A. PURPOSE
The Tennessee Education Lottery Corporation (“TEL” or “Corporation”) is requesting proposals for a Sports Wagering Internal Control System as outlined in this Request for Proposal (“RFP”). It is the TEL’s desire to select a vendor that is able to provide a comprehensive solution for a sports wagering internal control system as described in this RFP.

Proposal documents shall be submitted to the TEL in accordance with the instructions and specifications detailed herein.

B. PROPOSAL SUBMISSION
This RFP has been issued on Tuesday, July 16, 2019. Questions and requests for clarifications relating to this RFP must be directed to the TEL’s Contract Compliance Coordinator. The Contract Compliance Coordinator is to be the sole point of contact at the TEL for issues related to the subject matter covered by this RFP, effective with the date of release of this RFP and until a vendor is selected. Contact in connection with the subject matter covered by this RFP with any representative of the TEL, other than the Contract Compliance Coordinator, will result in disqualification. The TEL’s Contract Compliance Coordinator, Rhonda Frost can be reached at:

Tennessee Education Lottery Corporation
Attn: Rhonda Frost
26 Century Blvd., Suite 200
Nashville, TN 37214
Telephone: (615) 324-6669
Email: procurement@tnlottery.com

Written questions and requests for clarifications must be received by the Contract Compliance Coordinator by 3:00 p.m. C.T. on Friday, July 19, 2019. Written questions and requests for clarifications may be submitted by email, facsimile, metered mail, or hand delivery. Questions and requests for clarification received after the aforementioned time and date will not be responded to, accepted or reviewed. Responses to these inquiries will be posted on the TEL’s website under “Internal Control System for Sports Wagering Schedule, Questions and Answers” no later than 5:00 p.m. C.T. on Tuesday, July 23, 2019. The TEL reserves the right to change any dates contained in this RFP. Any such changes to this RFP will be posted to the TEL’s website.

Delivery of five (5) copies of the proposal, with original signatures, to the Contract Compliance Coordinator at the above address is due no later than Tuesday, August 6, 2019.
by 3:00 p.m., C.T. Proposals received by the TEL Contract Compliance Coordinator after this date and time may be rejected, in the TEL’s sole discretion. Proposals transmitted electronically will not be accepted.

A proposal may not be altered after delivery, unless requested by the TEL. A proposal may be withdrawn up until the submission deadline.

C. GENERAL PROVISIONS

All potential vendors should read and become familiar with the Tennessee Education Lottery Implementation Act, T.C.A. §4-51-101 et seq., including the Sports Wagering section that begins at T.C.A. §4-51-301. (the “Act”) which is available through a link on the TEL’s website, www.tnlottery.com, under the “About Us” tab.

A contract will be awarded to the vendor whose proposal is determined to be the most advantageous for the TEL, considering all the conditions set forth in this RFP, which is otherwise qualified in all respects to perform fully the contract requirements without delay and which will provide the greatest long-term benefit to the TEL. While price will be an important factor, it alone will not be the deciding factor in the selection process. In accordance with the Act, the vendor selected may be required to pass a security and financial responsibility background check.

1. Open Records and Public Meetings Acts

All data, materials and documentation originated and prepared for and delivered to the TEL pursuant to this RFP shall become the property of the TEL and may be used as the TEL deems appropriate. Said materials shall belong exclusively to the TEL and may become available to the public in accordance with the Tennessee Public Records Act, Tenn. Code Ann. § 10-7-101 et seq., and the Tennessee Open Meetings Act, Tenn. Code Ann. §§ 8-44-101 to 8-44-201; however, the TEL will make reasonable attempts to maintain, in accordance with all applicable laws, the confidentiality of any trade secrets or proprietary information identified by vendors if such vendors properly identify the particular data or other materials which are trade secrets or proprietary information in writing by page, paragraph and sentence prior to or upon submission to the TEL of the data or other materials to be protected. All markings or identification of trade secrets or proprietary information must be conspicuous; use color, bold, underlining or some other method in order to conspicuously distinguish the mark from the other text. Do not mark the entire page if only portions of a page are protected. Vendors should also state the reasons such confidentiality is necessary. However, under no circumstance will the TEL be liable to any vendor or to any other person or entity for any disclosure of any such trade secret or confidential information.

2. Misunderstanding or Lack of Information

By submitting a proposal, a vendor covenants and agrees that it fully understands and will abide by the Act and the terms and conditions of this RFP and will not make any claims for, or have any rights to, cancellation, remedy or relief because of any misunderstanding
or lack of information. Any oral communications shall be considered unofficial and non-binding with regard to this RFP.

3. **Rejection of Proposals, Amendments to or Cancellation of RFP; Reissue of RFP**

Issuance of this RFP does not constitute an offer to purchase the Internal Control System for Sports Wagering and/or the services or a commitment on the part of the TEL to award a contract pursuant to this RFP. The TEL reserves the right to make changes to this RFP at any time and from time to time by issuance of written addendum/addenda, amendment(s) or clarification(s) for housekeeping matters or any other issues determined as necessary and appropriate by the TEL’s legal counsel. Any such change to this RFP will be posted to the TEL’s website, under the “Procurement” tab.

4. **Incurred Expenses**

The TEL shall not, under any circumstance, be responsible for any costs or expenses incurred by a vendor in preparing and/or submitting a proposal.

5. **Proposal Tenure**

All proposals shall remain valid for 180 calendar days from the proposal due date (the “Proposal Offer Period”). A proposal constitutes an offer by the vendor to contract with the TEL in accordance with the terms of the proposal, which offer is irrevocable for the duration of the Proposal Offer Period and may not be withdrawn or amended during the Proposal Offer Period without the written consent of the TEL.

6. **Non-Disclosure**

A vendor submitting a Proposal acknowledges that in connection with the process of submitting a proposal to the TEL pursuant to this RFP, and if applicable, in negotiating a contract with the TEL, it may receive or have access to trade secrets (as defined by applicable law) and/or confidential information (as defined by applicable law) of the TEL. By submitting a proposal, a vendor covenants and agrees to maintain the strict confidentiality of, and not to copy, transfer, use or disclose any such trade secrets and confidential information: (a) with regard to each item constituting a trade secret, at all times during which such item constitutes a trade secret under applicable law; and (b) with regard to any confidential information, at all times during the selection process for the contract for which the vendor has submitted an RFP, during the term of any contract awarded to the vendor by the TEL and for three (3) years after any termination of such process or contract, whichever occurs later.

7. **Non-Exclusive Rights**

By this RFP, the TEL does not intend to grant any vendor the exclusive rights to provide all materials and services required by the TEL during the period covered by any contract
resulting from this RFP. If the TEL determines that creation and production of materials and services by various vendors is in the TEL’s best interest, the TEL shall have the right to purchase, contract for and use these materials and services without infringing upon or terminating any contract resulting from this RFP.

8. **Prohibition Against Unauthorized Contacts**

The TEL is committed to a competitive procurement process that maintains the highest level of integrity. Therefore, except as expressly contemplated in this RFP, or in connection with normal business activities not associated with this procurement, no contact or other solicitation initiated by vendors or any person employed by vendors, including but not limited to their attorneys, representatives or others promoting their position, will be allowed with any member of the Board of Directors (the “Board”) of the TEL or with any officer, employee of or consultant or adviser to the TEL, individually or otherwise, during the application and selection process associated with this RFP. All contact and other solicitations made by a vendor submitting a proposal or any person employed by such a vendor shall be directed towards the contact person identified in Section B of this RFP, above. Any violation of this prohibition shall result in disqualification. Any attempt to influence any TEL employees, officers, consultants, advisors or Board members with respect to this procurement, whether such attempt is oral or written, formal or informal, is strictly prohibited and shall result in disqualification.

9. **Dispute Procedures**

All claims and disputes, including, but not limited to, protests related to this RFP, will be handled under the Tennessee Education Lottery Corporation Dispute Resolution Procedures (the “Dispute Resolution Procedures”), as adopted and/or amended from time to time by the Board in accordance with the Act. All vendors should read and be familiar with the Dispute Resolution Procedures, which is available through a link on the TEL’s website, under the “Procurement” tab. The Dispute Resolution Procedures include provisions governing the deadline for the filing of a dispute resolution request. Any claim or dispute relating to this RFP or the contract by an aggrieved person, as that term is defined in the Dispute Resolution Procedures, must be timely filed by delivery by hand or courier to the CEO of the TEL with a copy to the General Counsel of the TEL, along with a dispute bond in the amount of $100,000.00, for binding resolution under the Dispute Resolution Procedures. Any vendor that submits a proposal hereby expressly acknowledges and agrees that the Dispute Resolution Procedures represent the exclusive procedure and the exclusive forum for binding resolution of all claims, disputes, complaints and dispute resolution requests of any kind relating in any way to any RFP, bid, offer, quote, proposal or agreement entered into by the TEL and agrees to be bound thereby.

10. **Advertising; News Releases**

In submitting a proposal, the vendor agrees not to use the results thereof as a part of any commercial advertising without the prior written consent of the TEL.
The TEL is the only entity authorized to issue news releases relating to this RFP, its evaluation, and the award of any contract and performance there under. Under no circumstances shall any vendor issue any such news releases without the express prior written consent of the TEL in each instance.

11. **Non-Assignability**

Any award resulting from this RFP cannot be assigned in whole or in part without the prior written approval of the TEL, which consent may be unreasonably withheld, delayed or conditioned in the sole discretion of the TEL.

12. **Equal Opportunity**

The TEL prohibits discrimination on the basis of race, color, gender, religion, national origin, or disability in connection with employment of any person, or the award of any contract with the TEL.

The TEL will provide equal opportunities without regard to race, color, gender, religion, national origin, or disability, by requiring that any firm doing business with the TEL provide equal opportunity to persons and businesses employed by, or contracting with the supplier of products and services to the TEL.

**D. MINORITY PARTICIPATION**

It is an overall objective of the TEL to encourage involvement by minority-owned businesses in any commerce generated by the TEL, while assuring that such activities will be conducted in accordance with all applicable laws.

Furthermore, in accordance with the Act, it is the declared policy and intent of the TEL to strive to maximize participation of minority owned businesses to achieve a minimum participation of fifteen percent (15%) through all business contracting opportunities. All vendors should read and be familiar with the TEL’s Equal Business Opportunity Program which is posted on the TEL’s website, under the “Procurement” tab.

Vendors interested in doing business with the TEL are required to complete the *Equal Business Opportunity Form B*, attached hereto as *Exhibit B*, and include within its proposal a short narrative describing its commitment to assist the Corporation in striving to maximize participation of minority-owned businesses. In order for *Form B* to be considered complete by the evaluation committee, the vendor must provide the information required in each field, provide the information requested in the table, and must have the form signed by vendor’s authorized representative. If minority-owned businesses are unavailable to subcontract or otherwise participate in the proposal, or if the proposer is a minority-owned business, the vendor should so note in *Form B*. 

E. EVALUATION OF PROPOSALS
The TEL will establish an Evaluation Committee (“Committee”) prior to the receipt of proposals. The Committee will be responsible for evaluating the proposals received from interested vendors. The general categories to be used by the Committee in evaluating the proposals will be as follows: (1) compliance with the RFP; (2) ability to provide the goods and/or services required; (3) pricing structure; (4) experience and expertise of the vendor; (5) functionality of the system and services proposed; (6) and client references. These criteria are presented for informational purposes only and do not necessarily represent the order of importance or weight that each factor will have in the final scoring of proposals.

F. EVALUATION PROCEDURE
The Committee will review the proposals submitted and may request clarification of information or representations in the proposal, address technical questions or seek additional information regarding any proposal before completing the initial evaluation. Requests for clarification from vendors and any information received in response thereto will become part of the evaluation record. The Committee may seek assistance from TEL staff and/or outside consultants as needed to evaluate the proposers’ ability to provide the requirements of this RFP.

G. SCOPE OF GOODS AND SERVICES
The scope of goods and services for the Internal Control System for Sports Wagering that the TEL is soliciting can be found in Exhibit D, attached hereto and incorporated herein.

H. COMPENSATION
Each proposal must include the vendor’s proposed compensation for undertaking the services requested and outlined in this RFP. Vendors are reminded that the cost quotation should cover all of the systems and services covered by this RFP and to be provided by the successful vendor during the term of the contract.

I. FORM OF PROPOSAL
Each proposal must be prepared simply and economically, providing a clear description of the vendor’s capabilities to meet the requirements of this RFP. Vendor is under an obligation to notify the TEL of any changes to the information, data, or facts submitted to the TEL. In order to expedite the evaluation process, respondents are required to submit their proposals in the following format:

Section 1 Submit completed copies of the following exhibits, attached hereto:

Exhibit A Proposal Signature and Authorization Form
Submit along with proposal. Form must be signed by an authorized representative of vendor.

Exhibit B Equal Business Opportunity Form
Submit along with a short narrative describing your commitment to assist the Corporation in striving to
maximize participation of minority-owned businesses. EBO Form B must be signed by an authorized representative of the vendor.

**Exhibit C**  
**Criminal Background Check Authorization/Consent**  
Vendor and each employee to be assigned to the TEL project must complete and submit, as part of its Proposal, the Authorization for Investigation Form, included as Exhibit C, to allow the TEL access to the criminal history of the Vendor and its employees to be assigned to this project. The officers, directors and each equity holder of a proposer (including any subcontractors) that submits a proposal must submit a completed Exhibit C.

**Section 2**  
Provide a brief profile of the vendor and its joint venture partners or subcontractor team members, if any, including, but not limited to, each company’s history, list of notable achievements or benchmarks, and experience in the Tennessee market. Indicate the main attributes that differentiate you from your competitors.

**Section 3:**  
A Vendor must provide adequate information to permit an evaluation of its capabilities to undertake and complete satisfactorily any contract awarded and executed pursuant to this RFP. A Vendor also must disclose any outside financial resources that will be utilized. In addition, a Vendor must submit a copy of its last three (3) years financial statements that have been audited by an independent public accounting firm. A Vendor’s failure to submit the requested financial statements may result in a disqualification of its Proposal.

**Section 4**  
References. Vendor and its joint venture or subcontractor team members must provide five (5) references that the Corporation may contact to discuss vendor and its joint venture or subcontractor team members. Each joint venture partner or subcontractor must provide a list of references. Vendor must include the following information: (i) company name and address, (ii) contact name and title, (iii) contact email address and telephone number, (vi) project type and (vii) date project completed.

**Section 5**  
Provide a written plan outlining how you propose to provide the services outlined in Exhibit D “Scope of Services.”

**Section 6**  
Provide one copy of the total cost to complete the proposed solution in a sealed and labeled envelope separate from the other sections of the proposal. No cost information is to be included in the technical portion of the proposal. Please list the cost of the warranty and annual maintenance plan, if any, separately from the cost of the Internal Control System for Sports
Wagering. This quote shall be inclusive of all costs, including, but not limited to, direct labor, indirect labor, travel, hardware and software, general and administrative expenses, profit, ongoing service and maintenance of the four (4) Internal Control Systems.

**J. ORAL PRESENTATIONS AND QUESTIONS**

Any contractor that submits a proposal may be requested to provide additional information to the TEL. Such information is only for the purpose of clarification and in no way changes the contractor’s proposal as originally submitted. The Evaluation Committee of the TEL will schedule times and locations for oral presentations or in-house demonstrations by a contractor, if necessary. Notification of date and time will be provided after the responses are reviewed but prior to the opening of the cost proposal. The TEL reserves the right to ask any or all contractors to clarify any portion of their proposals after submission. The TEL will not be responsible for any costs or expenses incurred by a contractor in its response to such inquiries or oral presentations.

**K. PROPOSAL SIGNATURES AND PACKAGING**

A representative who is authorized to contractually bind the vendor must manually sign all copies of the proposal. The vendor also must provide the TEL with the name, business address, business telephone number, and email address of a person who will act as the contact person for all inquiries that the TEL may have during the proposal evaluation process. Such person must be authorized to make representations for and bind the vendor contractually.

**L. ACCEPTANCE OF PROPOSAL BY THE TEL**

The TEL reserves the right to accept or reject any and all proposals submitted in response to this RFP, in whole or in part, and to award a contract pursuant to this RFP or cancel this RFP if it is considered to be in the best interests of the TEL and the State of Tennessee.

**M. CONTRACTUAL TERMS AND CONDITIONS**

Upon selection by the TEL of a successful vendor, the TEL and the successful vendor will negotiate the final terms and conditions of the contract. The term of the contract shall be for seven (7) years and may be renewed or extended, from time to time, at the sole discretion of the TEL, for up to an additional three (3) years.
EXHIBIT A

TENNESSEE EDUCATION LOTTERY CORPORATION

Proposal Authorization

We propose to furnish and deliver any and all of the deliverables and services named in the Internal Control System for Sports Wagering Request for Proposal (“RFP”). The terms offered herein shall apply for the period of time stated in the RFP.

We further agree to strictly abide by all of the terms and conditions contained in the RFP and the Tennessee Education Lottery Implementation Law, as amended from time to time. Any exceptions are noted in writing and included with our bid response.

It is understood and agreed that we have read the Tennessee Education Lottery Corporation’s (“TEL’s”) specifications shown or referenced in the RFP and that this bid is made in accordance with the provisions of such specifications. By our written signature on this proposal, we guarantee and certify that all items included in this proposal meet or exceed any and all of the TEL specifications, including a completed Exhibit B (EBO Form B). We further agree, if awarded a contract, to deliver goods and services that meet or exceed the specifications.

BID SIGNATURE AND CERTIFICATION

(Authorized representative must sign and return with bid)

I certify that this bid is made without prior understanding, agreement, or connection with any corporation, firm, or person submitting a proposal for the same materials, supplies, equipment, or services and is in all respects fair and without collusion or fraud. I understand collusive bidding is a violation of State and Federal Law and can result in fines, prison sentences and civil damage awards. I understand and agree to abide by all conditions of the RFP and certify that I am authorized to sign this bid for the responding contractor or vendor.

Date: __________________________________________

Authorized Signature: ___________________________

Print Name: ___________________________________

Title: _________________________________________

Company Name: _______________________________

NOTE: PLEASE ENSURE THAT ALL REQUIRED SIGNATURE BLOCKS ARE COMPLETED. FAILURE TO SIGN THIS FORM AND INCLUDE IT WITH YOUR PROPOSAL WILL RESULT IN REJECTION OF YOUR PROPOSAL.
EXHIBIT B

TENNESSEE EDUCATION LOTTERY CORPORATION
EQUAL BUSINESS OPPORTUNITY PROGRAM

EBO FORM B

PROPOSED MINORITY-OWNED BUSINESS UTILIZATION PLAN
(TO BE SUBMITTED WITH THE PROPOSAL)

Company: ________________________________________ (“Firm”)
RFP/ITB: Internal Control System for Sports Wagering

Firm does certify that on the above noted procurement opportunity, the following minority-owned businesses may be utilized as subcontractors, joint-venturers, suppliers, or provide professional services:

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<tr>
<th>Name</th>
<th>Description of Work</th>
<th>% of Contract Value</th>
<th>Joint Venture (Yes/No)</th>
<th>% of Minority Ownership</th>
<th>Certified (Yes/No)</th>
<th>Certification Agency</th>
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*(If additional space is needed this form may be duplicated)*

ESTIMATED TOTAL % OF MINORITY BUSINESS PARTICIPATION: ______________________

Submitted by:

_____________________________________
Authorized Representative Signature

_____________________________________
Title

_____________________________________
Date
EXHIBIT C

AUTHORIZATION FOR INVESTIGATION

I, _____________________, hereby authorize the Tennessee Education Lottery Corporation or its designee to conduct a Vendor background investigation (Tenn. Code Ann. § 4-51-124(b)) including the criminal and financial credit history of ___________________. I hereby authorize the Tennessee Education Lottery Corporation to receive any criminal history record information pertaining to me that may be in the files of any criminal justice agency. I hereby release all organizations, individuals, agencies, and other employees and agents from any liability that may result from their furnishing such information and authorize all organizations, individuals, agencies, and their employees and agents contacted by the Tennessee Education Lottery Corporation or its designee to provide such information. A photocopy of this release will be valid as an original thereof even though said photocopy does not contain an original writing of my signature.

Address: ____________________________________________

_________________________________________________________________

City/State/Zip Code: ________________________________

Sex: _____ Race: _____ SSN: _____-____-_____

DOB: _____/_____/_____

Printed Name: _______________________________________

Signature: _______________________________________

Title: ____________________________________________

Notary: ____________________
EXHIBIT D

SCOPE OF SERVICES

SPORTS WAGERING INTERNAL CONTROL SYSTEM

Scope of Work:

Tennessee Education Lottery (“TEL”) is seeking a Sports Wagering Internal Control System that will collect transactional and financial information from licensees, whom are approved by the TEL to accept mobile and/or internet-based wagers from bettors on sporting events. For purposes of this RFP, the “Sports Wagering Internal Control System” shall mean all hardware (including, but not limited to, computer, servers, monitors, printer and uninterrupted power supply (“UPS”)), along with software, supplies and related services, necessary to operate and to maintain a computer system designed to independently process (i) all sports wagering licensee transactions processed no less frequently than on a daily, weekly and monthly basis; (ii) independently process all transactions from each licensee and create accounting reports and files for the Tennessee Education Lottery’s financial systems; and (iii) all sports wagering accounting activity, including, but not limited to, gross wagers, wager payouts, adjustments, wager cancels, and privilege tax.

The exact number of licensees that will be approved to accept sports wagers from within the State of Tennessee is not known. The proposed system should have the flexibility to allow for multiple licensees during the contract period. The TEL expects most licensees to test and to provide files to the Sports Wagering Internal Control System at or around the time of launch of sports wagering in Tennessee, with additional licensees to test and to provide files to the Sports Wagering Internal Control System periodically after launch.

The TEL is seeking four (4) Sports Wagering Internal Control Systems. The primary and secondary Sports Wagering Internal Control Systems will be deployed for production purposes with the secondary Sports Wagering Internal Control System as a disaster recovery system; the tertiary Sports Wagering Internal Control System will be used as a production test system for licensees; and the fourth Sports Wagering Internal Control System will be utilized primarily for user acceptance testing and security operations by TEL staff only. The Lottery is open to either a premise-based or cloud-based solution.

The Sports Wagering Internal Control System must support the ability to accept transactional and financial feeds from licensees via XML, JSON, CSV or other agreed upon standardized file format. The successful bidder also will assist in defining an Application Programming Interface (API) protocol that licensees will use when submitting data to the Sports Wagering Internal Control System. The daily transactional and financial information collected from licensees must be aggregated and processed by the Sports Wagering Internal Control System to produce reports and account-level data to feed into the TEL’s financial systems. Data collected from licensees must be summarized by the
Sports Wagering Internal Control System no less frequently than on a daily, weekly and monthly basis for accounting and reconciliation purposes. The Sports Wagering Internal Control System should also support the ability to define Key Performance Indicators (KPIs), which will be used to track metrics such as, but not limited to, gross wagers, payouts, adjustments, wager cancels, and privilege tax.

The proposed Sports Wagering Internal Control System must include, at a minimum, the following:

- All new hardware and software necessary to enable the TEL to capture, process and balance all transactions involving sports wagering for each licensee, and to transfer the transactions to primary and secondary Sports Wagering Internal Control Systems;

- Ability to independently process all daily wagers, payouts, adjustments, cancels, coupons/promotions, and accounting activities, which may include, but not limited to, privilege tax, credits, and EFT/ACH sweeps.

- Ability to produce accounting files that will feed into the TEL’s financial systems. The data files will contain all accounting activity for each licensee, in a summarized form for inclusion in the TEL’s general ledger. The data files will be further defined for the successful bidder.

The proposer must provide, at a minimum, the following:

- Assistance with the timely testing and certification of the Sports Wagering Internal Control System. Successful vendor, if requested by the TEL, must submit the Sports Wagering Internal Control System software to an independent third party certification firm selected by the TEL;

- Assistance with the implementation and testing of licensees, whom need to submit data to the Sports Wagering Internal Control System;

- Training for TEL Computer Operations staff in Nashville, including any operation manuals;

- Warranty and maintenance plan;

- Ongoing software support, including the ability to receive software upgrades and updates at no additional cost;

- Programming support and process for resolving issues with the Sports Wagering Internal Control System. Employees of proposer must be available 24 hours a day,
7 days a week, and 365 days a year. Please define response time during core business and non-core business hours.

**Other Requirements:**

1. List the hardware proposed for the Sports Wagering Internal Control System and its capabilities. Include with your proposal a configuration diagram (either premise-based or cloud-based).

2. Provide information on the company’s experience in working on and providing Sports Wagering Internal Control Systems related to sports wagering for other lotteries. If applicable, include as references lotteries for which the firm has provided a Sports Wagering Internal Control System similar to the proposed system for the TEL. List all states and jurisdictions in which the vendor does business and the nature of the business in each such state or jurisdiction, including states and jurisdictions in which vendor supplies other non-sports wagering gaming goods or services.

3. Disclose for the vendor and any current or former employee any finding, plea, conviction or adjudication of guilt in any jurisdiction for a felony or misdemeanor, other than a traffic violation, including, but not limited to, gambling, theft, computer offenses, forgery, perjury, dishonesty, unlawfully selling or providing a product or substance to a minor or related to the security or integrity of a lottery.

4. Provide an organizational chart describing the employment history and roles of each person to be assigned to the TEL account.

5. Provide a proposed timeline for the completion of this project. The TEL projects that the Sports Wagering Internal Controls System will need to be available for internal testing by end of November 2019, and, upon successful internal testing, available for testing files required of the licensees thereafter. A final implementation plan and timeline will be negotiated with the successful vendor.

6. Describe the software functions, to include but not be limited to:

   a. Methodology and process for, and frequency of, system balancing;

   b. Processes for transferring data from licensee to the Sports Wagering Internal Control System;

   c. Exception reporting;

   d. Fraud detection; and
e. Operating systems compatible with the proposed Sports Wagering Internal Control System.

7. Describe the reports to be generated by, and the reporting capabilities of, the proposed Sports Wagering Internal Control System. Describe the ability to integrate reports with accounting software or sales automation packages (e.g. Microsoft Dynamics GP) and the ability of the TEL to customize reports. Provide copies of reports that can be generated.

8. Describe the information to be captured and maintained by the Sports Wagering Internal Control System pertaining to each licensee.

9. Describe the security features of the proposed Sports Wagering Internal Control System, including, but not limited to, physical security, firewalls, account creation and deletion, password reset feature, user administration and segregation of duties. The Sports Wagering Internal Control System must prevent unauthorized changes in its development, testing, implementation and use. Proposers should describe any and all methods for preventing and for detecting and reporting any unauthorized access or modifications to the Sports Wagering Internal Control System.

10. Describe the audit program or capabilities incumbent in the Sports Wagering Internal Control System, including the archival and recall features for transactional logs. Also, describe any capability that would allow the Lottery to monitor or audit active remote sessions by vendor(s) on the Sports Wagering Internal Control System, such as key logging software.

11. Describe the proposed Sports Wagering Internal Control System’s user interface and the interface with potential licensees, i.e., file transfer process, and the frequency of the transfers.

12. Describe the process for modifying or updating the Sports Wagering Internal Control System for the introduction of a new licensee or to correct programming errors.

13. Provide a copy of general liability and errors & omissions insurance policies. Successful vendor will be required to name the Tennessee Education Lottery Corporation as an additional insured.

14. Provide proposed liquidated damages for failure to meet the following service level agreements:

   a. Failure to be operational by the agreed upon implementation date;

   b. Failure to have the Sports Wagering Internal Control System available 99.99% per day; and
c. Failure to timely and accurately switch among primary and secondary Sports Wagering Internal Control Systems.
References:

Please list five existing customer references. These customers must be able to be contacted by a representative of the TEL. If your firm has provided a similar Internal Control System for Sports Wagering to other lotteries or government agencies, please include those lotteries or government agencies as references.

<table>
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<tr>
<th>Company Name and Address</th>
<th>Contact Name &amp; Title</th>
<th>Contact Phone and Email Address</th>
<th>Project Type</th>
<th>Date Project Completed</th>
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## Internal Control System for Sports Wagering
### RFP Schedule, Question & Answer

<table>
<thead>
<tr>
<th>Schedule</th>
<th>Date</th>
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<tr>
<td>Posting of RFP</td>
<td>July 16, 2019</td>
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<td>Inquiries Submission Period</td>
<td>July 16-19, 2019</td>
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<td>Inquiries Deadline</td>
<td>July 19, 2019; 3:00 p.m. CT</td>
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<td>Answers Posted</td>
<td>July 23, 2019; 5:00 p.m. CT</td>
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<tr>
<td>Proposal Deadline</td>
<td>August 6, 2019; 3:00 p.m. CT</td>
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Any and all inquiries must be submitted in writing by email, facsimile, or metered mail by the submission deadline to the attention of: Rhonda Frost, Contract Compliance Coordinator.

[Below is the answer to the RFP question submitted by the deadline]
Question 1: Are there any prohibitions on the contracted vendor for the Sports Wagering Internal Control System also acting as either an approved sports wagering license holder, or supplier to an approved sports wagering license holder, that will be approved in the future by the Lottery?

Answer 1: The TEL will be mindful of the potential for a conflict of interest if its Sports Wagering Internal Controls System provider submits an application for a sports wagering license or is included as a vendor or supplier to an entity that submits an application for a sports wagering license. Any conflict of interest will not be viewed favorably in the sports wagering licensing process.