed and labeled as follows:**

**ADDRESS: South Dakota Lottery
Attention: Nathan Remmich
711 East Wells Avenue
Pierre, SD 57501**

REQUEST FOR PROPOSAL: 22RFP8124 Compliance Testing & Consulting Services for the SD Lottery

No proposal shall be accepted from, or no contract or purchase order shall be awarded to any person, firm or corporation that is in arrears upon any obligations to the State of South Dakota, or that otherwise may be deemed irresponsible or unreliable by the State of South Dakota.

1.6 CONTRACT ADMINISTRATOR

The contract administrator for any contract resulting from this RFP shall be:

Norman Lingle
Executive Director
South Dakota Lottery
711 East Wells Avenue
Pierre, SD 57501

The contract administrator, or his successor or designee, shall be the sole point of contact with respect to all contractual matters resulting from this RFP.

1.7 CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION – LOWER TIER COVERED TRANSACTIONS

By signing and submitting this proposal, the vendor certifies that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation, by any Federal department or agency, from transactions involving the use of Federal funds. Where the vendor is unable to certify to any of the statements in this certification, the bidder shall attach an explanation to their offer.

1.8 NON-DISCRIMINATION STATEMENT

The State of South Dakota requires that all contractors, vendors, and suppliers doing business with any State agency, department, or institution, provide a statement of non-discrimination. By signing and submitting their proposal, the vendor certifies they do not discriminate in their employment practices with regard to race, color, creed, religion, age, sex, ancestry, national origin or disability.

1.9 RESTRICTION OF BOYCOTT OF ISRAEL

For contractors, vendors, suppliers, or subcontractors with five (5) or more employees who enter into a contract with the State of South Dakota that involves the expenditure of one hundred thousand dollars (\$100,000) or more, by submitting a response to this solicitation or agreeing to contract with the State, the bidder or vendor certifies and agrees that the following information is correct:

The bidder or vendor, in preparing its response or offer or in considering proposals submitted from qualified, potential vendors, suppliers, and subcontractors, or in the solicitation, selection, or commercial treatment of any vendor, supplier, or subcontractor, has not refused to transact business activities, has not terminated business activities, and has not taken other similar actions intended to limit its commercial relations, related to the subject matter of the bid or offer, with a person or entity on the basis of Israeli national origin, or residence or incorporation in Israel or its territories, with the specific intent to accomplish a boycott or divestment of Israel in a discriminatory manner. It is understood and agreed that, if this certification is false, such false certification will constitute grounds for the State to reject the bid or response submitted by the bidder or vendor on this project and terminate any contract awarded based on the bid or response. The successful bidder or vendor further agrees to provide immediate written notice to the contracting executive branch agency if during the term of the contract it no longer complies with this certification and agrees such noncompliance may be grounds for contract termination.

1.10 MODIFICATION OR WITHDRAWAL OF PROPOSALS

Proposals may be modified or withdrawn by the vendor prior to the established due date and time in writing or by email by authorized personnel as listed in the Proposal. A proposal may be withdrawn or modified by the vendor before 12:00 NOON Central Time on the date the proposal is due.

1.11 VENDOR QUESTIONS

Vendors may email questions concerning this RFP to obtain clarification of requirements. No questions will be accepted after the date and time indicated in the Schedule of Activities. Questions must be emailed to Nathan Remmich at Nathan.Remmich@state.sd.us with the subject line "22RFP8124".

The South Dakota Lottery will respond to vendor's questions via e-mail. In addition, all questions and the State's response will be posted on the Lottery's website at <https://lottery.sd.gov/about/rfp/8124.aspx>. Vendors may not rely on any other statements, either of a written or oral nature, that alter any specification, term, or condition of this RFP. Vendors will be notified in the same manner as indicated above regarding any modifications to this RFP.

1.12 PROPRIETARY INFORMATION

All proposals become public information. Proprietary information can be protected under limited circumstances such as client lists and non-public financial statements. An entire proposal may not be marked as proprietary. Vendors must clearly identify in the Executive Summary and mark in the body of the proposal any specific proprietary information they are requesting to be protected. The Executive Summary must contain specific justification explaining why the information is to be protected. Proposals may be reviewed and evaluated by any person at the discretion of the State.

All materials submitted become the property of the State of South Dakota and may be returned only at the State's option.

1.13 LENGTH OF CONTRACT

The initial period of contract performance will be from approximately July 1, 2023, through June 30, 2028, with extension options for three additional one-year periods for a total contract term not to exceed eight (8) years. Extensions are initially at the South Dakota Lottery's option, thereafter, to be agreed to by Vendor.

1.14 DISCUSSIONS WITH VENDORS (ORAL PRESENTATION/NEGOTIATIONS)

An oral presentation by vendor(s) may be required at the sole discretion of the Lottery. However, the Lottery may award a contract based on the initial proposals received without discussion with the vendor(s). If oral presentations are required, they will be scheduled after the submission of proposals. Oral presentations will be made at the vendors' expense.

This process is a Request for Proposal/Competitive Negotiation process. Each Proposal shall be evaluated, and each respondent shall be available for negotiation meetings at the Lottery's request. The Lottery reserves the right to negotiate on any and/or all components of every proposal submitted. From the time the proposals are submitted until the formal award of a contract, each proposal is considered a working document and as such, will be kept confidential. The negotiation discussions will also be held as confidential until such time as the award is completed.

1.15 BACKGROUND CHECKS

A background check of all principals of the apparent successful vendor and each individual assigned to their respective project will be conducted pursuant to SDCL § 42-7A-6.

2.0 STANDARD CONTRACT TERMS AND CONDITIONS

Any contract or agreement resulting from this RFP will include the State's standard terms and conditions as listed below, along with any additional terms and conditions as negotiated by the parties:

- 2.1 Performance Security Deposit:** The successful vendor will be required to furnish a performance security deposit in the amount of \$50,000.00 United States currency, made payable to the State of South Dakota. Said deposit must be in the form of an original bond issued by a surety company authorized to do business in the State of South Dakota (copies or facsimiles shall not be acceptable), check, cash, bank draft, or irrevocable letter of credit and be furnished to the South Dakota Lottery within thirty (30) days after award of the contract and prior to performance of service under the contract or any installation of equipment. The contract number and contract period must be specified on the performance security deposit. In the event the South Dakota Lottery exercises an option to renew the contract for an additional period, the vendor shall maintain the validity and enforcement of the security deposit for the said period, pursuant to the provisions of this paragraph.
- 2.2** The Contractor will perform those services described in the Scope of Work, attached hereto as Section 3 of the RFP and by this reference incorporated herein.
- 2.3** The Contractor's services under this Agreement shall commence and end on mutually agreed upon dates, unless sooner terminated pursuant to the terms hereof.
- 2.4** The Contractor will not use State equipment, supplies or facilities. The Contractor will provide the State with its Employer Identification Number, Federal Tax Identification Number or Social Security Number upon execution of this Agreement.
- 2.5** Unless otherwise negotiated and agreed upon by the parties, the Lottery will make payment in compliance with SDCL ch. 5-26.
- 2.6** The Contractor agrees to indemnify the State of South Dakota, its officers, agents, and employees, from and against all claims or proceedings for actions, suits, damages, liabilities, other losses or equitable relief that may arise at least in part as a result of an act or omission in performing services under this Agreement. The Contractor shall defend the State of South Dakota, its officers, agents, and employees against any claim, including any claim, action, suit, or other proceeding related to the claim. The Contractor's obligation to indemnify includes the payment of attorney fees and other costs of defense. In defending the State of South Dakota, its officers, agents, and employees, the Contractor shall engage other professionals, subject to the written approval of the State which shall not be unreasonably withheld. Notwithstanding the foregoing, the State may, in its sole discretion and at the expense of the Contractor, engage attorneys and other professionals to defend the State of South Dakota, its officers, agents, and employees, or to assist the Contractor in the defense. This section does not require the Contractor to be responsible for or defend against claims or proceedings for damages, liabilities, losses or equitable relief arising solely from errors or omissions of the State, its officers, agents or employees.
- 2.7** The Contractor, at all times during the term of this Agreement, shall obtain and maintain in force insurance coverage of the types and with the limits as follows:
- A. Commercial General Liability Insurance:
- The Contractor shall maintain occurrence-based commercial general liability insurance or equivalent form of coverage with a limit of not less than \$1,000,000.00 for each

occurrence. If such insurance contains a general aggregate limit, it shall apply separately to this Agreement or be no less than two times the occurrence limit. The insurance policy shall name the State of South Dakota, its officers and employees, as additional insureds, but liability coverage is limited to claims not barred by sovereign immunity. The State of South Dakota, its officers and employees do not hereby waive sovereign immunity for discretionary conduct as provided by law.

B. Professional Liability Insurance or Miscellaneous Professional Liability Insurance:

The Contractor agrees to procure and maintain professional liability insurance or miscellaneous professional liability Insurance with a limit not less than \$1,000,000.00. The insurance policy shall name the State of South Dakota, its officers and employees, as additional insureds, but liability coverage is limited to claims not barred by sovereign immunity. The State of South Dakota, its officers and employees do not hereby waive sovereign immunity for discretionary conduct as provided by law.

C. Business Automobile Liability Insurance:

The Contractor shall maintain business automobile liability insurance or equivalent form with a limit of not less than \$1,000,000.00 for each accident. Such insurance shall include coverage for owned, hired and non-owned vehicles. The insurance policy shall name the State of South Dakota, its officers and employees, as additional insureds, but liability coverage is limited to claims not barred by sovereign immunity. The State of South Dakota, its officers and employees do not hereby waive sovereign immunity for discretionary conduct as provided by law.

D. Worker's Compensation Insurance:

The Contractor shall procure and maintain workers' compensation and employers' liability insurance as required by South Dakota law.

Before beginning work under this Agreement, Contractor shall furnish the State with properly executed Certificates of Insurance which shall clearly evidence all insurance required in this Agreement including naming the State, its officers and employees, as additional insureds, as set forth above. In the event of a substantial change in insurance, issuance of a new policy, cancellation or nonrenewal of the policy, Contractor agrees to provide immediate notice to the State and provide a new certificate of insurance showing continuous coverage in the amounts required. Contractor shall furnish copies of insurance policies if requested by the State.

2.8 While performing services hereunder, the Contractor is an independent contractor and not an officer, agent, or employee of the State of South Dakota.

2.9 Contractor agrees to report to the State any event encountered in the course of performance of this Agreement which results in injury to the person or property of third parties, or which may otherwise subject Contractor or the State to liability. Contractor shall report any such event to the State immediately upon discovery.

Contractor's obligation under this section shall only be to report the occurrence of any event to the State and to make any other report provided for by their duties or applicable law. Contractor's obligation to report shall not require disclosure of any information subject to privilege or confidentiality under law (e.g., attorney-client communications). Reporting to the State under this

section shall not excuse or satisfy any obligation of Contractor to report any event to law enforcement or other entities under the requirements of any applicable law.

- 2.10** This Agreement may be terminated by either party hereto upon one-hundred eighty (180) days written notice. In the event the Contractor breaches any of the terms or conditions hereof, this Agreement may be terminated by the State at any time with or without notice. If termination for such a default is effected by the State, any payments due to Contractor at the time of termination may be adjusted to cover any additional costs to the State because of Contractor's default. Upon termination the State may take over the work and may award another party an agreement to complete the work under this Agreement. If after the State terminates for a default by Contractor it is determined that Contractor was not at fault, then the Contractor shall be paid for eligible services rendered and expenses incurred up to the date of termination.
- 2.11** This Agreement depends upon the continued availability of appropriated funds and expenditure authority from the Legislature for this purpose. If for any reason the Legislature fails to appropriate funds or grant expenditure authority, or funds become unavailable by operation of law or federal funds reductions, this Agreement will be terminated by the State. Termination for any of these reasons is not a default by the State nor does it give rise to a claim against the State.
- 2.12** This Agreement may not be assigned without the express prior written consent of the State. This Agreement may not be amended except in writing, which writing shall be expressly identified as a part hereof, and be signed by an authorized representative of each of the parties hereto.
- 2.13** This Agreement shall be governed by and construed in accordance with the laws of the State of South Dakota. Any lawsuit pertaining to or affecting this Agreement shall be venued in Circuit Court, Sixth Judicial Circuit, Hughes County, South Dakota.
- 2.14** The Contractor will comply with all federal, state and local laws, regulations, ordinances, guidelines, permits and requirements applicable to providing services pursuant to this Agreement, and will be solely responsible for obtaining current information on such requirements.
- 2.15** The Contractor may not use subcontractors to perform the services described herein without the express prior written consent of the State. The Contractor will include provisions in its subcontracts requiring its subcontractors to comply with the applicable provisions of this Agreement, to indemnify the State, and to provide insurance coverage for the benefit of the State in a manner consistent with this Agreement. The Contractor will cause its subcontractors, agents, and employees to comply, with applicable federal, state and local laws, regulations, ordinances, guidelines, permits and requirements and will adopt such review and inspection procedures as are necessary to assure such compliance.
- 2.16** Contractor hereby acknowledges and agrees that all reports, plans, specifications, technical data, miscellaneous drawings, software system programs and documentation, procedures, or files, operating instructions and procedures, source code(s) and documentation, including those necessary to upgrade and maintain the software program, and all information contained therein provided to the State by the Contractor in connection with its performance of services under this Agreement shall belong to and is the property of the State and will not be used in any way by the Contractor without the written consent of the State. Papers, reports, forms, software programs, source code(s) and other material which are a part of the work under this Agreement will not be copyrighted without written approval of the State.
- 2.17** The Contractor certifies that neither Contractor nor its principals are presently debarred, suspended, proposed for debarment or suspension, or declared ineligible from participating in

transactions by the federal government or any state or local government department or agency. Contractor further agrees that it will immediately notify the State if during the term of this Agreement Contractor or its principals become subject to debarment, suspension or ineligibility from participating in transactions by the federal government, or by any state or local government department or agency.

- 2.18** Any notice or other communication required under this Agreement shall be in writing and sent to the address set forth above. Notices shall be given by and to Norman Lingle on behalf of the State, and by _____, on behalf of the Contractor, or such authorized designees as either party may from time to time designate in writing. Notices or communications to or between the parties shall be deemed to have been delivered when mailed by first class mail, provided that notice of default or termination shall be sent by registered or certified mail, or, if personally delivered, when received by such party.
- 2.19** In the event that any court of competent jurisdiction shall hold any provision of this Agreement unenforceable or invalid, such holding shall not invalidate or render unenforceable any other provision hereof.
- 2.20** All other prior discussions, communications and representations concerning the subject matter of this Agreement are superseded by the terms of this Agreement, and except as specifically provided herein, this Agreement constitutes the entire agreement with respect to the subject matter hereof.
- 2.21** **Nonexclusive Rights:** Nothing in this RFP or any contract resulting from this RFP shall preclude the South Dakota Lottery from procuring the same or other testing related services from another vendor for its use.

3.0 SCOPE OF WORK

- 3.1** The State of South Dakota shall make no guarantee as to a minimum or maximum amount of services which may be required.
- 3.2** The vendor shall test, evaluate, conduct analyses or forensic examination, verify, certify, inspect and/or render opinions on behalf of the South Dakota Lottery. This process includes but is not limited to:
- 3.2.1 Testing of video lottery terminal cabinet, hardware, and software.
 - 3.2.2 User Acceptance Testing of Video Lottery Central Monitoring and Control System to ensure it meets specifications and functionality as described in the RFP, vendor proposals, or any updates or enhancements to the Central Monitoring and Control System to ensure it meets the objectives as outlined in project scope of work documents.

This testing is to ensure compliance with South Dakota laws, rules and requirements as codified or otherwise set forth, and agency approved gaming industry standards, including system business requirement specifications. Special emphasis will be given to randomness and payout percentage testing. SDCL 42-7A and ARSD 48:01, 48:02 and 48:03 reference the South Dakota Lottery Laws, Administrative Rules and Declaratory Rulings. The link to reference these is <http://lottery.sd.gov/about/laws/>.

- 3.3** The vendor shall test, evaluate, conduct analyses or forensic examination, verify, certify, inspect and/or render opinions on behalf of the South Dakota Lottery. This process includes but is not limited to:
- 3.3.1 The vendor will conduct User Acceptance Testing of Lottery Online Central System and related system modules and hardware to ensure it meets specifications and functionality as described in the RFP, vendor proposals, or any updates or enhancements to the Central System to ensure it meets the objectives as outlined in project scope of work documents.

This testing is to ensure compliance with South Dakota laws, rules and requirements as codified or otherwise set forth, and agency approved gaming industry standards, including system business requirement specifications. SDCL 42-7A and ARSD 48:01, 48:02 and 48:03 reference the South Dakota Lottery Laws, Administrative Rules and Declaratory Rulings. The link to reference these is <http://lottery.sd.gov/about/laws/>.

- 3.4** Such services requested of the vendor may include: rules drafting and interpretation; establishing uniform operating procedures for machine testing and implementation; assisting in matters of field inspection and machine security; testing of machines and communication processes; the training of employees in field inspections and auditing procedures; and any other function that is mutually agreeable between the South Dakota Lottery and the vendor.
- 3.5** At the discretion of the South Dakota Lottery, the vendor shall allow South Dakota Lottery employees to conduct an onsite visit of their laboratory or facility where testing for the South Dakota Lottery is conducted. The vendor shall be responsible, annually for all travel costs incurred by up to two (2) South Dakota Lottery employees, including out-of-state airfare, mileage, out-of-state car rental and associated costs including car rental insurance and lodging to inspect each laboratory or facility.

- 3.6** If a training symposium hosted by the vendor is determined necessary by South Dakota Lottery, the vendor shall be responsible for all travel costs incurred by up to two (2) South Dakota Lottery employees, including out-of-state airfare, mileage, out-of-state car rental and associated costs including car rental insurance and lodging to attend.
- 3.7** If requested by the South Dakota Lottery, the vendor shall perform additional consulting services on an as needed basis. The scope of work for any special project and cost will be separately negotiated between the South Dakota Lottery and the vendor at that time.
- 3.8** The vendor shall immediately notify the South Dakota Lottery of any situation or incident involving the integrity of any central communications system, video gaming terminal, or associated gaming equipment approved for use in South Dakota.
- 3.9** Unless otherwise specified herein, the vendor shall furnish all material, labor, facilities, equipment, tools, machinery, and storage of same, as well as water, heat, utilities, and transportation necessary to perform the services required herein.
- 3.10** The vendor shall employ a staff of full-time skilled professionals of such number to afford a separation of responsibilities that provides independent work product verification and fulfills the requirements stated herein to the satisfaction of the South Dakota Lottery. The vendor shall, at a minimum, employ personnel in the disciplines of mathematics, engineering (mechanical, electrical, and software), systems and communication protocol, compliance and quality assurance, and field inspections. The vendor shall train vendor's personnel on field testing rules and procedures prior to their working within the State of South Dakota.

4.0 PROPOSAL REQUIREMENTS AND COMPANY QUALIFICATIONS

- 4.1** The vendor is cautioned that it is the vendor's sole responsibility to submit information related to the evaluation categories and that the State of South Dakota is under no obligation to solicit such information if it is not included with the proposal. The vendor's failure to submit such information may cause an adverse impact on the evaluation of the proposal.
- 4.2** **Vendor's Contacts:** The vendor and their agents (including subcontractors, employees, consultants, or anyone else acting on their behalf) must direct all their questions or comments regarding the RFP, the evaluation, etc. to the primary contact indicated on the first page of this RFP. The vendor and their agents may not contact any state employee other than the primary contact regarding any of these matters during the solicitation and evaluation process. Inappropriate contacts are grounds for suspension and/or exclusion from specific procurements. The vendor and their agents who have questions regarding this matter should contact the primary contact.
- 4.3** The vendor may be required to submit a copy of their most recent audited financial statements upon the State's request.
- 4.4** The vendor must provide the following information related to three current North American lottery service/contracts and three previous service/contracts that have been terminated, expired or not renewed in the past three years, performed by the vendor's organization, which are similar to the requirements of this RFP.
- a. Name, address and telephone number of client/contracting agency and a representative of that agency who may be contacted for verification of all information submitted;
 - b. Dates of the service/contract; and
 - c. A brief, written description of the specific prior services performed and requirements thereof.
- 4.5** The vendor must provide details regarding the geographic location of their facilities to include: physical location, response capabilities, square footage, office space, lab space, physical security, cyber security, interior/exterior camera surveillance, intrusion protection/monitoring, access control to the building, fire safety, asset security/protection, and confidentiality policies and procedures.
- 4.6** The vendor must explain company computer capabilities to include: testing equipment, third party software verification tools, and computer databases for testing/tracking/QA.
- 4.7** The vendor must list available personnel to include titles and position descriptions and include: availability to client, Quality Assurance department, Technical Compliance department, and Regulatory compliance personnel.
- 4.8** The vendor must explain testing methodologies to include: test scripts, random number generator, mathematics, hardware, software, computer systems, communication software, and IT technology.

- 4.9** The vendor must provide details regarding the independence and integrity of its company related to: employee screening processes, testing services, other contracts, regulatory authorization to bill, and licensing backgrounds by regulators.
- 4.10** The vendor must provide information regarding their risk management policies and procedures as they relate to: malpractice insurance, compliance committee, confidentiality agreements with suppliers, and manufacturer due diligence investigations.
- 4.11** The vendor must provide details regarding the company experience, staff experience and types of services offered to include: casino, lottery, VLT's, computer systems including central monitoring systems, communication protocols, inspections/audits, writing rules/regulations, and technical standards development.
- 4.12** The vendor must list any relevant testing certifications the company has obtained (i.e. ISO certifications).
- 4.13** The vendor is requested, if applicable, to list any additional options, procedures, services, or protocols that may be a benefit to the South Dakota Lottery .

5.0 PROPOSAL RESPONSE FORMAT

- 5.1** The vendor must submit responses according to Section 1.5.
- 5.1.1 The vendor may not send the electronically formatted copy of their proposal via email.
- 5.1.2 The proposal must be page numbered and must have an index and/or a table of contents referencing the appropriate page number.
- 5.2** All proposals must be organized and tabbed with labels for the following headings:
- 5.2.1 **RFP Form.** The State's Request for Proposal form completed and signed.
- 5.2.2 **Executive Summary.** The executive summary is to briefly describe the vendor's proposal. This summary must highlight the major features of the proposal. It must indicate any requirements that cannot be met by the vendor. The reader should be able to determine the essence of the proposal by reading the executive summary. Proprietary information requests must be identified in this section.
- 5.2.3 **Detailed Response.** This section must constitute the major portion of the proposal and must contain at least the following information:
- 5.2.3.1 A complete narrative of the vendor's assessment of the work to be performed, the vendor's ability and approach, and the resources necessary to fulfill the requirements. This must demonstrate the vendor's understanding of the desired overall performance expectations.
- 5.2.3.2 A specific point-by-point response to each requirement in the RFP. The response must identify each requirement being addressed as enumerated in the RFP.
- 5.2.3.3 A clear description of any options or alternatives proposed.
- 5.2.4 **Cost Proposal.** Cost will be evaluated independently from the technical proposal. The vendor may submit multiple cost proposals. All costs related to the provision of the required services must be included in each cost proposal offered.
- The cost proposal must be submitted in a separate sealed envelope labeled "Cost Proposal" as outlined in section 1.5 of this RFP.
- See section 7.0 for more information related to the cost proposal.

6.0 PROPOSAL EVALUATION AND AWARD PROCESS

- 6.1** After determining that a proposal satisfies the mandatory requirements stated in the Request for Proposal, the evaluator(s) shall use subjective judgment in conducting a comparative assessment of the proposal by considering each of the following criteria:
- 6.1.1 Specialized expertise, capabilities, and technical competence as demonstrated by the proposed approach and methodology to meet the project requirements;
 - 6.1.2 Resources available to perform the work, including any specialized services, within the specified time limits for the project;
 - 6.1.3 Record of past performance, including price and cost data from previous projects, quality of work, ability to meet schedules, cost control, and contract administration;
 - 6.1.4 Availability to the project locale;
 - 6.1.5 Familiarity with the project locale;
 - 6.1.6 Proposed project management techniques; and
 - 6.1.7 Ability and proven history in handling special project constraints.
- 6.2** Experience and reliability of the vendor's organization are considered subjectively in the evaluation process. Therefore, the vendor is advised to submit any information which documents successful and reliable experience in past performances, especially those performances related to the requirements of this RFP.
- 6.3** The qualifications of the personnel proposed by the vendor to perform the requirements of this RFP, whether from the vendor's organization or from a proposed subcontractor, will be subjectively evaluated. Therefore, the vendor must submit detailed information related to the experience and qualifications, including education and training, of proposed personnel.
- 6.4** The State reserves the right to reject any or all proposals, waive technicalities, and make award(s) as deemed to be in the best interest of the State of South Dakota.
- 6.5 Award:** The Lottery and the highest ranked vendor shall mutually discuss and refine the scope of services for the project and shall negotiate terms, including compensation and performance schedule.
- 6.5.1 If the Lottery and the highest ranked vendor are unable for any reason to negotiate a contract at a compensation level that is reasonable and fair to the Lottery, the Lottery shall, either orally or in writing, terminate negotiations with the contractor. The Lottery may then negotiate with the next highest ranked contractor.
 - 6.5.2 The negotiation process may continue through successive vendors, according to the Lottery ranking, until an agreement is reached, or the Lottery terminates the contracting process.

7.0 COST PROPOSAL

The vendor must provide at a minimum the price for the following services:

1. Professional consulting fees at a dollar amount per hour.
2. Gaming related peripherals; hardware, software and systems; and other gaming devices and equipment at a dollar amount per hour.
3. User Acceptance Testing of Video Lottery Central Monitoring and Control System at a dollar amount per hour.
4. User Acceptance Testing of Video Lottery Central Monitoring and Control System enhancements at a dollar amount per hour.
5. Random Number Generator testing fee per RNG.

For items three (3) and four (4), the successful vendor will be required to provide scope of work and cost analysis for each maintenance release or enhancement.

Prices for purely optional services (not required by this RFP) shall be stated separately. The Cost Proposal must be in a separate sealed envelope labeled "Cost Proposal".