

October 1, 2024

REQUEST FOR PROPOSALS FOR REAL TIME MONITORING AND REPORTING SYSTEM FOR CASH DEVICES

State of Nebraska
(Nebraska Department of Revenue Charitable Gaming Division)

TECHNICAL PROPOSAL – RFP# 119588 03



intralot

11360 Technology Circle
Duluth, GA 30097



October 1, 2024

Mr. Brian Rockey

Director, Nebraska Lottery

State of Nebraska - Nebraska Department of Revenue Charitable Gaming Division

Email Address: brian.rockey@nebraska.gov

Reference:

Response to RFP 119588 O3 - Real Time Monitoring and Reporting System for Cash Devices

Dear Director Rockey,

Intralot is pleased to present our proposal to the State of Nebraska to provide a Real Time Monitoring and Reporting System for Cash Devices along with all related support and services. Our proposal includes products and services that exceed the requirements of the RFP and establishes a very strong base from which the State can secure an innovative and future-proofed online Real Time Monitoring and Reporting system. As we will detail in our offering, Intralot's solution will:

- ✓ Offer a state-of-the-art infrastructure through our advanced iGEM Platform for accurately monitoring all Cash Devices in the field, increase game performance, and drive revenue growth through innovative gaming solutions.
- ✓ Minimize administrative and operating expenses without compromising service quality, utilizing our experience in similar environments like the Nebraska Cash Devices.
- ✓ Provide future-proofed technology that will cover the current and future needs of the Cash Devices network.
- ✓ Provide a monitoring system that will be in full compliance with GLI-13 Standard, as well as international game security and system standards.

Intralot is dedicated to the development and implementation of advanced gaming systems and technologies in a socially responsible manner. We strongly believe that a good company is not defined only by monetary criteria, stock performance, and projects undertaken. A good company must also be a good corporate citizen that is committed to a Corporate Social



Responsibility (CSR) culture and practices, and we intend to align our commitment as your partner in Nebraska.

By my signature, I certify that I am legally authorized to execute contractual obligations on behalf of Intralot, and that our proposal complies with:

- ✓ All the requirements, terms, and conditions as set forth in this RFP.
- ✓ The requirement that the Offeror's proposal accurately describes the goods and services being offered to the STATE, and the proposal will be held firm for the period specified.
- ✓ All local, state, and federal laws, rules, code laws, rules, code, regulation, and policies, including those relating to nondiscrimination, accessibility, civil rights, and equal employment.
- ✓ The requirement that this proposal was prepared independently without collusion.

Should the State have any questions concerning this proposal, please contact either of the individual listed below:

Bill Avgeris
Business Development Director
bill.avgeris@intralot.us
216-386-3266
11360 Technology Circle
Duluth, GA 30097

Intralot has proposed our solution to align the objectives of this RFP and the future goals of your State program. You have our dedication and commitment to this important system, and we thank you for the opportunity.

Sincerely,

A handwritten signature in blue ink, appearing to read "Nikos", written over a light blue circular background.

Nikos Nikolakopoulos
Group Chief Executive Officer

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Intralot's Response to RFP# 119588 03

EXECUTIVE SUMMARY





EXECUTIVE SUMMARY

THE INTRALOT NEBRASKA ADVANTAGE

INTRALOT is pleased to submit its response to the State of Nebraska for the Real-Time Monitoring and Reporting System for Cash Devices. We are committed to providing a comprehensive and feature-rich proposal that not only meets but exceeds the base RFP requirements in multiple areas. Our solution includes the implementation of a new Central Monitoring System, the iGEM CMS, specifically designed to optimize the operations of Cash Devices.

INTRALOT will deliver the iGEM system to the State of Nebraska, a cutting-edge solution built on the latest technologies, including Oracle database and IBM System infrastructure. This advanced system is designed to be future proof, offering scalability, reliability, and enhanced security to meet the evolving needs of the State of Nebraska both now and in the future. The iGEM system has already been successfully deployed in other jurisdictions such as Georgia, Ohio, Victoria (Australia), and New Zealand, demonstrating its proven capabilities and reliability in real-world environments.

The following sections outline the key features and benefits of our iGEM solution, emphasizing how it will improve the efficiency, transparency, and security of the State's Cash Devices operations.

INTRALOT is confident in delivering an innovative, comprehensive, and adaptable Real Time Monitoring and Reporting System for the State of Nebraska, designed to not only meet but exceed expectations. Our solution ensures the long-term, secure, and efficient operation of the Cash Devices network, providing the State with a robust system capable of adapting to evolving needs. Leveraging our global expertise, particularly within the United States, we bring a wealth of experience, demonstrated by our success in expanding the Georgia Lottery COAM project—the **second-largest video gaming network worldwide**, following Illinois' VGT system, with 39,000 machines across 7,050 retailers. By combining this proven expertise with the State of Nebraska's deep understanding of the local market and supported by highly skilled personnel dedicated to the State and residing within Nebraska, we are committed to elevating the performance of Cash Devices and ensuring sustained success for the State of Nebraska for years to come.

RFP GOALS AND APPROACH

INTRALOT fully understands the goals and expectations outlined in this RFP, as well as the unique challenges and opportunities facing the State of Nebraska. To ensure a comprehensive grasp of the local market dynamics, we deployed a dedicated team from our U.S. headquarters in Duluth, Georgia, and our global headquarters in Athens, Greece, to conduct in-depth research visits across various establishments in Nebraska. These visits offered valuable insights into the operational challenges, specific needs, and market conditions unique to Nebraska, as well as perspectives from Distributors, Retailers, Manufacturers, and other key stakeholders.

Our high-level approach leverages this detailed market knowledge to deliver a robust, scalable, and innovative solution tailored to the unique demands of Nebraska's gaming industry. We prioritize a seamless installation with minimal disruption to existing operations, integrating advanced technology

with user-friendly interfaces for both State of Nebraska users and external partners, including Distributors, Manufacturers and Retailers. Our proposal offers several key advantages to the State:

- a. **Proven Experience and Reliability:** Our extensive experience and proven track record in managing large-scale gaming operations guarantee a high level of reliability and efficiency, ensuring that the State of Nebraska can confidently rely on our systems and support.
- b. **Unbiased Reporting:** INTRALOT is not a gaming machine manufacturer, and we can provide unbiased reporting on any issues that arise with manufacturers in the field. This transparency ensures that the State receives honest feedback, in contrast to vendors who may have vested interests in concealing problems with their games.
- c. **Innovative Solutions for Future Growth:** Our innovative solutions and cutting-edge technology not only meet current regulatory and operational needs but also position the State of Nebraska for future growth and adaptability in an evolving gaming landscape throughout the next contract period.
- d. **Familiarity with Nebraska Distributors and Manufacturers:** INTRALOT has developed strong working relationships with key Nebraska Distributors operating in Georgia, giving us deep insight into their operational needs and challenges. Additionally, our familiarity with most manufacturers in Nebraska allows us to proactively address potential issues. For instance, we have already identified at least two game versions currently operating in Nebraska that have experienced problems with their progressive meters. This level of understanding positions us to offer tailored support and solutions to ensure smooth operations and minimize downtime.

INTRALOT SOLUTION OVERVIEW

INTRALOT proposes a comprehensive solution for the State of Nebraska that meets or exceeds all RFP requirements. Our proven systems will empower the State to strengthen its brand and achieve new levels of profit generation in the future. With extensive experience in managing similar environments, such as the Cash Devices network, we fully understand the concerns that may arise when transitioning from manual data processing to a central monitoring system.

Since entering the U.S. market in 2003, and with 12 states now as valued customers, INTRALOT has consistently delivered on-time system installations and conversions without any interruptions to system operations or player experiences. Our flawless track record reflects our commitment to seamless transitions and uninterrupted service.

INTRALOT's corporate support teams, executive leadership, and global technical staff are fully dedicated to providing continuous support to the State of Nebraska from day one and throughout the duration of our partnership. Below is an overview of key features and highlights of our proposal.

START OF CONFIDENTIAL, PROPRIETARY AND TRADE SECRET INFORMATION

Full Function and Scalable Central System

[REDACTED]

[REDACTED]

[REDACTED]

END OF CONFIDENTIAL, PROPRIETARY AND TRADE SECRET INFORMATION

START OF CONFIDENTIAL, PROPRIETARY AND TRADE SECRET INFORMATION

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



END OF CONFIDENTIAL, PROPRIETARY AND TRADE SECRET INFORMATION

Software and Delivery

INTRALOT employs precisely defined, highly detailed, and disciplined processes to ensure the timely and superior development and delivery of our products. This unwavering commitment extends to the initial implementation and all subsequent enhancements and modifications. Our change management procedures and processes are ISO certified, ensuring the highest standards of quality and reliability. Moreover, our CI/CD pipeline incorporates automated testing of both frontend and backend APIs, effectively eliminating the need for human testing and significantly reducing the potential for errors.

INTRALOT assures the State that the proposed system and software will fully comply with all security requirements and other critical data specifications mandated by the State of Nebraska, including any changes or amendments over the contract term. Our adherence to these rigorous standards guarantees that we will consistently meet or exceed the expectations set forth by the State, ensuring a secure, reliable, and efficient solution throughout the duration of the contract.

Time is of the essence

INTRALOT fully understands the critical role the Real Time Monitoring and Reporting System will play for the State of Nebraska, particularly in ensuring that funds collected from Cash Devices are directed toward important causes. Based on our experience with similar projects, a common factor that can delay new implementations is hardware delivery. To mitigate this risk, INTRALOT has proactively engaged with our hardware partners and secured a commitment for timely delivery. The hardware will be ordered immediately upon contract award, and we expect full delivery of both system and retailer hardware by the end of the year.

Once all configurations are finalized, INTRALOT plans to begin terminal installations by end-March 2025. A comprehensive installation schedule will be coordinated with the Distributors and shared with the State, targeting a completion prior July 19, 2025.

Data Warehouse and Reporting

INTRALOT will provide the State with our cutting-edge iGEM Back Office system and Data Warehouse, among other advanced tools. These comprehensive solutions facilitate data analysis, data mining, and reporting, empowering State of Nebraska personnel to effortlessly analyze transactional data from

response to any issues. The system tracks performance metrics for Cash Devices and Distributor operations, delivering instant updates on play frequency, revenue per terminal, and the operational status of site controllers and machines. This real-time data enables system users to quickly identify and address any irregularities, such as connectivity issues or disabled Cash Devices, minimizing downtime and maintaining a smooth gaming experience. Additionally, the system’s color-coded indicators and detailed dashboards offer a comprehensive view of high or low gaming activity, facilitating swift decision-making and strategic adjustments based on live data.

START OF CONFIDENTIAL, PROPRIETARY AND TRADE SECRET INFORMATION

[REDACTED]

[REDACTED]

[REDACTED]

END OF CONFIDENTIAL, PROPRIETARY AND TRADE SECRET INFORMATION

Operator Portal

The Operator Portal is a standard feature in every INTRALOT project, providing all entities with essential access to monitor their financials and other activities within the retailer network. The Operator Portal will display relevant information about the Cash Devices network, including announcements, deadlines, upcoming scheduled maintenance, and more. Distributors, Retailers, and Manufacturers will have access to financial data, real-time information for their venues, and the ability to view financial data in real time.

START OF CONFIDENTIAL, PROPRIETARY AND TRADE SECRET INFORMATION

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END OF CONFIDENTIAL, PROPRIETARY AND TRADE SECRET INFORMATION

Notifications and Alerts

INTRALOT will provide a comprehensive system of notifications and alerts for State of Nebraska users and Distributors. Leveraging our extensive experience, we understand the critical importance of real-time notifications for timely and effective responses to significant events. INTRALOT will collaborate with the State to identify appropriate users, typically from the Security team, who will receive immediate alerts for critical occurrences such as excessive gameplay, potential fraud, and more.

START OF CONFIDENTIAL, PROPRIETARY AND TRADE SECRET INFORMATION

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- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

END OF CONFIDENTIAL, PROPRIETARY AND TRADE SECRET INFORMATION



On Going Support

INTRALOT will provide all the necessary staff for the day-to-day Cash Devices operations, including Operations and Call Center support. We will maintain an automated Hotline and Call Center service desk operation for Retailers and Distributors. This collaboration will enable efficient call management, monitoring, tracking, and reporting using calls, emails and more.

All interactions with each Distributor and the associated maintenance actions will be captured in the Siebel Oracle database, which will be accessible to both INTRALOT and the State of Nebraska. Our Georgia-based Operations and Call Center will be supported by our Ohio Call Center, both of which operate 24/7 to ensure continuous service. In addition, INTRALOT, in collaboration with its Distributors and their field service teams, will strategically position Service Technicians throughout Nebraska. This approach ensures optimal and timely service for all retailers.

We are committed to exceeding service level requirements specified in this RFP, just as we have consistently done for our other partners. Our comprehensive approach ensures that we deliver exceptional service and support, enhancing the overall operational efficiency and satisfaction for all stakeholders involved.

Training

INTRALOT's training program is strategically designed to occur prior to the installation of new equipment, ensuring that Distributor technicians are fully equipped to understand and operate the systems before they are deployed. The training schedule is carefully synchronized with the terminal delivery timeline to maximize the efficiency and effectiveness of each training session.

By offering a blend of online and hands-on practical training before installation, Distributors can immediately apply their newly acquired skills, minimizing potential operational disruptions during the transition phase. This valuable hybrid training model combines the flexibility of online learning with the effectiveness of hands-on experience, providing comprehensive instruction on the operation of retailer terminals and peripheral devices. It covers both the initial conversion training as well as any major system updates throughout the contract period, ensuring ongoing proficiency and adaptability.

INTRALOT's commitment to a State of Nebraska-approved curriculum, delivered by experienced instructors and an on-staff Training Administrator, ensures industry-standard training, instilling confidence in staff proficiency. Training materials, including Operator Manuals, Quick Reference Cards (QRC), and instructional videos customized for the Cash Devices network, are provided to facilitate ongoing support and reference. Samples of existing training and service manuals are also offered as part of the proposal, demonstrating the program's thoroughness. Access to training materials, terminal manuals, and videos will be conveniently available online. Moreover, INTRALOT emphasizes inclusivity, integrating Distributors fully into the installation process through innovative training strategies and ongoing collaboration. The program aims to foster a sense of involvement and investment among Retailers and Distributors, creating a dynamic and resilient retailer community. At the end of each training program, all trained personnel will complete a quick checkout process to ensure their training is properly recorded and turned over to the State. In addition, specialized training is provided for State of Nebraska-

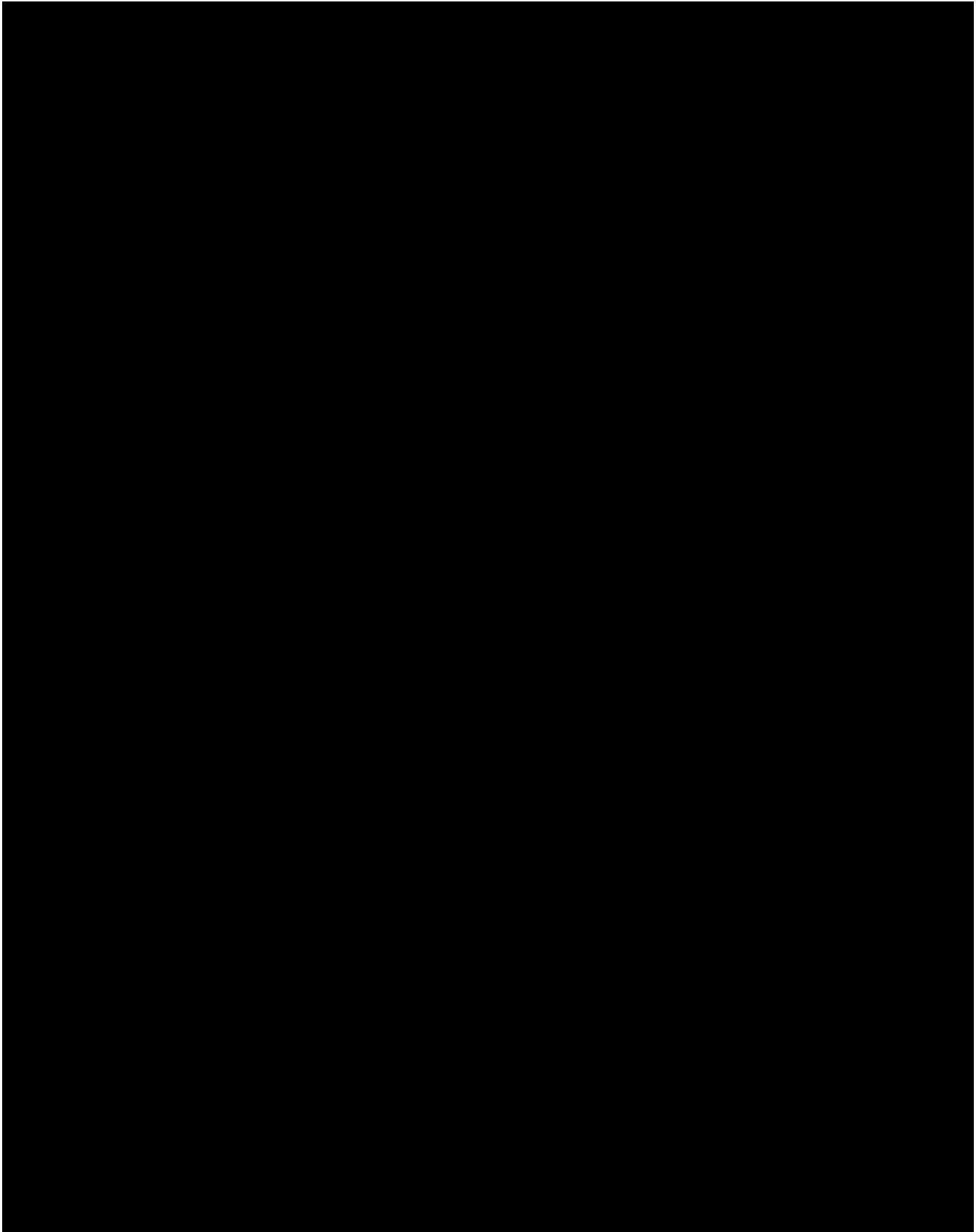
designated personnel, ensuring a thorough understanding of the system's functions well ahead of the conversion process. This targeted training approach aims to ensure the smooth operation of the Central Monitoring and Reporting system, supported by adequate post-conversion staffing to address any issues that may arise. We also ensure ADA accessibility in all training programs, adhering to the American Disabilities Act requirements.

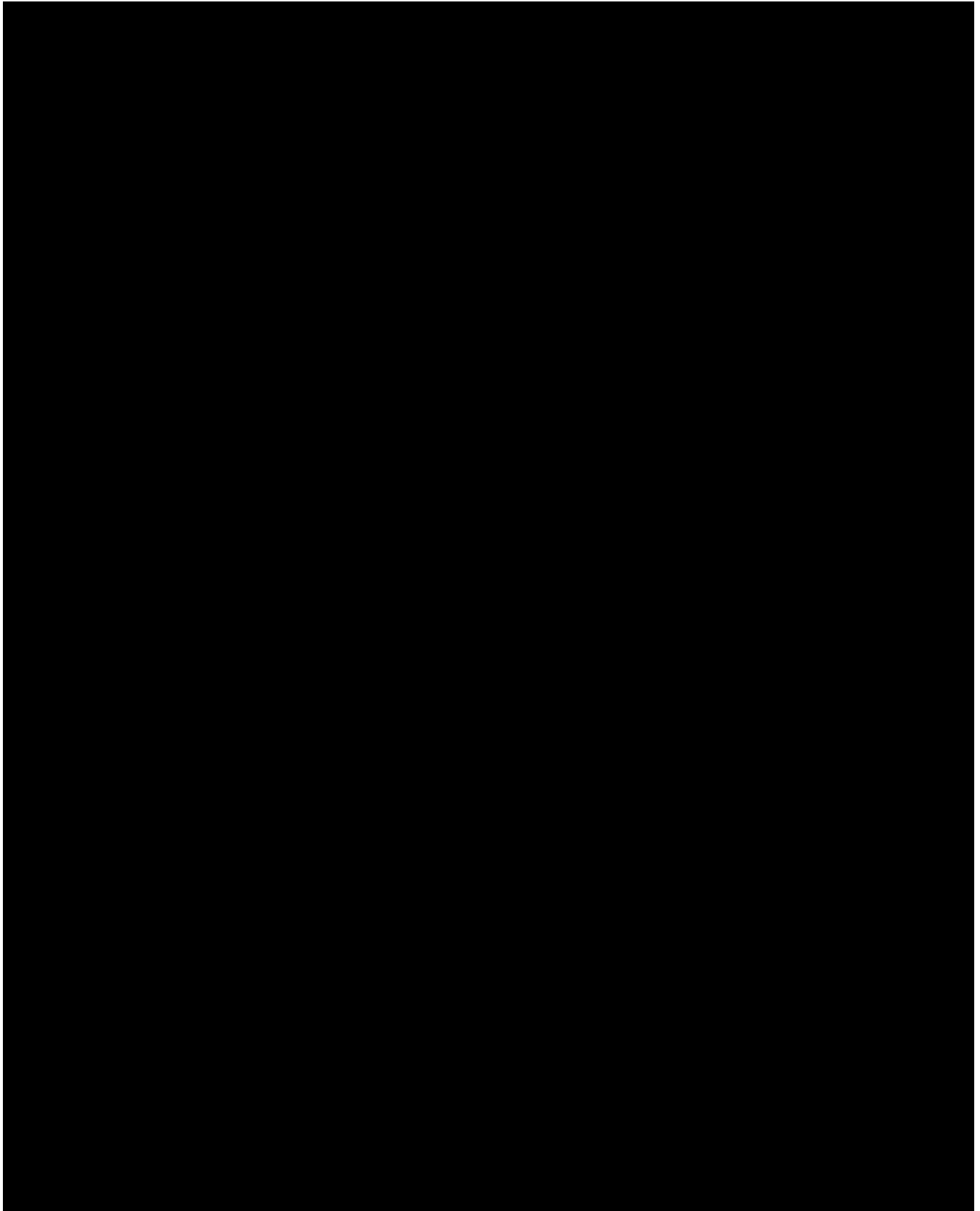
Keys to Success

INTRALOT has already invested significant time in researching the current operation in Nebraska. We have included our findings and proposed solution, features, and functionalities that we feel best meet the requirements of this RFP and overcome challenges uncovered during our interactions with the Cash Devices retailers, Distributors and players. Our team will all work together with the State of Nebraska team to deliver real annual growth in the Nebraska retailer base. INTRALOT’s retailer support plan will demonstrate a comprehensive approach, to address the needs of the State, the retailers, the distributors, and ultimately the players. To highlight some of the key features INTRALOT has included within our base price, please refer to the following table:

START OF CONFIDENTIAL, PROPRIETARY AND TRADE SECRET INFORMATION

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END OF CONFIDENTIAL, PROPRIETARY AND TRADE SECRET INFORMATION

REQUEST FOR PROPOSAL FOR CONTRACTUAL SERVICES FORM

REQUEST FOR PROPOSAL FOR CONTRACTUAL SERVICES FORM

BIDDER MUST COMPLETE THE FOLLOWING

By signing this Request for Proposal for Contractual Services form, the bidder guarantees compliance with the procedures stated in this Request for Proposal and agrees to the terms and conditions unless otherwise indicated in writing, certifies that contractor maintains a drug free workplace, and certifies that bidder is not owned by the Chinese Communist Party.

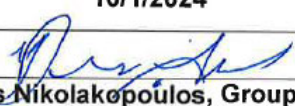
Per Nebraska's Transparency in Government Procurement Act, Neb. Rev Stat § 73-603 DAS is required to collect statistical information regarding the number of contracts awarded to Nebraska Contractors. This information is for statistical purposes only and will not be considered for contract award purposes.

N/A NEBRASKA CONTRACTOR AFFIDAVIT: Bidder hereby attests that bidder is a Nebraska Contractor. "Nebraska Contractor" shall mean any bidder who has maintained a bona fide place of business and at least one employee within this state for at least the six (6) months immediately preceding the posting date of this Solicitation.

N/A I hereby certify that I am a Resident disabled veteran or business located in a designated enterprise zone in accordance with Neb. Rev. Stat. § 73-107 and wish to have preference, if applicable, considered in the award of this contract.

N/A I hereby certify that I am a blind person licensed by the Commission for the Blind & Visually Impaired in accordance with Neb. Rev. Stat. § 71-8611 and wish to have preference considered in the award of this contract.

FORM MUST BE SIGNED MANUALLY IN INK OR BY DOCUSIGN

BIDDER:	INTRALOT, INC
COMPLETE ADDRESS:	11360, Technonlogy Circle, Duluth, Georgia, 30097
TELEPHONE NUMBER:	678-473-7200
FAX NUMBER:	678-473-7201
DATE:	10/1/2024
SIGNATURE:	
TYPED NAME & TITLE OF SIGNER:	Nikos Nikolakepoulos, Group CEO

FORM A

BIDDER PROPOSAL POINT OF CONTACT

Form A Bidder Proposal Point of Contact Request for Proposal Number 119588 O3

Form A should be completed and submitted with each response to this Request for Proposal. This is intended to provide the State with information on the bidder's name and address, and the specific person(s) who are responsible for preparation of the bidder's response.

Preparation of Response Contact Information	
Bidder Name:	INTRALOT, INC
Bidder Address:	11360, Technology Circle, Duluth, GA 30097
Contact Person & Title:	Matt Johnson – Sr. Projects Director
E-mail Address:	Matt.Johnson@intralot.us
Telephone Number (Office):	216-618-1260
Telephone Number (Cellular):	216-618-1260
Fax Number:	678-473-7201

Each bidder should also designate a specific contact person who will be responsible for responding to the State if any clarifications of the bidder's response should become necessary. This will also be the person who the State contacts to set up a presentation/demonstration, if required.

Communication with the State Contact Information	
Bidder Name:	INTRALOT, INC
Bidder Address:	11360, Technology Circle, Duluth, GA 30097
Contact Person & Title:	Bill Avgeris – Director Business Development
E-mail Address:	Bill.Avgeris@intralot.us
Telephone Number (Office):	678-473-7284
Telephone Number (Cellular):	216-386-3266
Fax Number:	678-473-7201

SECTIONS II- VI, TERMS AND CONDITIONS, CONTRACTOR DUTIES, PAYMENT

II. TERMS AND CONDITIONS

Bidders should complete Sections II thru VI as part of their proposal. Bidder is expected to read the Terms and Conditions and should initial either accept, reject, or reject and provide alternative language for each clause. The bidder should also provide an explanation of why the bidder rejected the clause or rejected the clause and provided alternate language. By signing the Request for Proposal, bidder is agreeing to be legally bound by all the accepted terms and conditions, and any proposed alternative terms and conditions submitted with the proposal. The State reserves the right to negotiate rejected or proposed alternative language. If the State and bidder fail to agree on the final Terms and Conditions, the State reserves the right to reject the proposal. The State of Nebraska is soliciting proposals in response to this Request for Proposal. The State of Nebraska reserves the right to reject proposals that attempt to substitute the bidder's commercial contracts and/or documents for this Request for Proposal.

The bidders should submit with their proposal any license, user agreement, service level agreement, or similar documents that the bidder wants incorporated in the Contract. The State will not consider incorporation of any document not submitted with the bidder's proposal as the document will not have been included in the evaluation process. These documents shall be subject to negotiation and will be incorporated as addendums if agreed to by the Parties.

If a conflict or ambiguity arises after the Addendum to Contract Award have been negotiated and agreed to, the Addendum to Contract Award shall be interpreted as follows:

1. If only one Party has a particular clause then that clause shall control,
2. If both Parties have a similar clause, but the clauses do not conflict, the clauses shall be read together,
3. If both Parties have a similar clause, but the clauses conflict, the State's clause shall control.

A. GENERAL

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
NN			

1. The contract resulting from this Request for Proposal shall incorporate the following documents:
 - a. Request for Proposal, including any attachments and addenda;
 - b. Amendments to the Request for Proposal;
 - c. Questions and Answers;
 - d. Bidder's properly submitted proposal, including any terms and conditions or agreements submitted by the bidder; and
 - e. Amendments and Addendums to the Contract.

These documents constitute the entirety of the contract.

Unless otherwise specifically stated in a future contract amendment, in case of any conflict between the incorporated documents, the documents shall govern in the following order of preference with number one (1) receiving preference over all other documents and with each lower numbered document having preference over any higher numbered document: 1) Amendment or Addendum to the executed Contract with the most recent dated amendment or addendum having the highest priority, 2) Amendments to the Request for Proposal, 3) Questions and Answers, 4) the original Request for Proposal document and any Addenda or attachments, and 4) the Contractor's submitted Proposal, including any terms and conditions or agreements submitted by the that are accepted by the State.

For the avoidance of doubt, unless otherwise explicitly and specifically agreed to in writing by the State, the State's standard terms and conditions, as executed by the State and, shall always control over any terms and conditions or agreements submitted or included by the Contractor.

Any ambiguity or conflict in the contract discovered after its execution, not otherwise addressed herein, shall be resolved in accordance with the rules of contract interpretation as established in the State of Nebraska.

B. NOTIFICATION

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
NN			

Bidder and State shall identify the contract manager who shall serve as the point of contact for the executed contract.

Communications regarding the executed contract shall be in writing and shall be deemed to have been given if delivered personally; electronically, return receipt requested; or mailed, return receipt requested. All notices, requests, or communications shall be deemed effective upon receipt.

Either party may change its address for notification purposes by giving notice of the change and setting forth the new address and an effective date.

C. BUYER'S REPRESENTATIVE

The State reserves the right to appoint a Buyer's Representative to manage or assist the Buyer in managing the contract on behalf of the State. The Buyer's Representative will be appointed in writing, and the appointment document will specify the extent of the Buyer's Representative authority and responsibilities. If a Buyer's Representative is appointed, the bidder will be provided a copy of the appointment document and is expected to cooperate accordingly with the Buyer's Representative. The Buyer's Representative has no authority to bind the State to a contract, amendment, addendum, or other change or addition to the contract.

D. GOVERNING LAW (Nonnegotiable)

Notwithstanding any other provision of this contract, or any amendment or addendum(s) entered into contemporaneously or at a later time, the parties understand and agree that, (1) the State of Nebraska is a sovereign state and its authority to contract is therefore subject to limitation by the State's Constitution, statutes, common law, and regulation; (2) this contract will be interpreted and enforced under the laws of the State of Nebraska; (3) any action to enforce the provisions of this agreement must be brought in the State of Nebraska per state law; (4) the person signing this contract on behalf of the State of Nebraska does not have the authority to waive the State's sovereign immunity, statutes, common law, or regulations; (5) the indemnity, limitation of liability, remedy, and other similar provisions of the final contract, if any, are entered into subject to the State's Constitution, statutes, common law, regulations, and sovereign immunity; and, (6) all terms and conditions of the final contract, including but not limited to the clauses concerning third party use, licenses, warranties, limitations of liability, governing law and venue, usage verification, indemnity, liability, remedy or other similar provisions of the final contract are entered into specifically subject to the State's Constitution, statutes, common law, regulations, and sovereign immunity.

The Parties must comply with all applicable local, state, and federal laws, ordinances, rules, orders, and regulations.

E. DISCOUNTS

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
NN			

Prices quoted shall be inclusive of ALL trade discounts. Cash discount terms of less than thirty (30) days will not be considered as part of the proposal. Cash discount periods will be computed from the date of receipt of a properly executed claim voucher or the date of completion of delivery of all items in a satisfactory condition, whichever is later.

F. PRICES

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
NN			

Cost submissions should take into consideration the vendor providing the central system as outlined in this RFP. Site-based communication equipment and site-based validation equipment necessary to implement the central system will be the responsibility of those wishing to operate cash devices. Vendors responding should consider direct cost and/or amortization options when it comes to costing central system and site-related equipment and services. Vendors responding should detail in the pricing discussion their assumptions regarding market growth, fixed and flexible costs, staffing, software and other pertinent operational considerations. While the cost of communication and validation equipment will not be the responsibility of the Division in this RFP, please detail the cost of such equipment and any payment options that will be available to the licensees.

The bid shall assume only the awarding of the initial five (5) year term. Any extensions referenced in the RFP will be negotiated at the time of exercising.

The State reserves the right to deny any requested price increase. No price increases are to be billed to any State Agencies prior to written amendment of the contract by the parties.

The State will be given full proportionate benefit of any decreases for the term of the contract.

G. BEGINNING OF WORK & SUSPENSION OF SERVICES

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
NN			

The bidder shall not commence any billable work until a valid contract has been fully executed by the State and the successful Contractor. The Contractor will be notified in writing when work may begin.

The State may, at any time and without advance notice, require the Contractor to suspend any or all performance or deliverables provided under this Contract. In the event of such suspension, the Contract Manager or POC, or their designee, will issue a written order to stop work. The written order will specify which activities are to be immediately suspended and the reason(s) for the suspension. Upon receipt of such order, the Contractor shall immediately comply with its terms and take all necessary steps to mitigate and eliminate the incurrence of costs allocable to the work affected by the order during the period of suspension. The suspended performance or deliverables may only resume when the State provides the Contractor with written notice that such performance or deliverables may resume, in whole or in part.

H. AMENDMENT

This Contract may be amended in writing, within scope, upon the agreement of both parties.

I. CHANGE ORDERS OR SUBSTITUTIONS

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
NN			

The State and the Contractor, upon the written agreement, may make changes to the contract within the general scope of the Request for Proposal. Changes may involve specifications, the quantity of work, or such other items as the State may find necessary or desirable. Corrections of any deliverable, service, or work required pursuant to the contract shall not be deemed a change. The Contractor may not claim forfeiture of the contract by reasons of such changes.

The Contractor shall prepare a written description of the work required due to the change and an itemized cost sheet for the change. Changes in work and the amount of compensation to be paid to the Contractor shall be determined in accordance with applicable unit prices if any, a pro-rated value, or through negotiations. The State shall not incur a price increase for changes that should have been included in the Contractor's proposal, were foreseeable, or result from difficulties with or failure of the Contractor's proposal or performance.

No change shall be implemented by the Contractor until approved by the State, and the Contract is amended to reflect the change and associated costs, if any. If there is a dispute regarding the cost, but both parties agree that immediate implementation is necessary, the change may be implemented, and cost negotiations may continue with both Parties retaining all remedies under the contract and law.

Contractor will not substitute any item that has been awarded without prior written approval of SPB

J. RECORD OF VENDOR PERFORMANCE

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
NN			

The State may document the vendor's performance, which may include, but is not limited to, the customer service provided by the vendor, the ability of the vendor, the skill of the vendor, and any instance(s) of products or services delivered or performed which fail to meet the terms of the purchase order, contract, and/or Request for Proposal specifications. In addition to other remedies and options available to the State, the State may issue one or more notices to the vendor outlining any issues the State has regarding the vendor's performance for a specific contract ("Vendor Performance Notice"). The State may also document the Vendor's performance in a report, which may or may not be provided to the vendor ("Vendor Improvement Request"). The Vendor shall respond to any Vendor Performance Notice or Vendor Improvement Request in accordance with such notice or request. At the sole discretion of the State, such Vendor Performance Notices and Vendor Improvement Requests may be placed in the State's records regarding the vendor and may be considered by the State and held against the vendor in any future contract or award opportunity.

K. CORRECTIVE ACTION PLAN

If Contractor is failing to meet the Scope of Work, in whole or in part, the State may require the Contractor to complete a corrective action plan ("CAP"). The State will identify issues with the Contractor's performance and will set a deadline for the CAP to be provided. The Contractor must provide a written response to each identified issue and what steps the Contractor will take to resolve each issue, including the timeline(s) for resolution. If the Contractor fails to adequately provide the CAP in accordance with this section, fails to adequately resolve the issues described in the CAP, or fails to resolve the issues described in the CAP by the relevant deadline, the State may withhold payments and exercise any legal remedy available.

L. NOTICE OF POTENTIAL CONTRACTOR BREACH

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
NN			

If Contractor breaches the contract or anticipates breaching the contract, the Contractor shall immediately give written notice to the State. The notice shall explain the breach or potential breach, a proposed cure, and may include a request for a waiver of the breach if so desired. The State may, in its discretion, temporarily or permanently waive the breach. By granting a waiver, the State does not forfeit any rights or remedies to which the State is entitled by law or equity, or pursuant to the provisions of the contract. Failure to give immediate notice, however, may be grounds for denial of any request for a waiver of a breach.

M. BREACH

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
NN			

Either Party may terminate the contract, in whole or in part, if the other Party breaches its duty to perform its obligations under the contract in a timely and proper manner. Termination requires written notice of default and a thirty (30) calendar day (or longer at the non-breaching Party's discretion considering the gravity and nature of the default) cure period. Said notice shall be delivered by email to the contractor's point of contact with acknowledgement from the contractor, Certified Mail - Return Receipt Requested, or in person with proof of delivery. Allowing time to cure a failure or breach of contract does not waive the right to immediately terminate the contract for the same or different contract breach which may occur at a different time. In case of default of the Contractor, the State may contract the service from other sources and hold the Contractor responsible for any excess cost occasioned thereby.

The State's failure to make payment shall not be a breach, and the Contractor shall retain all available statutory remedies and protections.

N. NON-WAIVER OF BREACH

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
NN			

The acceptance of late performance with or without objection or reservation by a Party shall not waive any rights of the Party nor constitute a waiver of the requirement of timely performance of any obligations remaining to be performed.

O. SEVERABILITY

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
NN			

If any term or condition of the contract is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and conditions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the contract did not contain the provision held to be invalid or illegal.

P. INDEMNIFICATION

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
NN			

1. GENERAL

The Contractor agrees to defend, indemnify, and hold harmless the State and its employees, volunteers, agents, and its elected and appointed officials ("the indemnified parties") from and against any and all third party claims, liens, demands, damages, liability, actions, causes of action, losses, judgments, costs, and expenses of every nature, including investigation costs and expenses, settlement costs, and attorney fees and expenses ("the claims"), sustained or asserted against the State for personal injury, death, or property loss or damage, arising out of, resulting from, or attributable to the willful misconduct, negligence, error, or omission of the Contractor, its employees, Subcontractors, consultants, representatives, and agents, resulting from this contract, except to the extent such Contractor liability is attenuated by any action of the State which directly and proximately contributed to the claims.

2. INTELLECTUAL PROPERTY

The Contractor agrees it will, at its sole cost and expense, defend, indemnify, and hold harmless the indemnified parties from and against any and all claims, to the extent such claims arise out of, result from, or are attributable to, the actual or alleged infringement or misappropriation of any patent, copyright, trade secret, trademark, or confidential information of any third party by the Contractor or its employees, Subcontractors, consultants, representatives, and agents; provided, however, the State gives the Contractor prompt notice in writing of the claim. The Contractor may not settle any infringement claim that will affect the State's use of the Licensed Software without the State's prior written consent, which consent may be withheld for any reason.

If a judgment or settlement is obtained or reasonably anticipated against the State's use of any intellectual property for which the Contractor has indemnified the State, the Contractor shall, at the Contractor's sole cost and expense, promptly modify the item or items which were determined to be infringing, acquire a license or licenses on the State's behalf to provide the necessary rights to the State to eliminate the infringement, or provide the State with a non-infringing substitute that provides the State the same functionality. At the State's election, the actual or anticipated judgment may be treated as a breach of warranty by the Contractor, and the State may receive the remedies provided under this Request for Proposal.

3. PERSONNEL

The Contractor shall, at its expense, indemnify and hold harmless the indemnified parties from and against any claim with respect to withholding taxes, worker's compensation, employee benefits, or any other claim, demand, liability, damage, or loss of any nature relating to any of the personnel, including subcontractor's and their employees, provided by the Contractor.

4. SELF-INSURANCE

The State of Nebraska is self-insured for any loss and purchases excess insurance coverage pursuant to Neb. Rev. Stat. § 81-8,239.01. If there is a presumed loss under the provisions of this agreement, Contractor may file a claim with the Office of Risk Management pursuant to Neb. Rev. Stat. §§ 81-8,239.01 to 81-8,306 for review by the State Claims Board. The State retains all rights and immunities under the State Miscellaneous (Neb. Rev. Stat. § 81-8,294), Tort (Neb. Rev. Stat. § 81-8,209), and Contract Claim Acts (Neb. Rev. Stat. § 81-8,302), as outlined in state law and accepts liability under this agreement only to the extent provided by law.

5. The Parties acknowledge that Attorney General for the State of Nebraska is required by statute to represent the legal interests of the State, and that any provision of this indemnity clause is subject to the statutory authority of the Attorney General.

Q. ATTORNEY'S FEES

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
NN			

In the event of any litigation, appeal, or other legal action to enforce any provision of the contract, the Parties agree to pay all expenses of such action, as permitted by law and if ordered by the court, including attorney's fees and costs, if the other Party prevails.

R. PERFORMANCE BOND

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
NN			

The Contractor will be required to supply a cashier's check or a bond executed by a corporation authorized to contract surety in the State of Nebraska, payable to the State of Nebraska, which shall be valid for the life of the contract to include any renewal and/or extension periods. The amount of the cashier's check or bond must be equal to the amount estimated to be paid annually to the Contractor. The check or bond will guarantee that the Contractor will faithfully perform all requirements, terms and conditions of the contract. If the Contractor chooses to provide a cashier's check, the check must show an expiration date on the check. Cashier's checks will only be allowed for contracts for three (3) years or less, including all renewal options. Failure to comply shall be grounds for forfeiture of the check or bond as liquidated damages. Amount of forfeiture will be determined by the agency based on loss to the State. The bond or cashier's check will be returned when the contract has been satisfactorily completed as solely determined by the State, after termination or expiration of the contract.

S. RETAINAGE

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
NN			

The State may withhold one hundred percent (100%) of each payment due as retainage. The entire retainage amount will be payable upon successful completion of all projects, deliverables, and services to the satisfaction of the Division. Upon completion of such items, the Contractor will invoice the State for any outstanding work and for the retainage. The State may reject the final invoice by identifying the specific reasons for such rejection in writing to the Contractor

within forty-five (45) calendar days of receipt of the final invoice. Otherwise, the project, deliverables, and or services will be deemed accepted and the State will release the final payment and retainage in accordance with the contract payment terms.

T. LIQUIDATED DAMAGES

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
NN			

Failure to meet the dates for the deliverables as agreed upon by the parties in the resulting contract may result in an assessment of liquidate damages due the State in accordance with the contract. Contractor will be notified in writing when liquidated damages will commence.

U. ASSIGNMENT, SALE, OR MERGER

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
NN			

Either Party may assign the contract upon mutual written agreement of the other Party. Such agreement shall not be unreasonably withheld.

The Contractor retains the right to enter into a sale, merger, acquisition, internal reorganization, or similar transaction involving Contractor's business. Contractor agrees to cooperate with the State in executing amendments to the contract to allow for the transaction. If a third party or entity is involved in the transaction, the Contractor will remain responsible for performance of the contract until such time as the person or entity involved in the transaction agrees in writing to be contractually bound by this contract and perform all obligations of the contract.

V. CONTRACTING WITH OTHER NEBRASKA POLITICAL SUBDIVISIONS OF THE STATE OR ANOTHER STATE

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
NN			

The Contractor may, but shall not be required to, allow agencies, as defined in Neb. Rev. Stat. § 81-145(3), to use this contract. The terms and conditions, including price, of the contract may not be amended. The State shall not be contractually obligated or liable for any contract entered into pursuant to this clause. A listing of Nebraska political subdivisions may be found at the website of the Nebraska Auditor of Public Accounts.

The Contractor may, but shall not be required to, allow other states, agencies or divisions of other states, or political subdivisions of other states to use this contract. The terms and conditions, including price, of this contract shall apply to any such contract, but may be amended upon mutual consent of the Parties. The State of Nebraska shall not be contractually or otherwise obligated or liable under any contract entered into pursuant to this clause. The State shall be notified if a contract is executed based upon this contract.

W. FORCE MAJEURE

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
NN			

Neither Party shall be liable for any costs or damages, or for default resulting from its inability to perform any of its obligations under the contract due to a natural or manmade event outside the control and not the fault of the affected Party ("Force Majeure Event") that was not foreseeable at the time the Contract was executed. The Party so affected shall immediately make a written request for relief to the other Party and shall have the burden of proof to justify the request. The other Party may grant the relief requested; relief may not be unreasonably withheld. Labor disputes with the impacted Party's own employees will not be considered a Force Majeure Event.

X. CONFIDENTIALITY

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
NN			

All materials and information provided by the Parties or acquired by a Party on behalf of the other Party shall be regarded as confidential information. All materials and information provided or acquired shall be handled in accordance with federal and state law, and ethical standards. Should said confidentiality be breached by a Party, the Party shall notify the other Party immediately of said breach and take immediate corrective action.

It is incumbent upon the Parties to inform their officers and employees of the penalties for improper disclosure imposed by the Privacy Act of 1974, 5 U.S.C. 552a. Specifically, 5 U.S.C. 552a (i)(1), which is made applicable by 5 U.S.C. 552a (m)(1), provides that any officer or employee, who by virtue of his/her employment or official position has possession of or access to agency records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established thereunder, and who knowing that disclosure of the specific material is prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than \$5,000.

Y. EARLY TERMINATION

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
NN			

The contract may be terminated as follows:

1. The State and the Contractor, by mutual written agreement, may terminate the contract, in whole or in part, at any time.
2. The State, in its sole discretion, may terminate the contract, in whole or in part, for any reason upon thirty (30) calendar day's written notice to the Contractor. Such termination shall not relieve the Contractor of warranty or other service obligations incurred under the terms of the contract. In the event of termination, the Contractor shall be entitled to payment, determined on a pro rata basis, for products or services satisfactorily performed or provided.

3. The State may terminate the contract, in whole or in part, immediately for the following reasons:
- a. if directed to do so by statute,
 - b. Contractor has made an assignment for the benefit of creditors, has admitted in writing its inability to pay debts as they mature, or has ceased operating in the normal course of business,
 - c. a trustee or receiver of the Contractor or of any substantial part of the Contractor's assets has been appointed by a court,
 - d. fraud, misappropriation, embezzlement, malfeasance, misfeasance, or illegal conduct pertaining to performance under the contract by its Contractor, its employees, officers, directors, or shareholders,
 - e. an involuntary proceeding has been commenced by any Party against the Contractor under any one of the chapters of Title 11 of the United States Code and (i) the proceeding has been pending for at least sixty (60) calendar days; or (ii) the Contractor has consented, either expressly or by operation of law, to the entry of an order for relief; or (iii) the Contractor has been decreed or adjudged a debtor,
 - f. a voluntary petition has been filed by the Contractor under any of the chapters of Title 11 of the United States Code,
 - g. Contractor intentionally discloses confidential information,
 - h. Contractor has or announces it will discontinue support of the deliverable; and,
 - i. In the event funding is no longer available.

Z. CONTRACT CLOSEOUT

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
NN			

Upon contract closeout for any reason the Contractor shall within 30 days, unless stated otherwise herein:

1. Transfer all completed or partially completed deliverables to the State,
2. Transfer ownership and title to all completed or partially completed deliverables to the State,
3. Return to the State all information and data, unless the Contractor is permitted to keep the information or data by contract or rule of law. Contractor may retain one copy of any information or data as required to comply with applicable work product documentation standards or as are automatically retained in the course of Contractor's routine back up procedures,
4. Cooperate with any successor Contractor, person or entity in the assumption of any or all of the obligations of this contract,
5. Cooperate with any successor Contractor, person or entity with the transfer of information or data related to this contract,
6. Return or vacate any state owned real or personal property; and,
7. Return all data in a mutually acceptable format and manner.

Nothing in this Section should be construed to require the Contractor to surrender intellectual property, real or personal property, or information or data owned by the Contractor for which the State has no legal claim.

III. CONTRACTOR DUTIES

A. INDEPENDENT CONTRACTOR / OBLIGATIONS

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
NN			

It is agreed that the Contractor is an independent contractor and that nothing contained herein is intended or should be construed as creating or establishing a relationship of employment, agency, or a partnership.

The Contractor is solely responsible for fulfilling the contract. The Contractor or the Contractor's representative shall be the sole point of contact regarding all contractual matters.

The Contractor shall secure, at its own expense, all personnel required to perform the services under the contract. The personnel the Contractor uses to fulfill the contract shall have no contractual or other legal relationship with the State; they shall not be considered employees of the State and shall not be entitled to any compensation, rights or benefits from the State, including but not limited to, tenure rights, medical and hospital care, sick and vacation leave, severance pay, or retirement benefits.

By-name personnel commitments made in the bidder's proposal shall not be changed without the prior written approval of the State. Replacement of these personnel, if approved by the State, shall be with personnel of equal or greater ability and qualifications.

All personnel assigned by the Contractor to the contract shall be employees of the Contractor or a subcontractor and shall be fully qualified to perform the work required herein. Personnel employed by the Contractor or a subcontractor to fulfill the terms of the contract shall remain under the sole direction and control of the Contractor or the subcontractor respectively.

With respect to its employees, the Contractor agrees to be solely responsible for the following:

1. Any and all pay, benefits, and employment taxes and/or other payroll withholding,
2. Any and all vehicles used by the Contractor's employees, including all insurance required by state law,
3. Damages incurred by Contractor's employees within the scope of their duties under the contract,
4. Maintaining Workers' Compensation and health insurance that complies with state and federal law and submitting any reports on such insurance to the extent required by governing law,
5. Determining the hours to be worked and the duties to be performed by the Contractor's employees; and,
6. All claims on behalf of any person arising out of employment or alleged employment (including without limit claims of discrimination alleged against the Contractor, its officers, agents, or subcontractors or subcontractor's employees).

If the Contractor intends to utilize any subcontractor, the subcontractor's level of effort, tasks, and time allocation should be clearly defined in the bidder's proposal. The Contractor shall agree that it will not utilize any subcontractors not specifically included in its proposal in the performance of the contract without the prior written authorization of the State.

The State reserves the right to require the Contractor to reassign or remove from the project any Contractor or subcontractor employee.

Contractor shall insure that the terms and conditions contained in any contract with a subcontractor does not conflict with the terms and conditions of this contract.

The Contractor shall include a similar provision, for the protection of the State, in the contract with any Subcontractor engaged to perform work on this contract.

B. EMPLOYEE WORK ELIGIBILITY STATUS

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
NN			

The Contractor is required and hereby agrees to use a federal immigration verification system to determine the work eligibility status of employees physically performing services within the State of Nebraska. A federal immigration verification system means the electronic verification of the work authorization program authorized by the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, 8 U.S.C. 1324a, known as the E-Verify Program, or an equivalent federal program designated by the United States Department of Homeland Security or other federal agency authorized to verify the work eligibility status of an employee.

If the Contractor is an individual or sole proprietorship, the following applies:

1. The Contractor must complete the United States Citizenship Attestation Form, available on the Department of Administrative Services website at <https://das.nebraska.gov/materiel/docs/pdf/Individual%20or%20Sole%20Proprietor%20United%20States%20Attestation%20Form%20English%20and%20Spanish.pdf>
2. The completed United States Attestation Form should be submitted with the Request for Proposal response.
3. If the Contractor indicates on such attestation form that he or she is a qualified alien, the Contractor agrees to provide the US Citizenship and Immigration Services documentation required to verify the Contractor's lawful presence in the United States using the Systematic Alien Verification for Entitlements (SAVE) Program.
4. The Contractor understands and agrees that lawful presence in the United States is required, and the Contractor may be disqualified or the contract terminated if such lawful presence cannot be verified as required by Neb. Rev. Stat. § 4-108.

C. COMPLIANCE WITH CIVIL RIGHTS LAWS AND EQUAL OPPORTUNITY EMPLOYMENT / NONDISCRIMINATION (Nonnegotiable)

The Contractor shall comply with all applicable local, state, and federal statutes and regulations regarding civil rights laws and equal opportunity employment. The Nebraska Fair Employment Practice Act prohibits Contractors of the State of Nebraska, and their Subcontractors, from discriminating against any employee or applicant for employment, with respect to hire, tenure, terms, conditions, compensation, or privileges of employment because of race, color, religion, sex, disability, marital status, or national origin (Neb. Rev. Stat. §§ 48-1101 to 48-1125). The Contractor guarantees compliance with the Nebraska Fair Employment Practice Act, and breach of this provision shall be regarded as a material breach of contract. The Contractor shall insert a similar provision in all Subcontracts for goods and services to be covered by any contract resulting from this Request for Proposal.

D. COOPERATION WITH OTHER CONTRACTORS

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
NN			

Contractor may be required to work with or in close proximity to other contractors or individuals that may be working on same or different projects. The Contractor shall agree to cooperate with such other contractors or individuals and shall not commit or permit any act which may interfere with the performance of work by any other contractor or individual. Contractor is not required to compromise Contractor's intellectual property or proprietary information unless expressly required to do so by this contract.

E. PERMITS, REGULATIONS, LAWS

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
NN			

The contract price shall include the cost of all royalties, licenses, permits, and approvals, whether arising from patents, trademarks, copyrights or otherwise, that are in any way involved in the contract. The Contractor shall obtain and pay for all royalties, licenses, and permits, and approvals necessary for the execution of the contract. The Contractor must guarantee that it has the full legal right to the materials, supplies, equipment, software, and other items used to execute this contract.

F. OWNERSHIP OF INFORMATION AND DATA / DELIVERABLES

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
NN			

The State shall have the unlimited right to publish, duplicate, use, and disclose all information and data developed or obtained by the Contractor on behalf of the State pursuant to this contract.

The State shall own and hold exclusive title to any deliverable developed as a result of this contract. Contractor shall have no ownership interest or title, and shall not patent, license, or copyright, duplicate, transfer, sell, or exchange, the design, specifications, concept, or deliverable.

Should the contract be terminated for any reason, or a new vendor is selected in the future through a new bidding process, the Contractor will fully cooperate in the migration of all necessary data, information, and systems to the new the vendor.

G. INSURANCE REQUIREMENTS

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
NN			

The Contractor shall throughout the term of the contract maintain insurance as specified herein and provide the State a current Certificate of Insurance/Acord Form (COI) verifying the coverage. The Contractor shall not commence work on the contract until the insurance is in place. If Contractor subcontracts any portion of the Contract the Contractor must, throughout the term of the contract, either:

1. Provide equivalent insurance for each subcontractor and provide a COI verifying the coverage for the subcontractor,
2. Require each subcontractor to have equivalent insurance and provide written notice to the State that the Contractor has verified that each subcontractor has the required coverage; or,
3. Provide the State with copies of each subcontractor's Certificate of Insurance evidencing the required coverage.

The Contractor shall not allow any Subcontractor to commence work until the Subcontractor has equivalent insurance. The failure of the State to require a COI, or the failure of the Contractor to provide a COI or require subcontractor insurance shall not limit, relieve, or decrease the liability of the Contractor hereunder.

In the event that any policy written on a claims-made basis terminates or is canceled during the term of the contract or within two (2) years of termination or expiration of the contract, the contractor shall obtain an extended discovery or reporting period, or a new insurance policy, providing coverage required by this contract for the term of the contract and two (2) years following termination or expiration of the contract.

If by the terms of any insurance a mandatory deductible is required, or if the Contractor elects to increase the mandatory deductible amount, the Contractor shall be responsible for payment of the amount of the deductible in the event of a paid claim.

Notwithstanding any other clause in this Contract, the State may recover up to the liability limits of the insurance policies required herein.

1. WORKERS' COMPENSATION INSURANCE

The Contractor shall take out and maintain during the life of this contract the statutory Workers' Compensation and Employer's Liability Insurance for all of the contractor's employees to be engaged in work on the project under this contract and, in case any such work is sublet, the Contractor shall require the Subcontractor similarly to provide Worker's Compensation and Employer's Liability Insurance for all of the Subcontractor's employees to be engaged in such work. This policy shall be written to meet the statutory requirements for the state in which the work is to be performed, including Occupational Disease. **The policy shall include a waiver of subrogation in favor of the State. The COI shall contain the mandatory COI subrogation waiver language found hereinafter.** The amounts of such insurance shall not be less than the limits stated hereinafter. For employees working in the State of Nebraska, the policy must be written by an entity authorized by the State of Nebraska Department of Insurance to write Workers' Compensation and Employer's Liability Insurance for Nebraska employees.

2. COMMERCIAL GENERAL LIABILITY INSURANCE AND COMMERCIAL AUTOMOBILE LIABILITY INSURANCE

The Contractor shall take out and maintain during the life of this contract such Commercial General Liability Insurance and Commercial Automobile Liability Insurance as shall protect Contractor and any Subcontractor performing work covered by this contract from claims for damages for bodily injury, including death, as well as from claims for property damage, which may arise from operations under this contract, whether such operation be by the Contractor or by any Subcontractor or by anyone directly or indirectly employed by either of them, and the amounts of such insurance shall not be less than limits stated hereinafter.

The Commercial General Liability Insurance shall be written on an **occurrence basis**, and provide Premises/Operations, Products/Completed Operations, Independent Contractors, Personal Injury, and Contractual Liability coverage. **The policy shall include the State, and others as required by the contract documents, as Additional Insured(s).** This policy shall be primary, and any insurance or self-insurance carried by the State shall be considered secondary and non-contributory. **The COI shall contain the mandatory COI liability waiver language found hereinafter.** The Commercial Automobile Liability Insurance shall be written to cover all Owned, Non-owned, and Hired vehicles.

REQUIRED INSURANCE COVERAGE	
COMMERCIAL GENERAL LIABILITY	
General Aggregate	\$2,000,000
Products/Completed Operations Aggregate	\$2,000,000
Personal/Advertising Injury	\$1,000,000 per occurrence
Bodily Injury/Property Damage	\$1,000,000 per occurrence
Medical Payments	\$10,000 any one person
Damage to Rented Premises (Fire)	\$300,000 each occurrence
Contractual	Included
XCU Liability (Explosion, Collapse, and Underground Damage)	Included
<i>If higher limits are required, the Umbrella/Excess Liability limits are allowed to satisfy the higher limit.</i>	
WORKER'S COMPENSATION	
Employers Liability Limits	\$500K/\$500K/\$500K
Statutory Limits- All States	Statutory - State of Nebraska
Voluntary Compensation	Statutory
COMMERCIAL AUTOMOBILE LIABILITY	
Bodily Injury/Property Damage	\$1,000,000 combined single limit
Include All Owned, Hired & Non-Owned Automobile liability	Included
Motor Carrier Act Endorsement	Where Applicable
UMBRELLA/EXCESS LIABILITY	
Over Primary Insurance	\$5,000,000 per occurrence
PROFESSIONAL LIABILITY	
Professional liability (Medical Malpractice)	Limits consistent with Nebraska Medical Malpractice Cap
Qualification Under Nebraska Excess Fund	
All Other Professional Liability (Errors & Omissions)	\$1,000,000 Per Claim / Aggregate
COMMERCIAL CRIME	
Crime/Employee Dishonesty Including 3rd Party Fidelity	\$1,000,000
CYBER LIABILITY	
Breach of Privacy, Security Breach, Denial of Service, Remediation, Fines and Penalties	\$5,000,000
MANDATORY COI SUBROGATION WAIVER LANGUAGE	
"Workers' Compensation policy shall include a waiver of subrogation in favor of the State of Nebraska."	
MANDATORY COI LIABILITY WAIVER LANGUAGE	
"Commercial General Liability & Commercial Automobile Liability policies shall name the State of Nebraska as an Additional Insured and the policies shall be primary and any insurance or self-insurance carried by the State shall be considered secondary and non-contributory as additionally insured."	

3. EVIDENCE OF COVERAGE

The Contractor shall furnish the Contract Manager, via email, with a certificate of insurance coverage complying with the above requirements prior to beginning work at:

Nebraska Department of Revenue Charitable Gaming Division
RFP 119588 O3
brian.rockey@nebraska.gov

These certificates or the cover sheet shall reference the RFP number, and the certificates shall include the name of the company, policy numbers, effective dates, dates of expiration, and amounts and types of coverage afforded. If the State is damaged by the failure of the Contractor to maintain such insurance, then the Contractor shall be responsible for all reasonable costs properly attributable thereto.

Reasonable notice of cancellation of any required insurance policy must be submitted to the contract manager as listed above when issued and a new coverage binder shall be submitted immediately to ensure no break in coverage.

4. DEVIATIONS

The insurance requirements are subject to limited negotiation. Negotiation typically includes, but is not necessarily limited to, the correct type of coverage, necessity for Workers' Compensation, and the type of automobile coverage carried by the Contractor.

H. ANTITRUST

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
NN			

The Contractor hereby assigns to the State any and all claims for overcharges as to goods and/or services provided in connection with this contract resulting from antitrust violations which arise under antitrust laws of the United States and the antitrust laws of the State.

I. CONFLICT OF INTEREST

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
NN			

By submitting a proposal, bidder certifies that no relationship exists between the bidder and any person or entity which either is, or gives the appearance of, a conflict of interest related to this Request for Proposal or project.

Bidder further certifies that bidder will not employ any individual known by bidder to have a conflict of interest nor shall bidder take any action or acquire any interest, either directly or indirectly, which will conflict in any manner or degree with the performance of its contractual obligations hereunder or which creates an actual or appearance of conflict of interest.

If there is an actual or perceived conflict of interest, bidder shall provide with its proposal a full disclosure of the facts describing such actual or perceived conflict of interest and a proposed mitigation plan for consideration. The State will then consider such disclosure and proposed mitigation plan and either approve or reject as part of the overall bid evaluation.

In order to avoid the appearance of any impropriety among cash device licensees, the successful bidder will not be permitted to be licensed in any other form under the Act. Furthermore, neither the vendor, nor any parent company or subsidiary are permitted to hold any ownership interest in an entity who is licensed under the Act.

J. STATE PROPERTY

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
NN			

The Contractor shall be responsible for the proper care and custody of any State-owned property which is furnished for the Contractor's use during the performance of the contract. The Contractor shall reimburse the State for any loss or damage of such property; normal wear and tear is expected.

K. SITE RULES AND REGULATIONS

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
NN			

The Contractor shall use its best efforts to ensure that its employees, agents, and Subcontractors comply with site rules and regulations while on State premises. If the Contractor must perform on-site work outside of the daily operational hours set forth by the State, it must make arrangements with the State to ensure access to the facility and the equipment has been arranged. No additional payment will be made by the State on the basis of lack of access, unless the State fails to provide access as agreed to in writing between the State and the Contractor.

L. ADVERTISING

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
NN			

The Contractor agrees not to refer to the contract award in advertising in such a manner as to state or imply that the company or its goods or services are endorsed or preferred by the State. Any publicity releases pertaining to the project shall not be issued without prior written approval from the State.

M. NEBRASKA TECHNOLOGY ACCESS STANDARDS (Nonnegotiable)

1. The State of Nebraska is committed to ensuring that all information and communication technology (ICT), developed, leased, or owned by the State of Nebraska, affords equivalent access to employees, program participants and members of the public with disabilities, as it affords to employees, program participants and members of the public who are not persons with disabilities.
2. By entering into this Contract, Contractor understands and agrees that if the Contractor is providing a product or service that contains ICT, as defined in subsection III.M.3 (below) and such ICT is intended to be directly interacted with by the user or is public facing, such ICT must provide equivalent access, or be modified during implementation to afford equivalent access, to employees, program participants, and members of the public who have and who do not have disabilities. The Contractor may comply with this section by complying with Section 508 of the Rehabilitation Act of 1973, as amended, and its implementing standards adopted and promulgated by the U.S. Access Board.
3. ICT means information technology and other equipment, systems, technologies, or processes, for which the principal function is the creation, manipulation, storage, display, receipt, or transmission of electronic data and information, as well as any associated content. Contractor hereby agrees ICT includes computers and peripheral equipment, information kiosks and transaction machines, telecommunications equipment, customer premises equipment, multifunction office machines, software, applications, web sites, videos, and electronic documents. For the purposes of these assurances, ICT does not include ICT that is used exclusively by a contractor.

N. DISASTER RECOVERY/BACK UP PLAN

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
NN			

The Contractor shall have a disaster recovery and back-up plan, of which a copy should be provided upon request to the State, which includes, but is not limited to equipment, personnel, facilities, and transportation, in order to continue delivery of goods and services as specified under the specifications in the contract in the event of a disaster.

O. DRUG POLICY

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
NN			

Contractor certifies it maintains a drug free workplace environment to ensure worker safety and workplace integrity. Contractor agrees to provide a copy of its drug free workplace policy at any time upon request by the State.

P. WARRANTY

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
NN			

Despite any clause to the contrary, the Contractor represents and warrants that its services hereunder shall be performed by competent personnel and shall be of professional quality consistent with generally accepted industry standards for the performance of such services and shall comply in all respects with the requirements of this Agreement. For any breach of this warranty, the Contractor shall, for a period of ninety (90) days from performance of the service, perform the services again, at no cost to the State, or if Contractor is unable to perform the services as warranted, Contractor shall reimburse the State all fees paid to Contractor for the unsatisfactory services. The rights and remedies of the parties under this warranty are in addition to any other rights and remedies of the parties provided by law or equity, including, without limitation actual damages, and, as applicable and awarded under the law, to a prevailing party, reasonable attorneys' fees and costs.

Q. TIME IS OF THE ESSENCE

Time is of the essence with respect to Contractor's performance and deliverables pursuant to this Contract.

IV. PAYMENT

A. PROHIBITION AGAINST ADVANCE PAYMENT (Nonnegotiable)

Pursuant to Neb. Rev. Stat. § 81-2403, "[n]o goods or services shall be deemed to be received by an agency until all such goods or services are completely delivered and finally accepted by the agency." No payment of any kind will be made until the central system is running and functioning to the satisfaction of the Division.

B. TAXES (Nonnegotiable)

The State is not required to pay taxes and assumes no such liability as a result of this Request for Proposal. The Contractor may request a copy of the Nebraska Department of Revenue, Nebraska Resale or Exempt Sale Certificate for Sales Tax Exemption, Form 13 for their records. Any property tax payable on the Contractor's equipment which may be installed in a state-owned facility is the responsibility of the Contractor.

C. INVOICES

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
NN			

Invoices for payments must be submitted by the Contractor to the agency requesting the services with sufficient detail to support payment. The terms and conditions included in the Contractor's invoice shall be deemed to be solely for the convenience of the parties. No terms or conditions of any such invoice shall be binding upon the State, and no action by the State, including without limitation the payment of any such invoice in whole or in part, shall be construed as binding or estopping the State with respect to any such term or condition, unless the invoice term or condition has been previously agreed to by the State as an amendment to the contract. **The State shall have forty-five (45) calendar days to pay after a valid and accurate invoice is received by the State.**

D. INSPECTION AND APPROVAL

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
NN			

Final inspection and approval of all work required under the contract shall be performed by the designated State officials.

The State and/or its authorized representatives shall have the right to enter any premises where the Contractor or Subcontractor duties under the contract are being performed, and to inspect, monitor or otherwise evaluate the work being performed. All inspections and evaluations shall be at reasonable times and in a manner that will not unreasonably delay work.

E. PAYMENT (Nonnegotiable)

Payment will be made by the responsible agency in compliance with the State of Nebraska Prompt Payment Act (See Neb. Rev. Stat. § 81-2403). The State may require the Contractor to accept payment by electronic means such as ACH deposit. In no event shall the State be responsible or liable to pay for any goods and services provided by the Contractor prior to the Effective Date of the contract, and the Contractor hereby waives any claim or cause of action for any such services.

F. LATE PAYMENT (Nonnegotiable)

The Contractor may charge the responsible agency interest for late payment in compliance with the State of Nebraska Prompt Payment Act (See Neb. Rev. Stat. §§ 81-2401 through 81-2408).

G. SUBJECT TO FUNDING / FUNDING OUT CLAUSE FOR LOSS OF APPROPRIATIONS (Nonnegotiable)

The State's obligation to pay amounts due on the Contract for fiscal years following the current fiscal year is contingent upon legislative appropriation of funds. Should said funds not be appropriated, the State may terminate the contract with respect to those payments for the fiscal year(s) for which such funds are not appropriated. The State will give the Contractor written notice thirty (30) calendar days prior to the effective date of termination. All obligations of the State to make payments after the termination date will cease. The Contractor shall be entitled to receive just and equitable compensation for any authorized work which has been satisfactorily completed as of the termination date. In no event shall the Contractor be paid for a loss of anticipated profit.

H. RIGHT TO AUDIT (First Paragraph is Nonnegotiable)

The State shall have the right to audit the Contractor's performance of this contract upon a thirty (30) days' written notice. Contractor shall utilize generally accepted accounting principles, and shall maintain the accounting records, and other records and information relevant to the contract (Information) to enable the State to audit the contract. (Neb. Rev. Stat. § 84-304 et seq.) The State may audit, and the Contractor shall maintain, the Information during the term of the contract and for a period of five (5) years after the completion of this contract or until all issues or litigation are resolved, whichever is later. The Contractor shall make the Information available to the State at Contractor's place of business or a location acceptable to both Parties during normal business hours. If this is not practical or the Contractor so elects, the Contractor may provide electronic or paper copies of the Information. The State reserves the right to examine, make copies of, and take notes on any Information relevant to this contract, regardless of the form or the Information, how it is stored, or who possesses the Information. Under no circumstance will the Contractor be required to create or maintain documents not kept in the ordinary course of contractor's business operations, nor will contractor be required to disclose any information, including but not limited to product cost data, which is confidential or proprietary to contractor.

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
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The Parties shall pay their own costs of the audit unless the audit finds a previously undisclosed overpayment by the State. If a previously undisclosed overpayment exceeds three percent (3%) of the total contract billings, or if fraud, material misrepresentations, or non-performance is discovered on the part of the Contractor, the Contractor shall reimburse the State for the total costs of the audit. Overpayments and audit costs owed to the State shall be paid within ninety (90) days of written notice of the claim. The Contractor agrees to correct any material weaknesses or condition found as a result of the audit.



Intralot's Response to RFP# 119588 03

CORPORATE OVERVIEW



1. CORPORATE OVERVIEW

a. Bidder Identification and Information

The bidder should provide the full company or corporate name, address of the company's headquarters, entity organization (corporation, partnership, proprietorship), state in which the bidder is incorporated or otherwise organized to do business, year in which the bidder first organized to do business and whether the name and form of organization has changed since first organized.

INTRALOT, a global leader in the gaming and lottery sector, was established in 1992 and has been publicly listed on the Athens Stock Exchange since 1999. Since its inception, INTRALOT has remained consistent in both its corporate name and organizational structure, solidifying its position as a reliable and innovative entity within the industry. Today, the company employs over 1,700 professionals worldwide, including more than 600 dedicated employees in the United States, reflecting its expansive and growing footprint.

The company's world headquarters are in Peania, Attica, Greece, at 19 km Markopoulou Ave., 19 002. Additionally, INTRALOT INC. headquarters are situated in Duluth, Georgia, at 11360 Technology Circle, Duluth, GA 30097. With a strong operational presence in 39 global jurisdictions, INTRALOT serves 11 U.S. states, including Illinois, Montana, Idaho, New Mexico, Ohio, Arkansas, Louisiana, New Hampshire, the District of Columbia, Wyoming, and Georgia.

INTRALOT's reach extends far beyond North America. The company has a significant market position across Europe, Asia, Latin America, Central America, and the Caribbean, and is continually expanding its presence in Oceania and Africa. This global expansion is driven by INTRALOT's commitment to innovation and excellence, ensuring it remains at the forefront of the industry in an ever-evolving market landscape.

b. Financial Statements

The bidder should provide financial statements applicable to the firm. If publicly held, the bidder should provide a copy of the corporation's most recent audited financial reports and statements, and the name, address, and telephone number of the fiscally responsible representative of the bidder's financial or banking organization.

If the bidder is not a publicly held corporation, either the reports and statements required of a publicly held corporation, or a description of the organization, including size, longevity, client base, areas of specialization and expertise, and any other pertinent information, should be submitted in such a manner that proposal evaluators may reasonably formulate a determination about the stability and financial strength of the organization. Additionally, a non-publicly held firm should provide a banking reference.

The bidder must disclose any and all judgments, pending or expected litigation, or other real or potential financial reversals, which might materially affect the viability or stability of the organization, or state that no such condition is known to exist.

The State may elect to use a third party to conduct credit checks as part of the corporate overview evaluation.

As a publicly traded corporation listed on the Athens Stock Exchange since 1999, INTRALOT will provide the most recent audited financial reports and statements for both INTRALOT S.A. and INTRALOT INC, covering the past five years. Due to the size of these reports, they will be submitted in a separate zip file. For your convenience, the financial statements are also available at the following link:
<https://www.intralot.com/investor-relations/financial-results/>

Regarding financial conditions, INTRALOT confirms that there are no known judgments, pending or anticipated litigation, or any potential financial reversals that could materially affect the organization's viability or stability at this time. Should any such conditions arise in the future, we will promptly disclose them.

We understand that the State may choose to use a third-party service to conduct credit checks as part of the corporate overview evaluation. INTRALOT will fully cooperate with this process as necessary.

c. Change of Ownership

If any change in ownership or control of the company is anticipated during the twelve (12) months following the proposal due date, the bidder should describe the circumstances of such change and indicate when the change will likely occur. Any change of ownership to an awarded bidder(s) will require notification to the State.

INTRALOT does not anticipate any change in ownership or control of the company within the twelve (12) months following the proposal due date. However, should any such change occur, we will immediately notify the State of Nebraska as required.

d. Office Location

The bidder's office location responsible for performance pursuant to an award of a contract with the State of Nebraska should be identified.

INTRALOT will primarily conduct the work from its U.S. headquarters, located at 11360 Technology Circle, Duluth, Georgia, 30097.

e. Relationships with the State

The bidder should describe any dealings with the State over the previous five (5) years. If the organization, its predecessor, or any Party named in the bidder's proposal response has contracted with the State, the bidder should identify the contract number(s) and/or any other information available to identify such contract(s). If no such contracts exist, so declare.

INTRALOT confirms that it has not conducted any business with the State of Nebraska over the previous five (5) years. No contracts or dealings exist between INTRALOT, its predecessors, or any Party named in this proposal and the State of Nebraska during this period.

f. Bidder's Employee Relations to State

If any Party named in the bidder's proposal response is or was an employee of the State within the past twelve (12) months, identify the individual(s) by name, State agency with whom employed, job title or position held with the State, and separation date. If no such relationship exists or has existed, so declare.

INTRALOT confirms that no Party named in this proposal response is or was an employee of the State of Nebraska within the past twelve (12) months. No such relationship exists or has existed during this period.

If any employee of any agency of the State of Nebraska is employed by the bidder or is a subcontractor to the bidder, as of the due date for proposal submission, identify all such persons by name, position held with the bidder, and position held with the State (including job title and agency). Describe the responsibilities of such persons within the proposing organization. If, after review of this information by the State, it is determined that a conflict of interest exists or may exist, the bidder may be disqualified from further consideration in this proposal. If no such relationship exists, so declare.

INTRALOT confirms that it does not employ or subcontract any employee of any agency of the State of Nebraska as of the due date for the proposal submission.

g. Contract Performance

If the bidder or any proposed subcontractor has had a contract terminated for default during the past five (5) years, all such instances must be described as required below. Termination for default is defined as a notice to stop performance delivery due to the bidder's non-performance or poor performance, and the issue was either not litigated due to inaction on the part of the bidder or litigated and such litigation determined the bidder to be in default.

It is mandatory that the bidder submit full details of all termination for default experienced during the past five (5) years, including the other Party's name, address, and telephone number. The response to this section must present the bidder's position on the matter. The State will evaluate the facts and will score the bidder's proposal accordingly. If no such termination for default has been experienced by the bidder in the past five (5) years, so declare.

If at any time during the past five (5) years, the bidder has had a contract terminated for convenience, non-performance, non-allocation of funds, or any other reason, describe fully all circumstances surrounding such termination, including the name and address of the other contracting Party.

INTRALOT confirms that it has not experienced any contracts terminated for default, convenience, non-performance, non-allocation of funds, or for any other reason during the past five (5) years. No such terminations have occurred with any Party during this period.

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END OF CONFIDENTIAL, PROPRIETARY AND TRADE SECRET INFORMATION

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|-----|---|
| ii. | <p>Bidder and Subcontractor(s) experience should be listed separately. Narrative descriptions submitted for Subcontractors should be specifically identified as subcontractor projects.</p> |
|-----|---|

INTRALOT has served as the primary contractor for all the referenced projects. We have successfully managed all aspects of project delivery, including system implementation, ongoing maintenance, and operational oversight, without relying on subcontractors for these core functions.

- iii. If the work was performed as a subcontractor, the narrative description should identify the same information as requested for the bidders above. In addition, subcontractors should identify what share of contract costs, project responsibilities, and time period were performed as a subcontractor.

INTRALOT confirms that it has been the primary contractor in all referenced projects and has not performed work as a subcontractor.

i. Summary of Bidder's Proposed Personnel / Management Approach

The bidder should present a detailed description of its proposed approach to the management of the project.

The bidder should identify the specific professionals who will work on the State's project if their company is awarded the contract resulting from this Request for Proposal. The names and titles of the team proposed for assignment to the State project should be identified in full, with a description of the team leadership, interface and support functions, and reporting relationships. The primary work assigned to each person should also be identified.

The bidder should identify the specific professionals who will work on the State's project if their company is awarded the contract resulting from this Request for Proposal. The names and titles of the team proposed for assignment to the State project should be identified in full, with a description of the team leadership, interface and support functions, and reporting relationships. The primary work assigned to each person should also be identified.

END OF CONFIDENTIAL, PROPRIETARY AND TRADE SECRET INFORMATION

Drawing from our extensive global experience across 39 jurisdictions, INTRALOT has successfully maintained a voluntary turnover rate of 6.5%, surpassing industry benchmarks. We foster a Continuous Performance Development Culture using SAP Success Factors, which supports day-to-day performance monitoring and continuous feedback between employees and managers. Personalized Development Plans are designed and implemented for everyone, ensuring ongoing growth and skill enhancement.

In addition to performance evaluations based on key performance indicators (KPIs) tailored to each role, annual assessments are conducted to identify employee potential. This comprehensive approach, combined with targeted training strategies, facilitates effective succession planning and career path development, ensuring business continuity without disruptions. On an annual basis, approximately 9% of our employees are internally promoted, further enhancing continuity and retention within the company, and this strategy will be applied to the Nebraska Cash Device project as well.

First rate recruitment

INTRALOT's recruitment strategy for the Nebraska Cash Devices project will include a flexible and efficient approach to staffing, leveraging both local and internal expertise. We are proud to deploy two Omaha, NE-based INTRALOT employees with extensive experience in the gaming and lottery industries to ensure the project's successful implementation and operation.

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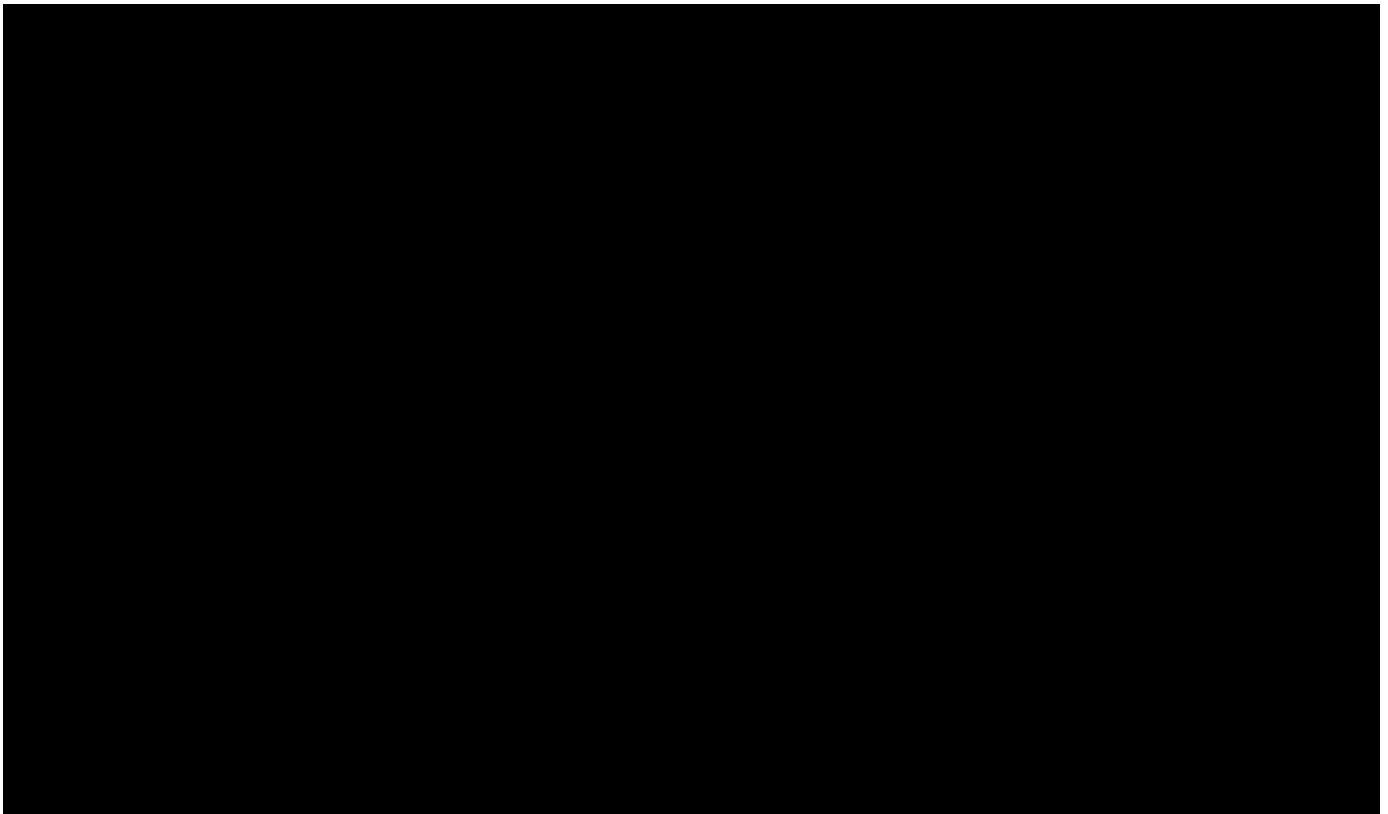
In addition to the Nebraska-based team, INTRALOT's recruitment strategy will provide a flexible solution to meet fluctuating staffing needs. We will use a combination of contractor and permanent staff, starting with internal sourcing and HR prioritization, followed by recruitment through HQ and local hiring firms.

INTRALOT has already assigned, and will continue to allocate, our most experienced personnel for the implementation and ongoing operation of the Nebraska Cash Devices project. This includes key directors, managers, and team leaders in all critical functions, who will work closely with the Nebraska team to ensure the project's success. Most of our staff will collaborate directly with the Nebraska project team to ensure a smooth and successful implementation.

Organization chart

A high-level organizational chart is presented below, depicting the way this project will be positioned within our ecosystem. It showcases the various implementation and operational functions that will be provided within the project:

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END OF CONFIDENTIAL, PROPRIETARY AND TRADE SECRET INFORMATION

Project Phases and Team Involvement:

- **Project Kick-off:** Team leads, and subject matter experts will engage with Nebraska stakeholders to establish expectations, set project goals, and build rapport. This phase will document how the teams will collaborate throughout the project lifecycle.
- **Requirements and Design:** Requirements gathering, and design sessions will take place onsite, with additional team members joining via conference calls to ensure all parties have a clear understanding of the project needs and design solutions.
- **Implementation:** During the implementation phase, the design will be converted into functional systems by INTRALOT's development teams. This phase includes documentation preparation, system infrastructure setup, and quality assurance. Development work will take place at INTRALOT's HQ in Athens, with necessary support from the Nebraska-based team onsite.
- **Training:** INTRALOT trainers will deliver face-to-face and remote training sessions for the State of Nebraska personnel and venue operators to ensure they are equipped to operate the Cash Devices system effectively.
- **Testing:** During end-to-end acceptance testing, the State of Nebraska and INTRALOT teams will collaborate to ensure knowledge transfer and address any technical or operational issues.

INTRALOT's quality management experts and the proposed Project Manager will be available onsite to ensure the quality of deliverables and resolve any issues swiftly.

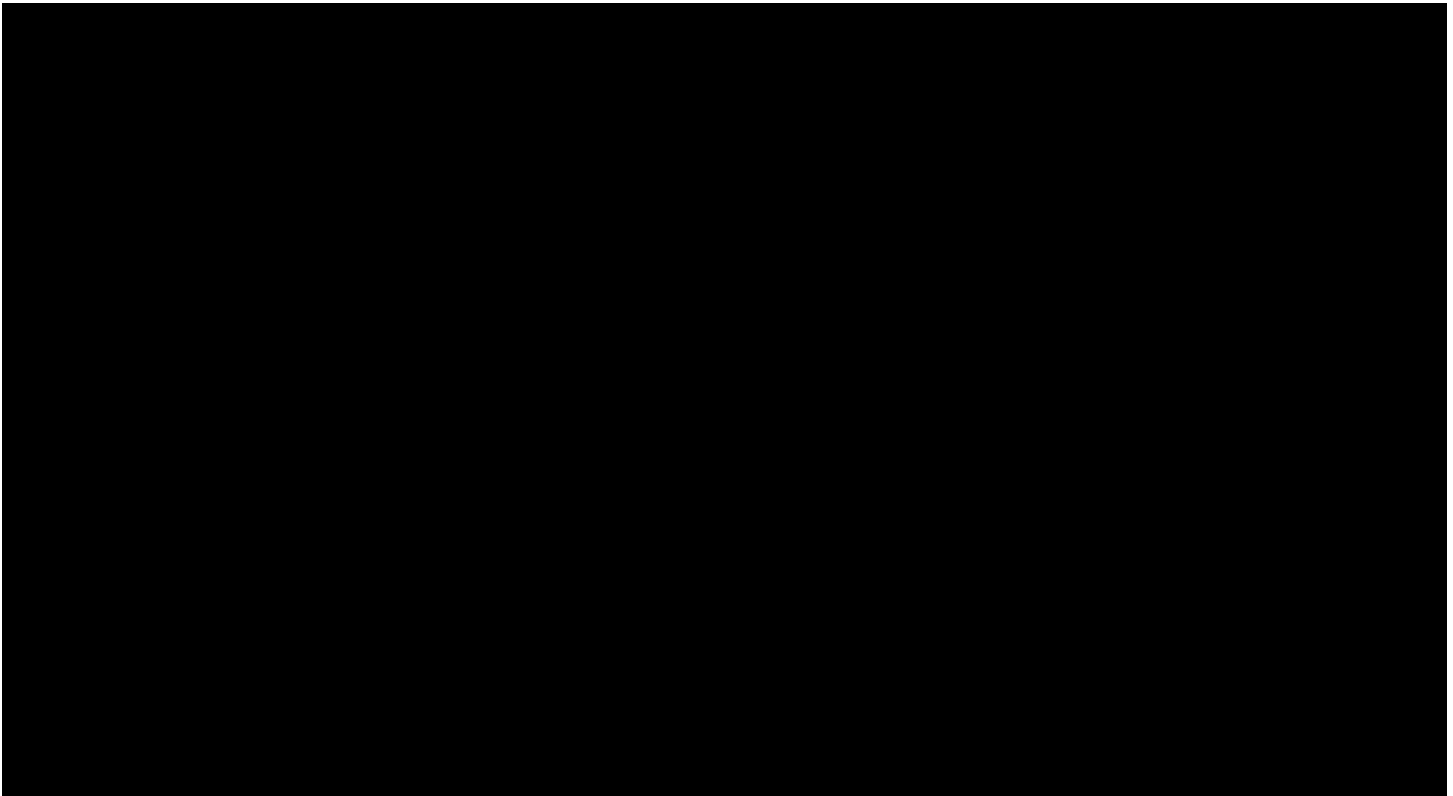
- **Venue Rollout:** INTRALOT will collaborate with local Distributor technicians to ensure a seamless transition and minimal operational disruption.
- **Go-Live:** During the Go-Live phase, core team members will work together to quickly resolve any production issues and ensure a smooth launch of the system. INTRALOT experts will be onsite to support these activities and ensure operational success.

Implementation Organizational Structure:

The proposed project team features both horizontal and vertical classifications:

- **Horizontal Classification:** The project team is divided into two pillars—Solution Development and Solution Delivery.
 - **Solution Development:** Led by INTRALOT's HQ team in Athens, the Solution Development pillar will handle the customization of INTRALOT's iGEM ecosystem to meet Nebraska's specific needs.
 - **Solution Delivery:** Led by Matt Johnson, the Solution Delivery pillar will ensure the successful installation of the iGEM system and the installation of venues to the new Real Time Monitoring and Reporting System.
- **Vertical Classification:** The project team is structured hierarchically, with senior leaders at the top responsible for overseeing the project and ensuring accountability. Each team member's placement in the structure indicates their responsibility and communication channels within the project.

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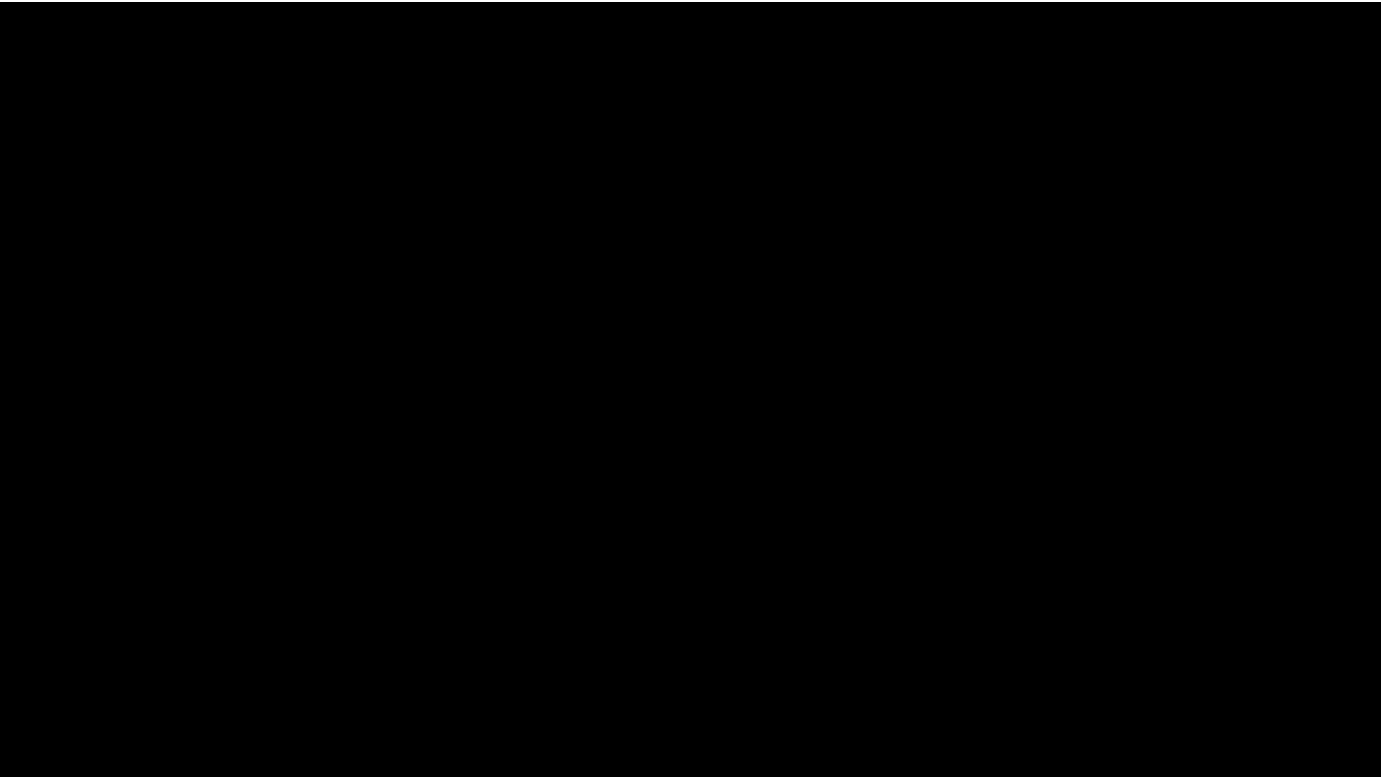


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j. Subcontractors

If the bidder intends to subcontract any part of its performance hereunder, the bidder should provide:

- i. name, address, and telephone number of the subcontractor(s),
- ii. specific tasks for each subcontractor(s),
- iii. percentage of performance hours intended for each subcontract; and
- iv. total percentage of subcontractor(s) performance hours.

INTRALOT confirms that it does not intend to use any subcontractors for this project. All work will be performed by INTRALOT personnel.

Issue Response and Troubleshooting

INTRALOT is dedicated to ensuring that appropriate licensee and Division customer support resources are available within mutually agreed upon reasonable response times, as stipulated in the contract resulting from this RFP. Our support and maintenance plan are designed to provide comprehensive assistance, ensuring that both the State and licensees experience minimal downtime and effective resolution of any system-related issues with the iGEM system.

We have established a robust support structure that prioritizes timely responses to all service requests and issues. INTRALOT will work closely with the State to define and adhere to specific response times, guaranteeing that support resources are available within the agreed-upon timeframes, while also ensuring the seamless operation of the system.

Support Structure

INTRALOT will offer a multi-tiered support system that includes the following components:

- **Tier 1 Support:** Initial contact and basic troubleshooting for system users, available to assist with user-related issues such as login, access, and minor system inquiries. Tier 1 support will be available 24/7 to always ensure immediate assistance.
- **Tier 2 Support:** Advanced technical support provided by specialized engineers. This tier handles complex issues such as software configuration problems, communication errors between devices and the Site Controller, and system performance issues.
- **Tier 3 Support:** Expert-level support provided by senior engineers and system architects for resolving critical and high-priority issues, including system-wide failures, database integrity concerns, or security vulnerabilities. This tier also handles escalations from Tier 2 when necessary.

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Intralot's Response to RFP# 119588 03

TECHNICAL APPROACH



2. TECHNICAL APPROACH

a. Understanding of the Project Requirements

V. PROJECT DESCRIPTION AND SCOPE OF WORK

The bidder should provide the following information in response to this Request for Proposal.

A. PROJECT OVERVIEW

The State of Nebraska Department of Revenue Charitable Gaming Division invites proposals to provide a real time monitoring and reporting system for Cash Devices. Known as Skill Games in Nebraska for many years, and more recently as Cash Devices, these machines offer games where the outcome can be influenced by skill and not just chance. The term Gray Machines has been used nationwide as states have tried to come to grips with (slot) machines that aren't exactly games of chance but are more than amusement devices—falling in a gray area.

What distinguishes them from games of chance is that the outcome can be influenced by skill and not just chance. Players insert money into the device, select a game, and attempt to exercise sufficient skill to win points or credits which can be redeemed for cash. In 2019, the Nebraska Legislature passed LB 538 amending the Mechanical Amusement Device Tax Act (Neb. Rev. Stat. §§ 77-3001 through 77-3011) to define and create a regulatory framework for Cash Devices. The population of Cash Devices and locations hosting them has grown significantly, as has the number of distributors and operators associated with the devices. Passage of LB 685 by the 2024 Nebraska Legislature further defined the regulatory framework for Cash Devices, including requiring implementation of centralized monitoring and reporting system.

INTRALOT recognizes the critical importance of the State of Nebraska's initiative to implement a robust and reliable Real Time Monitoring and Reporting system for Cash Devices, commonly referred to as "skill games" or "cash devices" within the state. These devices, distinguished by their outcomes being influenced by a player's skill rather than pure chance, introduce unique regulatory complexities. Ensuring compliance with Nebraska's laws, including LB 538 and LB 685, necessitates an accurate, transparent, and highly sophisticated system that can support the state's objectives of governance, oversight, and revenue collection in this growing market.

The evolving nature of the gaming industry demands an infrastructure that not only meets the current regulatory requirements but can also adapt to future changes. With over 5,000 devices across 1,600 locations statewide, the need for a centralized system capable of connecting all licensed distributors, operators, and other stakeholders is imperative. This system must collect, process, and report real-time data from each device, ensuring transparency, accountability, and swift access to critical information. Such a centralized platform would empower the State of Nebraska to exercise regulatory control, monitor compliance, enforce rules, and facilitate revenue collection more effectively, contributing to the integrity of gaming operations and the protection of public interests.

Having served as the vendor for the Georgia Lottery since 2014, INTRALOT brings extensive experience in managing and monitoring similar devices to those deployed in Nebraska. Our system has been battle-tested in the Georgia gaming environment, where it currently supports thousands of machines with real-time monitoring, central reporting, and compliance oversight. We are deeply familiar with the complexities associated with managing a large, decentralized gaming network and understand the nuanced needs of all entities involved in the cash device ecosystem, including distributors, retailers, manufacturers, and regulators.

INTRALOT's expertise in this domain uniquely positions us to address Nebraska's specific requirements. Our understanding extends beyond the technical specifications of the system; we fully comprehend the operational challenges faced by stakeholders at every level. Distributors require seamless integration and real-time reporting to ensure their devices remain compliant, while Operators rely on accurate data to maintain smooth operations and address any technical issues efficiently. At the same time, the State of Nebraska, as the ultimate overseer, requires a system that not only monitors real-time performance and compliance but also ensures timely and transparent reporting to support tax collection and regulatory enforcement.

As the industry leader, INTRALOT has developed a deep understanding of the importance of a Real Time Monitoring and Reporting System. Our solution not only monitors device activity and compliance but also provides advanced analytics and reporting tools that offer insights into device performance, trends, and irregularities. This level of insight is essential for the state to proactively address issues, make informed decisions, and ultimately, enhance the efficiency of its gaming operations.

Our team of experienced professionals is committed to ensuring the successful delivery and implementation of this system ahead of schedule, understanding the urgency for Nebraska to begin collecting taxes for important public initiatives. By leveraging our experience in similar markets and our deep familiarity with the needs of distributors, retailers, and the state, INTRALOT is fully prepared to provide a system that supports both the immediate and long-term needs of the State of Nebraska.

B. RESOURCES AVAILABLE

Division regulatory activities are supported by fees applied to devices, manufacturers, and distributors. Central system funding for the Division will come from an initial legislative appropriation and a portion of sales tax on net operating revenue.

INTRALOT acknowledges that the Division's regulatory activities are supported by fees applied to devices, manufacturers, and distributors, and that central system funding will come from an initial legislative appropriation and a portion of the sales tax on net operating revenue, as outlined in the legislation.

Our cost proposal will align with this structure, being based on the portion of sales tax applied to net operating revenue, ensuring compliance with the legislative framework. Additionally, INTRALOT will present multiple pricing options, allowing the State of Nebraska to choose the solution that best meets its financial and operational objectives. We are confident that these flexible options will enable the State to maximize value while maintaining regulatory integrity and operational efficiency.

b. Proposed Development Approach

INTRALOT is committed to delivering a comprehensive and scalable solution for the State of Nebraska, ensuring that the technical infrastructure meets all current and future needs for monitoring and reporting cash devices, as outlined in the RFP. Our solution will be based on our proven iGEM Central Monitoring System, a future-proof platform that has been successfully deployed in large-scale operations across jurisdictions such as Georgia, Ohio, New Zealand, and Australia.

C. DELIVERABLES

A central system which is tasked with receiving data and accurate revenue and income reporting from cash devices across the State of Nebraska, within one year after the effective date of the bill (July 19, 2024).

INTRALOT understands the critical importance of the central system being fully operational and capable of receiving data and providing accurate revenue and income reporting from cash devices across the State of Nebraska by July 19, 2025, as mandated by the legislation.

We will include our comprehensive project plan with our RFP response, which outlines our approach to ensure the system goes live by the end of March 2025. This timeline will allow distributors nearly four months to connect all cash devices in preparation for the full implementation deadline.

Upon contract award, INTRALOT will immediately begin working on the rollout plan, which will be developed in consultation with the distributors and reviewed with the State for final approval. Our plan considers several critical factors, such as venue operating hours, geographical locations, the availability of distributors' technicians, the number of cash devices per location, and other logistical considerations to ensure a smooth and timely rollout.

II. SCOPE OF WORK

PRODUCTS AND SERVICES SOUGHT

Under this contract, the Vendor will deploy a central system through which licensed distributors and operators will connect lab-tested cash devices produced by licensed manufacturers in accordance with processes managed by the Division.

Vendors should describe their experience with developing similar gaming management systems, and address response points specifically by offering options and suggesting solutions based on their expertise and understanding of this RFP.

The successful vendor will provide a connective portal through which only approved cash devices operated by licensed entities will connect to a vendor supplied central monitoring, reporting and remittance system with 24/7 availability, industry appropriate redundancy, and the capacity to accommodate a growing statewide landscape of at least 5,000 devices at more than 1,600 locations. Appropriate licensee and Division customer support resources should be available within reasonable response times; mutually agreed upon in the contract resulting from this RFP.

The successful vendor will provide the platform upon which transactional information from each cash device is transmitted through the portal to the central system, approved software version verification is conducted, and device placement location and operator, distributor, and manufacturer identity information is maintained.

The successful vendor will be compensated by the Division according to the terms of a mutually agreed-upon contract resulting from this RFP. The base term of the contract shall be seven (7) years, with the option of three (3) two-year (2-year) extensions at the sole discretion of the Division.

iGEM Central Reporting and Monitoring System Overview

INTRALOT will provide the State of Nebraska with our Central Monitoring System for Cash Devices operations: our iGEM system. INTRALOT's iGEM solution, developed from our extensive expertise in distributed transactional systems and pioneering large-scale operations, delivers a scalable, adaptable platform. It leverages cutting-edge technologies and sound architectural design principles to give gaming



organizations, regulators and operators a fully automated system with real-time intelligent data insights, for complete observability and control over every aspect of Cash Device operations.

With more than 20 years of experience in the gaming industry, INTRALOT has a deep understanding of the State’s business model and the unique needs of Distributors, Operators, Manufacturers, and Players. We recognize the vital role that flexibility and adaptability play in the operation of Cash Devices. Our system is a leader in both areas, providing comprehensive support for real-time monitoring, sophisticated accounting functionality, and intricate taxation features. More specifically:

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iGEM is a configurable system consisting of a set of modules and add-ons, which operate in an integrated manner. Many of the functions offered by the iGEM modules (e.g. monitoring and control, accounting, etc.) are part of the core system while others can be enabled or disabled, according to specific customer requirements (e.g. Jackpot Management, Player Services, Responsible Gaming, Gaming Licensing System and more).

Components

The iGEM Real Time Monitoring and Reporting System consists of the following technological “layers” and components:

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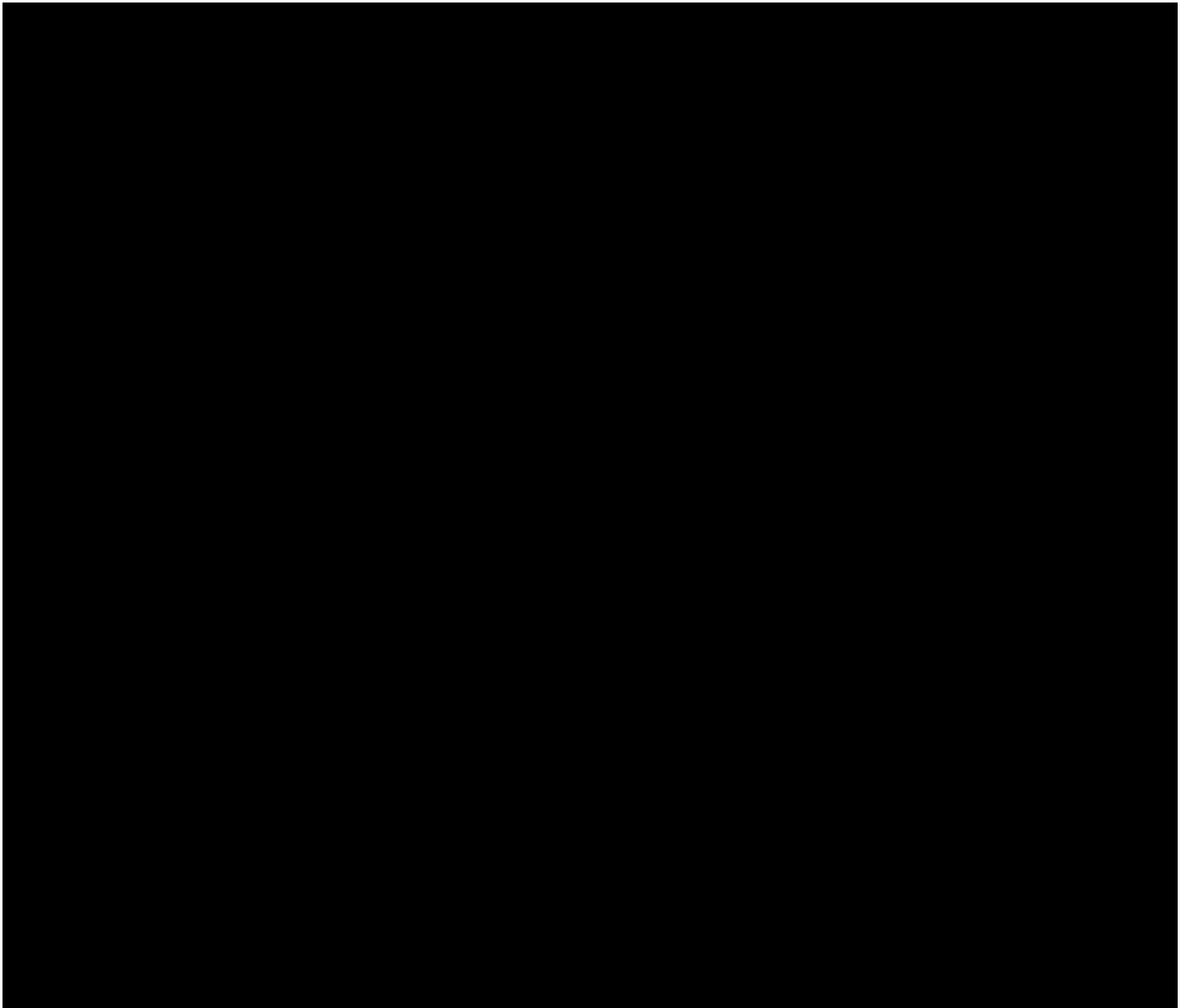
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Modules & Add-Ons

iGEM consists of several discrete modules and add-ons. Its modules correspond to the key functional elements of the system, while the add-ons are optional features that can be added on demand, depending on the specific operational and jurisdictional requirements.

a. GMS (Games Management System)

GMS includes all the processes and functionalities that monitor game operation, verify Cash Devices and game parameters and collect relevant data from machine hard and soft meters. Indicative key monitoring and control functions of the system include:

- Monitoring of Cash Devices, Games, Site Controllers and periodic notifications of connection and integrity status with constant signature checks.
- Automated Polling Cash Devices for Meter and Event Collection. Polling can be performed on predefined intervals, on demand or in Real Time. During the polling procedure, the Central System requests and receives Cash Device and Game data such as:
 - Meters
 - Events
 - Cashless and other transactions
- Enabling/Disabling of Gaming Machines based on specific rules and criteria, either automatically or following user intervention.

b. Back Office

The Back Office module is designed to perform analytical tasks that utilize data gathered by the Cash Devices during operation. This includes the generation of various performance reports, the process of reconciliation of financial results as reported by the operator in comparison to the data recorded by the Cash Devices through the machine hard meters, the compilation of invoices and accounting forms as well as the update of asset status information.

c. Reporting & Accounting

iGEM provides extensive reporting capabilities that can efficiently cover the entire scope of the Cash Devices gaming operations in any operational model (such as large destination venues or small street type venues). The reporting system includes all the reports mandated by the regulators, such as accounting reports, inventory and licensing reports, statistical reports for the games performance, venue performance (individual or multiple venue combinations) and Cash Device performance. Furthermore, it provides filters to allow reporting for different time frames, games, Cash Device types and models and other attributes. The final format and content of the iGEM reports can be mutually defined with the State of Nebraska. In general, the State is expected to have access to a broad range of iGEM reports, while the Distributors can have access to specific reports that are required for the venue operation under iGEM.

- **License Data:** provision of all licensing information relating to Distributors, venues, Cash Devices, games.
- **Inventory / Configuration:** provision of inventory and configuration information relating to venues, Cash Devices Master Files, Site Controllers, Floor Plans, etc.

- **Daily/Weekly/Monthly/Yearly/Life/Period meter reports** per Cash Device, Cash Device/group, venue, and global performance Reports (with daily averages)
- **Daily/Period/ Life events/alarm reports per event type**, event severity, Cash Device, Site Controller, venue
- **Weekly and Monthly Performance Progress Reports** which can be produced in the form of Turnover, Wins, Inserted Money, Money Paid, Net Drop, Games Played, Average Turnover per game etc. per Cash Device and global per venue showing the evolution of the selected KPI over several weeks or months.
- **Accounting reports** daily/weekly and per accounting period
- **Cash-out Ticket and Payment reports** per day, week, period and ticket category/status
- **Regulatory and Auditing Reports**, including all reports requested by the authorities.

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iGEM Site Controller

INTRALOT is proud to offer a comprehensive site controller solution for State of Nebraska, enhancing both retailer and player experiences with innovative, reliable, and user-centric design. We guarantee high uptime rates, backed by our robust support network and infrastructure, ensuring sustained growth for the Cash Devices network.

With a strong R&D foundation, marked by numerous patents and recent technological advances, INTRALOT's more than 30-year history and deployment of over 300,000 terminals worldwide, in all five continents, and in more than 50 customers, underscore our position as a visionary leader in retail solutions. INTRALOT has previously demonstrated its capacity to support very large retailer networks, as evidenced by our operations in Ohio, Georgia as well in Australia and New Zealand.

True to our long-standing commitment to support Regulators and Operators, we have developed a proposal allowing State of Nebraska to address the challenges presented in the retail landscape.

Core iGEM Site Controller application

This will be the core application that will control and monitor the Cash Devices. It will also handle the following:

- Provides real-time Cash Device information (status, meters, events) either locally for the Venue operators or centrally transmitting in real-time all necessary info that is feeding the iGEM Real-Time dashboards.
- Autonomous mode for 30 days in cases where the telecommunication device goes offline.
- Integrity checks to itself and the Cash Devices

Processing “powerhouse”

The iGEM Site Controller is designed with cutting-edge technology, featuring advanced processor and memory configurations that significantly enhance operational efficiency and speed. This high-performance hardware not only accelerates all processes but also optimizes power consumption, ensuring eco-friendly operation. Capable of managing up to 10 Cash Devices at a single location, the Site Controller stands out for its robust scalability and flexibility. It seamlessly supports a wide range of peripherals.

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CONNECTIVITY

Additionally, vendors must describe the process by which the central system and any related locational equipment, as well as network connectivity, will be established. Vendors should identify any equipment which is proprietary in nature and which equipment is not proprietary.

Connectivity and Retailer Network

We strongly believe that INTRALOT's network solution will exceed the State of Nebraska's expectations as outlined in the RFP. Our diverse retailer network solution ensures that all retailers have suitable connections tailored to their specific locations and needs. The proposed network solution is self-isolated from external networks, including those of the State, Retailers, and Distributors. Our fully redundant and diverse internet protocol-based wide area and retailer network, combined with advanced monitoring tools, guarantees uninterrupted and secure data transfer through 4G/5G carriers. Proactive rerouting mechanisms are in place to prevent communication outages or slowdowns, ensuring seamless and reliable data flow.

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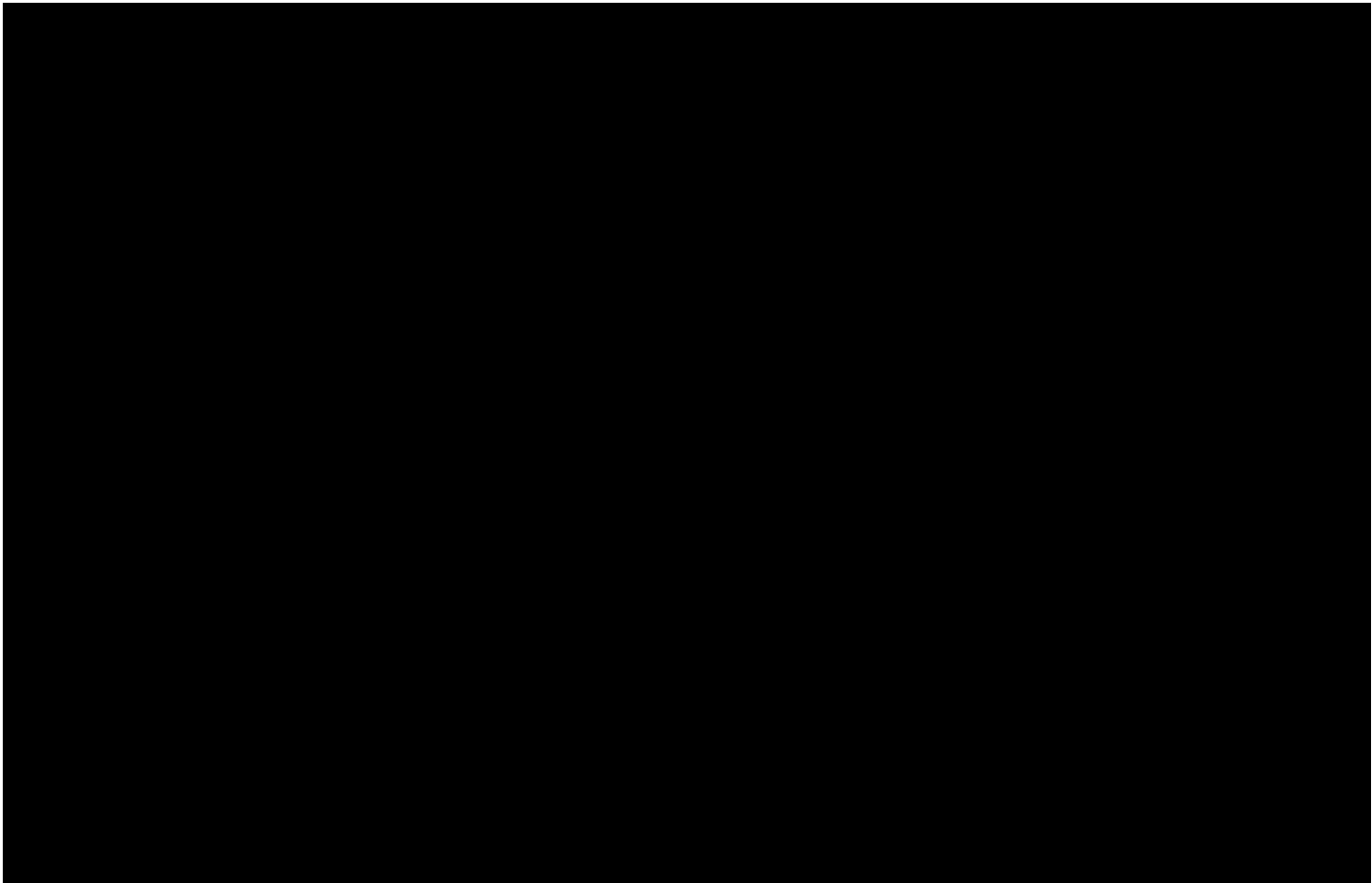
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| 35-44 | ~95 | ~95 |
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| 55+ | ~95 | ~95 |



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Infrastructure

INTRALOT's solution meets all the requirements outlined in the Request for Proposal (RFP) regarding the Primary Data Center (PDC) and Backup Data Center (BDC) for the Real Time Monitoring and Reporting system.

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Both primary and secondary facilities can handle increased demand and technological upgrades, ensuring scalability without significant reinvestment, offering long-term cost savings and adaptability. We will continuously upgrade the data center facilities, directly responding to the State's requirement for ongoing improvement to stay competitive and meet the evolving demands of the digital landscape.

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FAT and UAT Environments

The Primary Data Center (PDC) will serve as the host for INTRALOT's Factory Acceptance Testing (FAT) and User Acceptance Testing (UAT) environments. Both testing environments will be architecturally identical to the production environment, ensuring a logically equivalent setup for comprehensive and accurate testing. These environments will be dedicated solely to testing and validation purposes.

INTRALOT's Quality Assurance (QA) environment will be physically segregated from the lottery system and UAT, ensuring complete isolation for testing and development activities. Both the QA and UAT environments will reside within the PDC, mirroring the production environment configuration, and will feature dedicated containerized application servers and databases.

All ingress, egress, and lateral traffic within the QA and UAT environments will be protected by next-generation firewalls, ensuring that the environments are secure and isolated. This logical separation

guarantees that any changes or modifications made during testing are thoroughly validated and do not impact the live system.

Furthermore, the UAT environment will be utilized for game certification testing by accredited certification labs such as GLI, BMM, and Eclipse, ensuring full compliance with regulatory and operational standards before deployment into the production environment.

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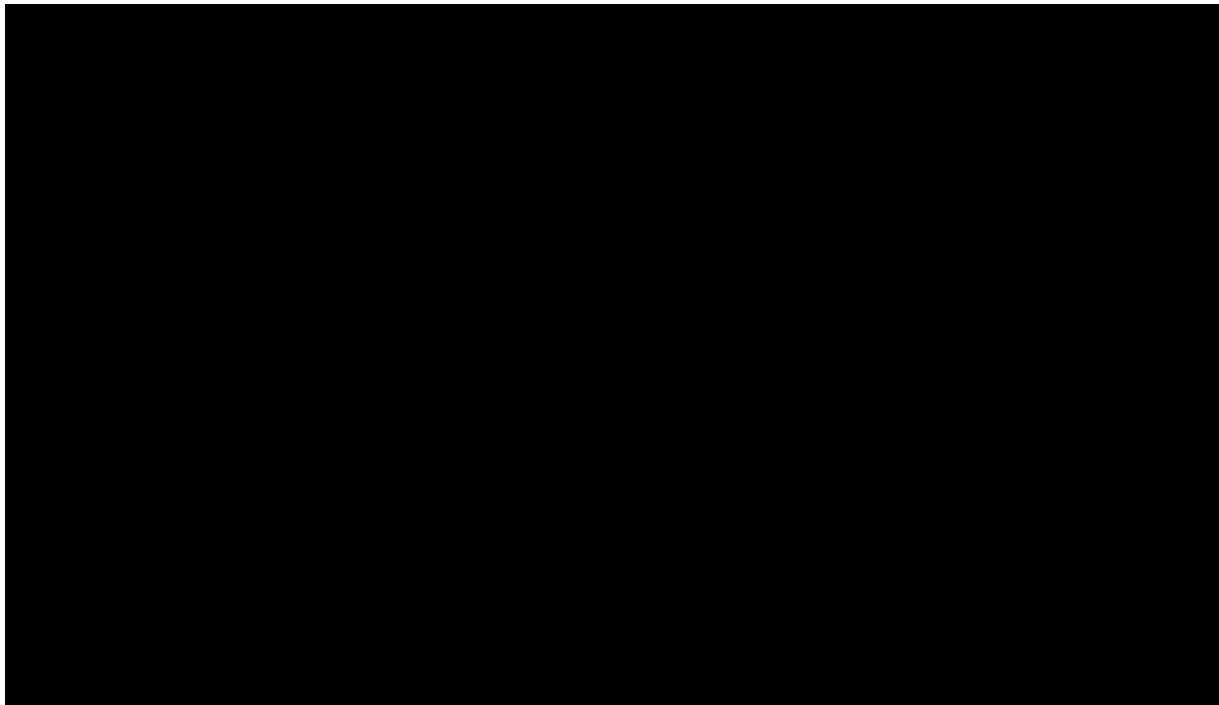
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System and Components Monitoring

INTRALOT’S proposed iGEM platform, is an advanced monitoring system for Cash Devices, tracking various metrics related to usage, revenue, and maintenance. This monitoring is vital for Operators and Regulators operating these machines to ensure proper functionality, revenue generation, and customer satisfaction.

By closely monitoring metrics such as play frequency and revenue per terminal, Distributors can proactively address any issues and optimize the performance of Cash Devices. This data-driven approach enables businesses to adjust strategies based on player preferences, stay compliant with regulations, and promptly address any technical issues that may arise.

Ultimately, a comprehensive monitoring system like iGEM is essential for businesses looking to effectively manage and improve Cash Device performance, leading to enhanced customer experiences and increased profitability.

The main aspects of monitoring Cash Devices, include Cash Device cabinets and meters monitoring, Cash Device status monitoring, Cash Device events monitoring and monitoring of Cash Device software integrity.

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Cash Device Meters Monitoring

This process actively manages and tracks the performance of Cash Devices, integrating both real-time monitoring and on-demand or periodic audits to gather precise financial data. Real-time monitoring allows operators to promptly assess revenue from each machine, facilitating quick decision-making and immediate response to any irregularities detected. On the other hand, periodic audits offer a comprehensive review of financial data over a specific period, ensuring long-term accuracy and compliance with regulations.

With robust tracking mechanisms in place, Distributors and Operators gain valuable insights into the performance of individual machines, enabling them to identify trends and swiftly rectify any discrepancies that may arise. This approach fosters efficient financial management and contributes to the overall success of the operation by optimizing revenue generation and ensuring compliance with regulatory requirements.

The INTRALOT site controller meters mechanism is built on the meters of the SAS protocol and G2S classes, actively monitoring all meters of Cash Device. The iGEM platform allows for easy configuration of any new SAS and G2S meters across all levels. This comprehensive monitoring and tracking of all relevant metrics, regardless of the protocol used by the Cash Devices, enhancing the effectiveness of performance analysis and management.

The INTRALOT Site Controller monitors various meters across different G2S classes. Any new meter can be easily added and configured in iGEM. The platform is designed to accommodate the integration of new meters seamlessly, allowing for flexible and customizable monitoring capabilities.

The main meters, that Site Controller is monitoring are included in the table below, but the meters can be updated according to the State of Nebraska needs:

SAS Meter Code	SAS Meter Description	G2S Equivalent Class	G2S Equivalent Meter	Meter Description
0000	Total Coin In Credits	G2S_cabinet	G2S_wageredCashableAmt	Cashable Played
0001	Total Coin Out Credits	G2S_cabinet	G2S_egmPaidGameWonAmt	Cash Device Money Won
0011	Total SAS cashable ticket in, including nonrestricted tickets (quantity)	G2S_voucher	G2S_cashableInCnt	Ticket Cash In Counter
0002	Total Jacpot Credits	G2S_cabinet	ILT_totalJackpotAmt	Total Jackpot
0003	Total hand paid cancelled credits	G2S_handpay	G2S_cashableOutAmt	Handpay Cash
0004	Total cancelled credits	G2S_cabinet	G2S_handPaidCancelAmt	Handpaid Cancelled
0005	Games played	G2S_cabinet	G2S_gamesSinceInitCnt	Games Played
0008	Total credits from coin acceptor	G2S_noteAcceptor	G2S_currencyInAmt	Bills In

0009	Total credits paid from hopper	G2S_coinAcceptor	G2S_currencyInAmt	Coins In
0010	Total SAS restricted ticket out (cents)	G2S_bonus	G2S_nonCashOutAmt	WAT No Cash Out
0012	Total SAS cashable ticket out, including debit tickets (quantity)	G2S_voucher	G2S_cashableOutCnt	Ticket Cash Out Counter
0013	Total SAS restricted ticket in (quantity)	G2S_voucher	G2S_nonCashInAmt	Ticket No Cash In Counter
0019	Non Cashable Money Played	G2S_wat	G2S_wageredNonCashAmt	Handpay No Cash
0032	Electronic regular cashable transfers to gaming machine	G2S_handpay	G2S_nonCashOutCnt	Ticket Non Cash Out Counter
0035	Total regular cashable ticket in (quantity)	G2S_coinAcceptor	G2S_promoToDropAmt	Promo Coins to Drop Box
0040	Total number of \$1.00 bills accepted	G2S_noteAcceptor	ILT_note1InCnt	Total number of \$1.00 bills accepted
0041	Total number of \$2.00 bills accepted	G2S_noteAcceptor	ILT_note2InCnt	Total number of \$2.00 bills accepted
0042	Total number of \$5.00 bills accepted	G2S_noteAcceptor	ILT_note5InCnt	Total number of \$5.00 bills accepted
0043	Total number of \$10.00 bills accepted	G2S_noteAcceptor	ILT_note10InCnt	Total number of \$10.00 bills accepted
0044	Total number of \$20.00 bills accepted	G2S_noteAcceptor	ILT_note20InCnt	Total number of \$20.00 bills accepted
0045	Total number of \$50.00 bills accepted	G2S_noteAcceptor	ILT_note50InCnt	Total number of \$50.00 bills accepted
0046	Total number of \$100.00 bills accepted	G2S_noteAcceptor	ILT_note100InCnt	Total number of \$100.00 bills accepted
0058	Total credits from bills to drop	G2S_noteAcceptor	G2S_currencyToDropAmt	Notes to Drop Box
000A	Total credits from coins to drop	G2S_coinAcceptor	G2S_currencyToDropAmt	Coins to Drop Box
000C	Current credits	G2S_cabinet	G2S_currentCreditsAmt	Credits remaining in the Cash Device
000D	Total SAS cashable ticket in (cents)	G2S_voucher	G2S_cashableOutAmt	Ticket Cash Out

000F	Total SAS restricted ticket in (cents)	G2S_voucher	G2S_promoInAmt	Ticket Promo In
000F	Total SAS restricted ticket in (cents)	G2S_cabinet	G2S_wageredNonCashableAmt	No Cashable Played
001A	Total nonrestricted amount played (credits)	G2S_cabinet	G2S_wageredPromoAmt	Promo Money Played
001D	Total machine paid progressive win	G2S_cabinet	G2S_egmPaidProgWonAmt	Progressive Won
001E	Total attendant paid progressive win	G2S_cabinet	G2S_handPaidProgWonAmt	Handpaid Progressive
001F	Total attendant paid payable win, not including progressive or external bonus amounts (credits)	G2S_cabinet	G2S_handPaidGameWonAmt	Handpay Won
002A	Total restricted promotional ticket in (credits)	G2S_wat	G2S_cashableInAmt	WAT Cash In
002B	Total nonrestricted promotional ticket in	G2S_voucher	G2S_promoInCnt	Ticket Promo In Counter
002C	Total cashable ticket out (credits)	G2S_voucher	G2S_promoOutAmt	Ticket Promo Out
002E	Electronic regular cashable transfers to host	G2S_handpay	G2S_promoOutCnt	Ticket Promo Out Counter
002F	Electronic restricted promotional transfers	G2S_voucher	G2S_nonCashOutAmt	Ticket No Cash Out
00AE	Bonus cashable transfers to gaming machine	G2S_bonus	G2S_cashableInAmt	Bonus Cash In

Monitoring Exception

The monitoring exception feature in INTRALOT's system highlights connectivity issues, disabled Cash Devices, and other problems for quick resolution by operators. This functionality allows operators to promptly address offline or problematic Cash Devices, minimizing downtime and ensuring a smooth gaming experience for players. The following information is shown in the relevant dashboard:

- **Venue Name:** The name of the Venue

- **SC:** The identification number of Site Controller
- **Cash Device ID:** The identification number of Cash Device
- **Alias:** The name of the Cash Device
- **Cash Device description:** The description of the Cash Device
- **Status:** The status of the Cash Device

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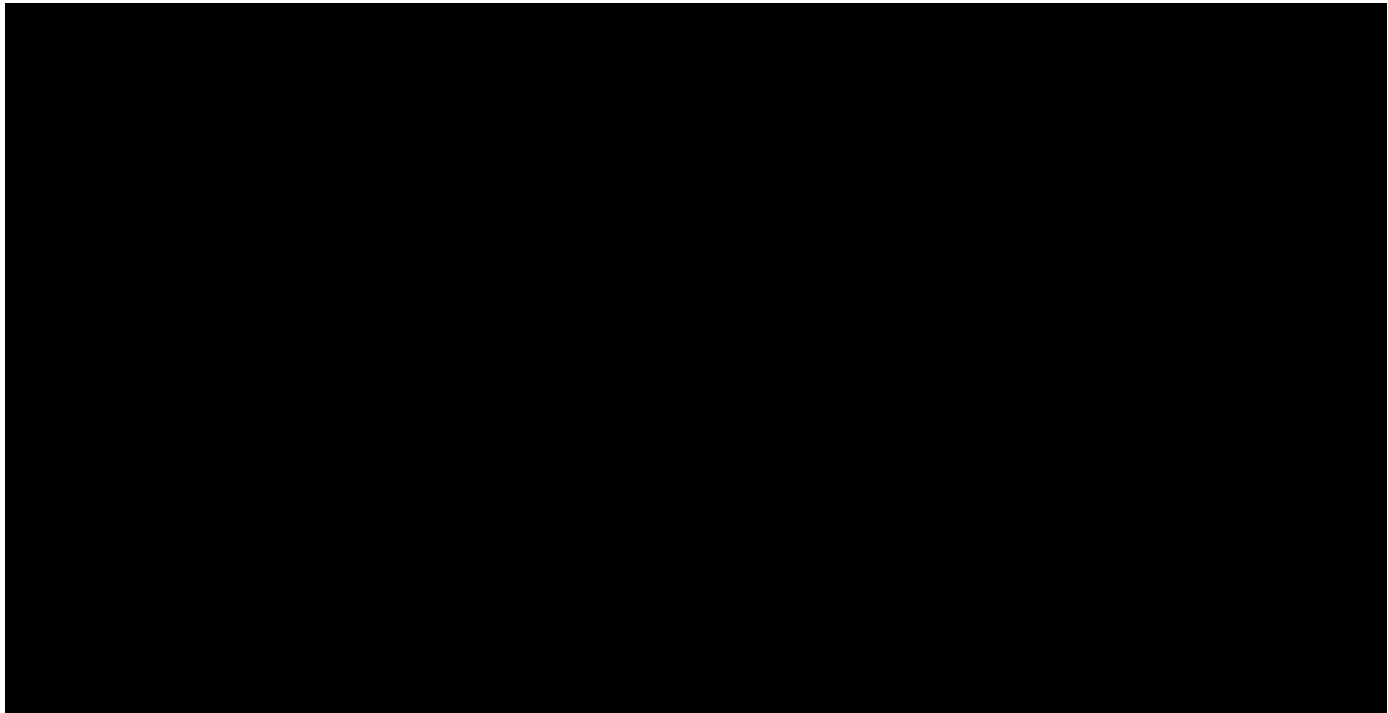
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Monitoring of Cash Device Software Integrity

INTRALOT monitors the legitimacy Cash Device software, verifying that it is licensed, authentic, and free from unauthorized modifications or counterfeit elements. This ensures the integrity and security of the gaming environment, protects against potential legal liabilities, and maintains the trust of regulators and players. INTRALOT verifies digital signatures to confirm the software's legality, using license management tools and a software asset management system to track its deployment.

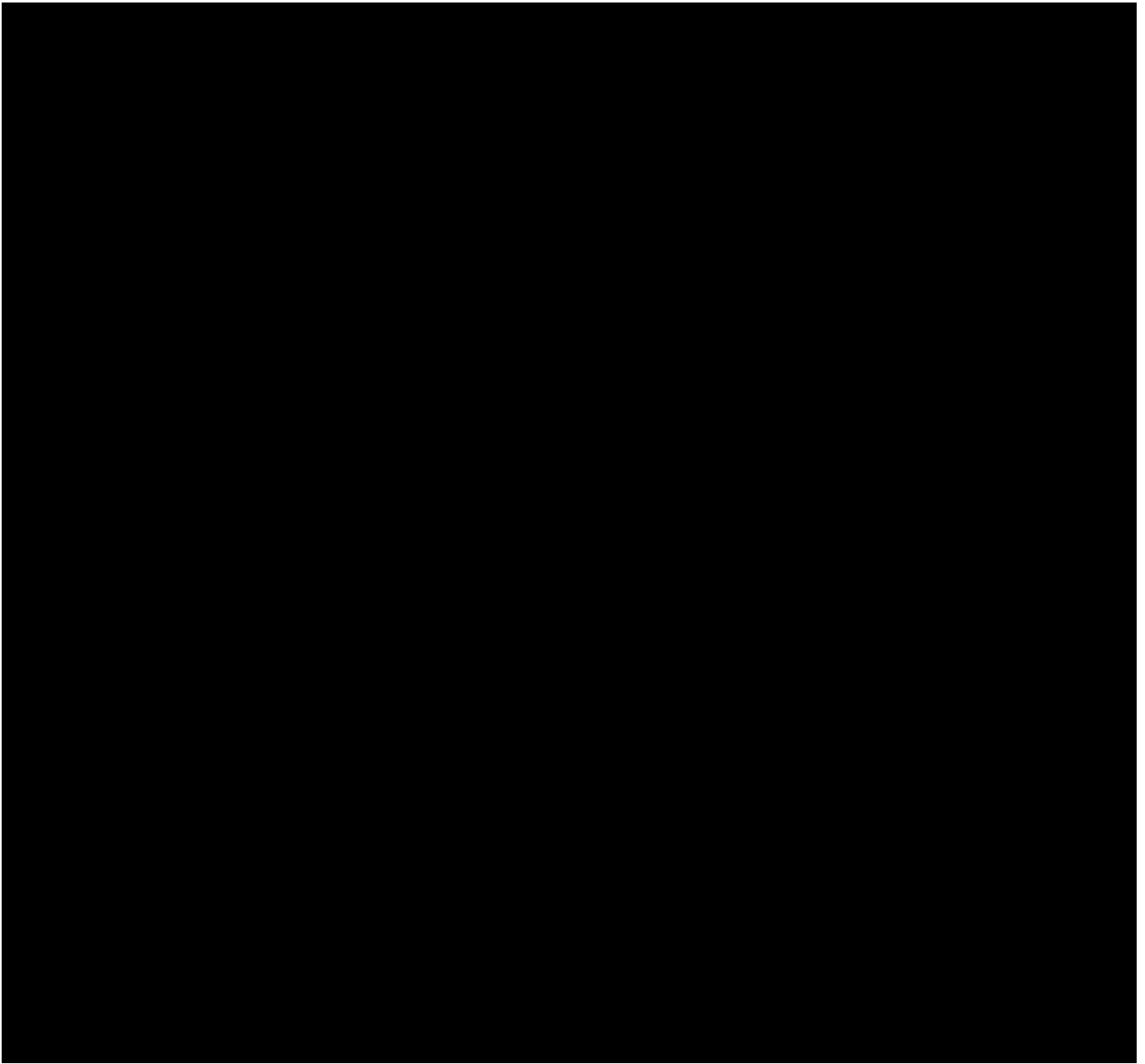
The flow of Cash Device Software integrity checks in iGEM platform is as follows:

- iGEM System performs daily software integrity checks on all gaming equipment, including Site Controllers and Cash Devices software. These checks are repeated every time a terminal reboot and connects to the central system.
- System Operators may perform targeted ad hoc integrity checks will be initiated for specific Cash Devices, terminal IDs or ranges of terminals, game versions, or manufacturers.

- The Site Controller performs Cash Device software checks based on predefined conditions, such as when a Cash Device resumes from a loss of communication with the Site Controller. This verifies software integrity at critical points in the operation of the Cash Devices.

INTRALOT's iGEM Cash Device image server hosts all Cash Device software images. Specific iGEM system tasks generate daily seeds and signatures for all Cash Device software images. The site controller verifies software integrity by downloading the seed and Cash Device signatures during daily polling sessions and retrieves new seeds and signatures from the iGEM System for the following day. In the event of communication failure, the site controller will utilize the last known seed and signature. Below shows the above-mentioned Cash Device software integrity check flow.

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CONNECTIVITY

The central server system must allow for software version control, and responsible party (distributor/operator) verification; enabling the Division to disable devices in the event of irregularities or violations. Vendors submitting proposals must address each of the aforementioned topics and should discuss the mechanisms by which devices and locations, as well as relevant parties such as distributors, will connect to and communicate with the central system.

Venue Control

The iGEM Site Controller offers significant flexibility and enhanced security, benefiting both Distributors and State of Nebraska's users. It incorporates advanced security features designed to thwart hacking and manipulation of both the site controller itself and the Cash Devices. The controller diligently monitors for signature mismatches, checking both its own signature and those of the Cash Devices to ensure alignment with certifications provided by authorized labs. In the event of a mismatch, it can either shut down the affected machines or, in more severe cases, the entire venue, while promptly notifying relevant users to swiftly address the issue.

Additionally, the system provides manual controls, allowing users to selectively enable or disable specific Cash Devices or the entire venue as needed. There is also functionality to manage groups of Cash Devices or multiple venues simultaneously, offering further operational convenience and control.

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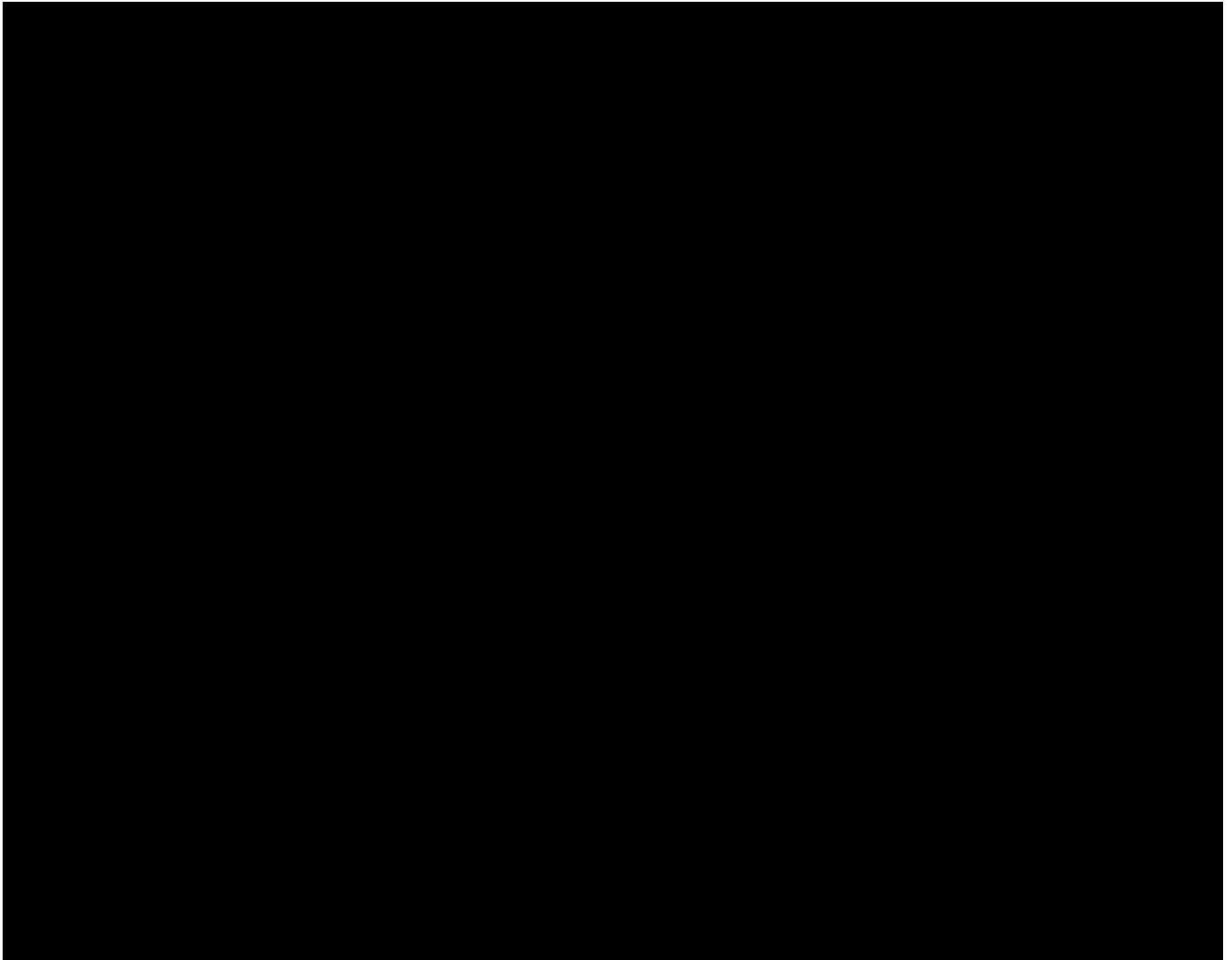
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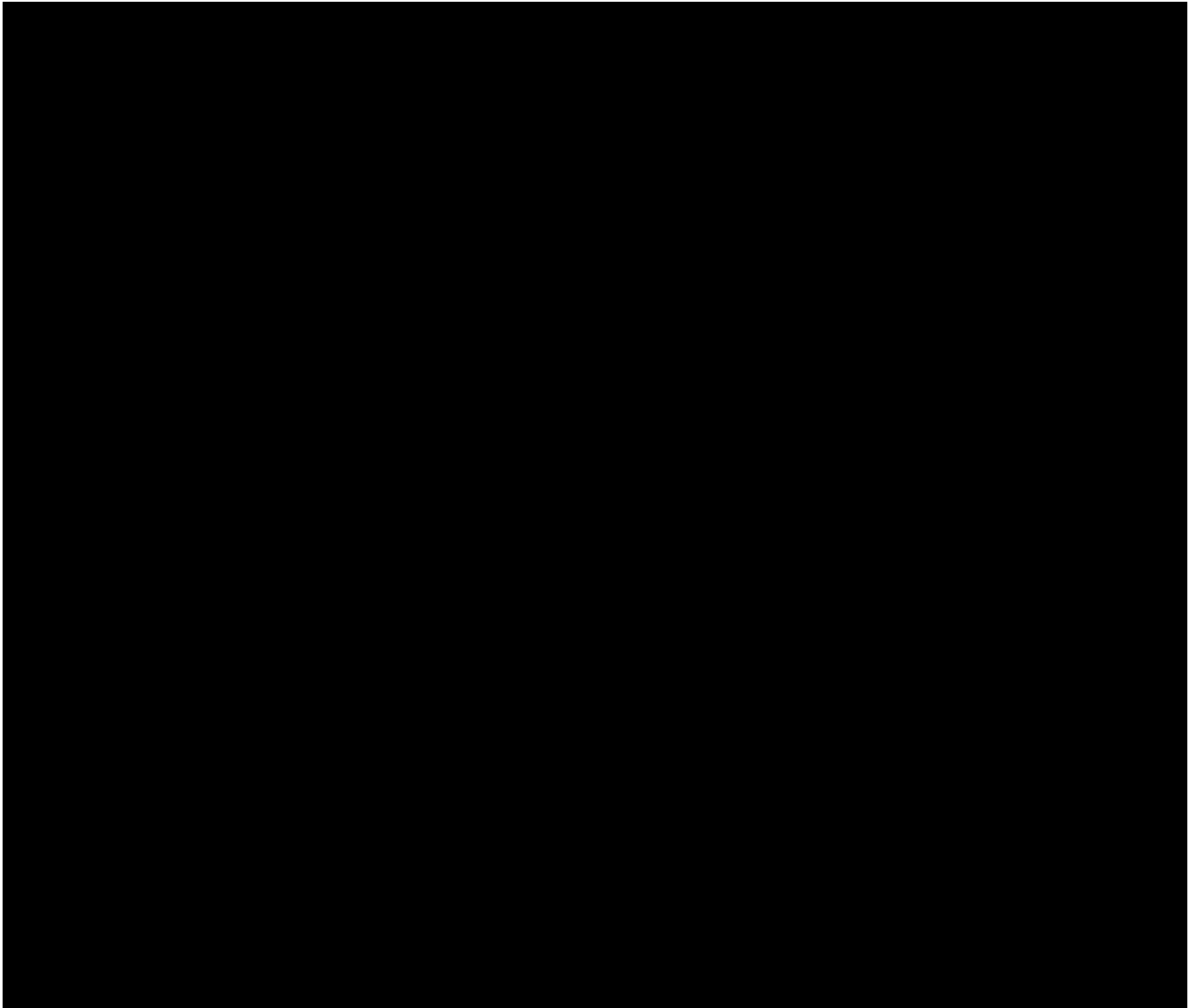
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Offline period operation can be allowed in a Venue in case of telecommunication disruptions of the Venue with the central system. After the time period passes, if communications have not been re-established,

the Site Controller will automatically disable the Cash Devices with the relevant message displayed on the Cash Device screen.

At any time, the system operator can control the Cash Device state by enabling or disabling a single Cash Device, a group of Cash Devices or a whole location by issuing the respective command from the iGEM Back-office system.

RECONCILIATION

In addition to licensure and registration fees managed by the Division, Cash Devices are subject to a State tax on net operating revenue. Vendors must describe experience with and the functionality offered in receiving, processing and reconciling tax filings in specific apportionments (e.g. calculating taxes to go to different communities) with the activity logs required for all devices as enumerated in REPORTING above. The amount of the tax imposed and levied is set by statute and applied to the net operating revenue for each cash device. The quarterly tax will be submitted on a form prescribed by the Tax Commissioner (Division) documenting the total gross and net operating revenue for that quarter.

The taxes collected will be distributed pursuant to statute to the State Treasurer for credit as follows:

- Twenty percent to the Charitable Gaming Operations Fund for enforcement of the act and maintenance of the central server;
- Two and one-half percent to the Compulsive Gamblers Assistance Fund;
- Two and one-half percent to the General Fund;
- Ten percent to the Nebraska Tourism Commission Promotional Cash Fund;
- Forty percent to the Property Tax Credit Cash Fund; and
- The remaining twenty-five percent to the county treasurer of the county in which the cash device is located to be distributed as follows:
 - If the cash device is located completely within an unincorporated area of a county, the remaining twenty-five percent shall be distributed to the county in which the cash device is located, or
 - if the cash device is located within the limits of a city or village in such county, one-half of the remaining twenty-five percent shall be distributed to such county and one-half of the remaining twenty-five percent shall be distributed to the city or village in which such cash device is located.

Taxation and Reconciliation

The iGEM system is expertly designed to streamline complex accounting and tax management processes, ensuring compliance with State of Nebraska accounting standards and international financial regulations. It automates the calculation and reporting of taxes due on Cash Device payments, integrating seamlessly with various banking and ledger systems to facilitate electronic transfers and financial adjustments without manual intervention. Additionally, the platform offers robust tools for real-time financial reporting and audits, including predefined templates and detailed audit trails, to uphold the highest levels of financial integrity and transparency.

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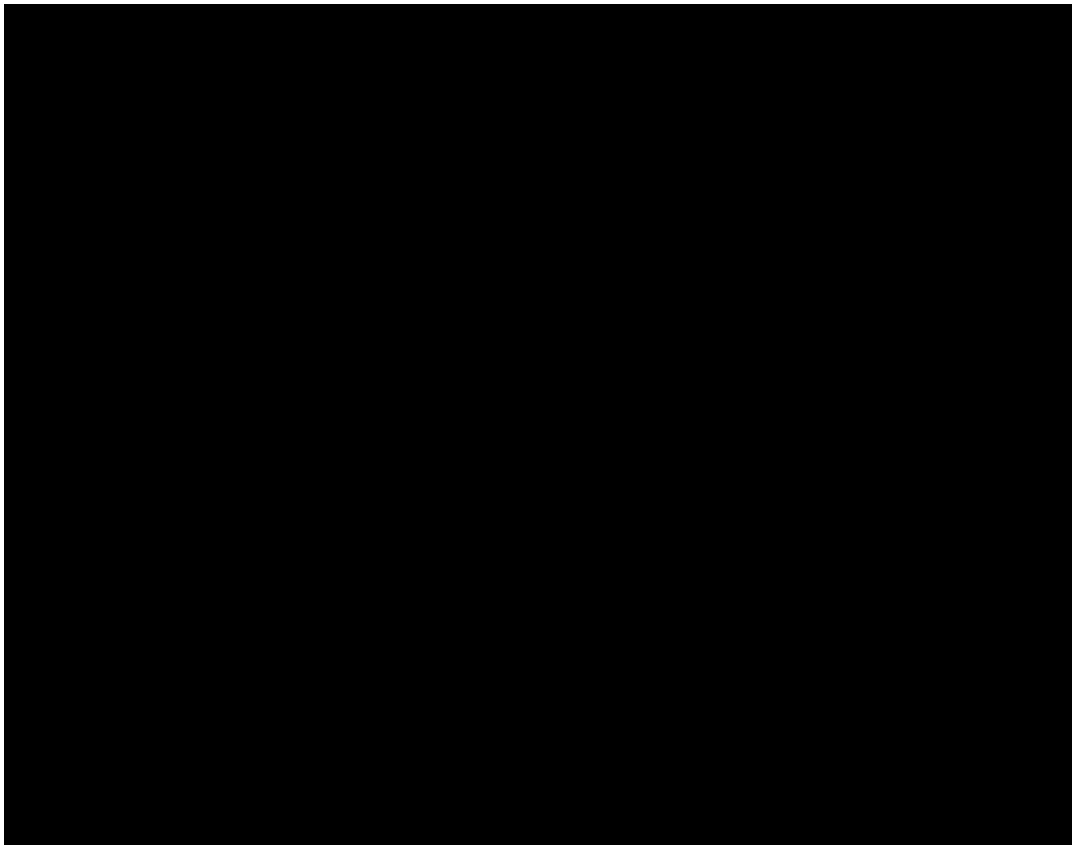
The iGEM system stores all meter information in the central database, including gross, net, derivative, and exceptional meters, and meter adjustments provided via the accounting schema.

The Site Controller meters mechanism utilizes G2S class meters monitoring all core G2S class meters. It enables easy configuration of new G2S meters at all levels of iGEM platform.

Invoicing and Commissions

The iGEM system is engineered with advanced capabilities to dynamically calculate and apply variable taxation rates based on a variety of collected amounts and predefined criteria. This feature significantly enhances the system's flexibility, allowing for tailored incentive structures that align with diverse operational goals across different levels of the organization. Furthermore, the system facilitates the assignment of specific tax rates to various venues, which can be customized according to a range of factors including venue revenue, geographical location, or other operational criteria. This adaptability ensures that commission structures are optimally aligned with each venue's unique

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The iGEM system is expertly designed to facilitate seamless electronic transfers and handle intricate financial operations including promotions, rebates, and refunds when required. Each transaction is meticulously recorded, ensuring that all entries are both detailed and auditable, thus upholding stringent accountability standards. This functionality is crucial for maintaining transparent and error-free financial processes across various gaming operations.

Furthermore, iGEM boasts robust integration capabilities with any banking and ledger systems, allowing for direct data exchanges that minimize human intervention, thereby enhancing security. This automated data transfer is vital for preserving data integrity and ensuring that financial operations are both swift and secure.

For scenarios requiring human oversight, such as discrepancies or imbalances detected at any retailer, the system provides options for manual data processing. This ensures that all financial records can be adjusted and verified by authorized personnel to maintain accuracy.

Cash Device Meter adjustments and financial adjustments are streamlined within the iGEM Accounting Service platform, capable of:

- being imported automatically as scheduled tasks
- entered manually as necessary.
- Proposed by dedicated reporting process

This flexibility allows for rapid response to any financial anomalies that may arise, ensuring the system's adaptability to real-world operational challenges.

Additionally, the iGEM system includes specialized functionality for meter adjustments at the Cash Device level to address technical issues such as RAM Clear errors, machine malfunctions, and other irregularities. These capabilities ensure the system's reliability and accuracy in recording gaming activities, safeguarding the integrity of financial data and enhancing operational resilience.

Regulatory Compliance and Financial Integrity

The iGEM System ensures comprehensive compliance with State of Nebraska regulatory requirements and financial integrity standards. The system incorporates predefined templates and reports tailored to both local regulations and international financial reporting standards. This ensures that all financial activities are accurately documented and reported, facilitating smooth audits and enhancing transparency. By integrating these standards directly into the system's core functionalities, iGEM provides users with a reliable, regulation-compliant tool that simplifies complex financial reporting and reduces the risk of non-compliance, safeguarding the interests of all stakeholders involved.

The iGEM system **streamlines the complex process of tax management by automating the calculation and reporting of taxes on Cash Device payments**, ensuring full compliance with regulations set forth by the State of Nebraska. This automation significantly reduces the administrative burden on staff, allowing them to focus on more strategic tasks while relying on the system's precision and reliability for tax-related duties. Tax calculations are performed seamlessly within the iGEM's sophisticated database architecture, and the outcomes are systematically integrated into all pertinent reports. This integration ensures continuous access to up-to-date, accurate tax information, crucial for financial reporting and compliance. Additionally, the iGEM system boasts advanced interoperability features, allowing for smooth integration with various tax authorities. This facilitates the efficient exchange of data concerning taxes withheld from players or other relevant entities. Tax-related documents and files can be generated in any required format, ensuring that specific reporting needs are met, and that the system remains adaptable to evolving regulatory demands.

Revenue Tracking and Game Management

The iGEM system delivers real-time data analytics, capturing essential metrics such as "Cash In", "Cash Out," "Game Won," "Gross Operating Revenue" and other crucial indicators for each Cash Device and gaming area. This powerful capability enhances the granularity and depth of understanding around game performance, enabling Distributors to make informed decisions that optimize gaming operations and improve customer experiences. Integrated within the iGEM platforms, the system provides comprehensive access to a wealth of information regarding venues and Cash Devices. This extensive data accessibility ensures that users can derive actionable insights from a rich dataset, spanning everything from individual player actions to overarching game performance across different locations. The integration of these platforms facilitates a seamless user experience, allowing for a holistic view of operations essential for strategic planning and targeted interventions.

The iGEM system provides users with powerful and flexible reporting capabilities, enabling the generation of customized reports that cater to specific analytical needs. Users can tailor these reports based on a range of data points, including date ranges, Cash Device IDs, and Terminal Operators and Game Vendors, thereby facilitating in-depth analysis and informed strategic decision-making. Additionally, iGEM offers an extensive selection of predefined (canned) reports, each equipped with multiple filters. These filters allow users to refine the displayed data precisely, ensuring quick and efficient access to necessary information.

Audit and Reconciliation

The iGEM system prioritizes impeccable accuracy in maintaining financial records by leveraging both automated reconciliation processes and thorough manual checks. This dual approach ensures rigorous consistency and reliability in financial reporting, supporting reconciliations on a daily, weekly, monthly, and annual basis to uphold the highest standards of financial integrity. The system's compliance with global standards is regularly validated by external auditors through thorough audits and certifications. These audits confirm that iGEM meets the strictest international regulations, including SOC audits, ISO certifications, and compliance with World Lottery Association standards. This comprehensive external



validation process not only confirms the system's adherence to best practices but also reinforces its reliability and trustworthiness in handling sensitive financial data.

The iGEM system is equipped with sophisticated tools designed specifically for the Data Reconciliation team, enabling them to accurately log and track all financial adjustments. This functionality is critical for maintaining high levels of transparency and accountability in financial reporting. By streamlining the reconciliation process, the system ensures that all adjustments are accurately recorded and easily retrievable, facilitating a thorough review and verification process. This not only enhances the integrity of financial data but also strengthens trust between stakeholders by providing a clear and auditable trail of all financial activities.

The **State of Nebraska will receive comprehensive daily and weekly balancing and reconciliation reports generated by INTRALOT's operations team.** These reports will provide detailed insights into the financial and operational performance of all connected Cash Devices. Should any discrepancies arise, they will be promptly identified and immediately reported to the appropriate State of Nebraska teams. Along with the notification of discrepancies, INTRALOT will provide a clear and actionable plan outlining the corrective steps necessary to resolve the issue, ensuring swift resolution and maintaining system integrity and compliance.

Operational Efficiency and Customization

The iGEM system is designed with the flexibility to support configurable financial clearance periods, enabling both routine and ad-hoc financial reconciliations tailored to the specific needs of the operation. This adaptability is crucial for maintaining continuous operational integrity and ensuring seamless financial coordination among all stakeholders within the Cash Device ecosystem. The system's versatility allows it to cater to different operational demands by offering various accounting periods tailored to the entity. For instance, in regions like Ohio and Georgia, the iGEM system operates on a weekly accounting cycle, conducting financial sweeps every Wednesday to ensure regular and consistent financial oversight. In Georgia, particularly for venues that handle gift card transactions, the accounting period is strategically set to a brief two-day window. This adjustment is specifically designed to mitigate financial risks associated with gift card operations, thereby providing enhanced financial security for both the venues and the gift card providers.

Secure Data Handling

The iGEM system prioritizes data security as a foundational aspect of its architecture, incorporating robust encryption protocols and stringent access controls to safeguard sensitive financial and operational data. These security measures are designed to shield against unauthorized access and ensure the confidentiality, integrity, and availability of all data handled by the system.



Audit Trails and Change Logs

The iGEM system ensures the highest level of accountability and transparency by maintaining a comprehensive and unalterable audit trail for every critical action within the system. This rigorous logging covers all data entries, financial adjustments, and reconciliation processes, guaranteeing that every transaction and operational step is fully traceable and verifiable. The audit trail mechanism is designed to adhere to strict security standards, providing irrefutable evidence of all system activities to support both internal audits and regulatory compliance. For additional details on our audit trail capabilities and security protocols, please refer to the Security section of our system documentation.

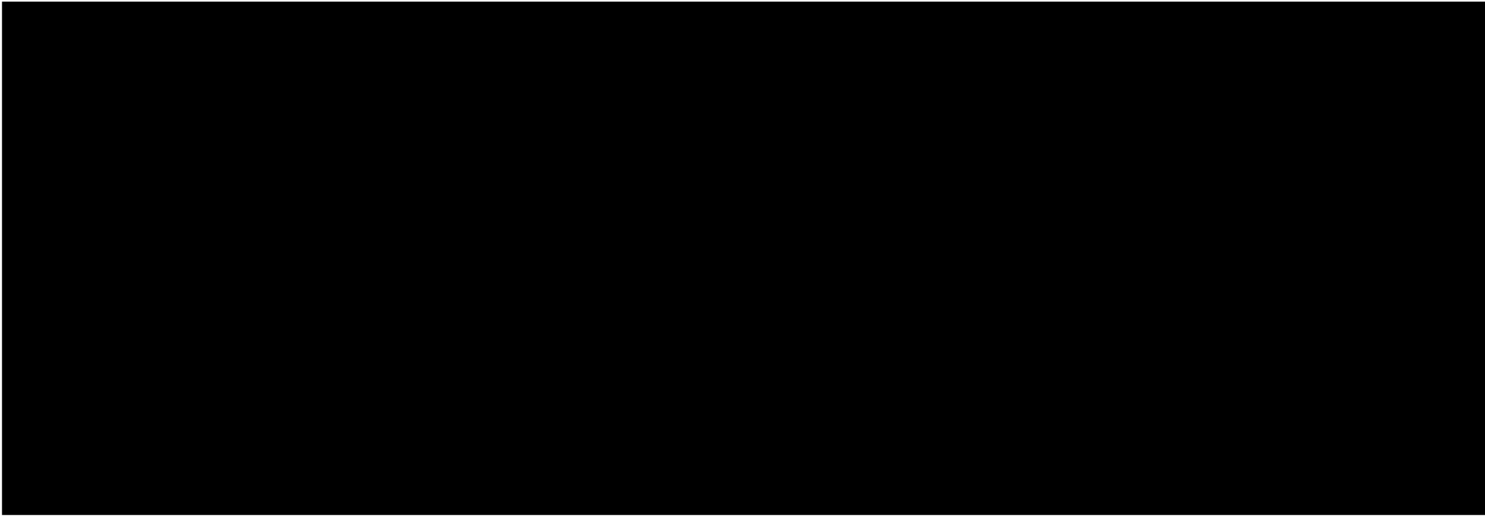
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ACH File Transfer

INTRALOT has designed the iGEM invoicing application to generate both automated and manual electronic funds transfer (EFT) files, streamlining the financial management processes to suit the unique needs of the IGB.

Automated EFT Files Generation:

- **Weekly /Biweekly / Monthly Invoices Processing:** The iGEM system automates the generation of EFT files for accounting invoices, capturing all transactions related to the gross terminal income from Cash Devices. This automation facilitates the financial reconciliation and settlement processes, minimizing manual intervention and maximizing efficiency.
- **Scheduling and Flexibility:** The system schedules automated EFT files in sync with the State's financial cycles, typically weekly, biweekly or monthly. It also offers the adaptability to modify this schedule based on the Board's needs, even accommodating the possibility of more frequent intervals.

The EFT file can be generated according to the standard NACHA format or any other format that is required by the banking system. Below there is a print-out of the EFT file as it is generated by iGEM's invoicing application:

[illegible]

Figure 25 – Print-Out of the EFT File

Manual EFT Files Creation:

The manual EFT files can be generated according to the standard NACHA format required by the banking system. Below is a print-out of the manual EFT file as it is generated by iGEM's invoicing application:

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Figure 26 – Print-Out of the Manual EFT File

The key features of the proposed system's ACH file creation capability are listed below:

- **User-Friendly Interface:** The iGEM system's browser-based interface simplifies the process of generating both automated and manual EFT files, making it accessible to authorized personnel without the need for specialized training.
- **Security and Compliance:** Prioritizing security, our system encrypts all EFT file transmissions to comply with industry standards and regulations, safeguarding sensitive financial data.

- **Integration and Compatibility:** INTRALOT's iGEM system seamlessly integrates with banking systems and financial institutions. It generates EFT files in formats that align with automated clearing house (ACH) processing requirements.
- **Customization and Flexibility:** Our system acknowledges the unique needs of the IGB and its stakeholders, allowing for the customization of EFT files, with the ability to adjust file contents, format, and transmission schedules.
- **Audit Trails and Reporting:** The iGEM system provides comprehensive audit trails and reporting capabilities to track and analyze all EFT file generations, both automated and manual. This facilitates transparency, accountability, and ease of audit.

REPORTING

Once operational, each cash device in the State of Nebraska shall be connected at all times to the central server controlled by the Division. Such central server shall report data including but not limited to:

- Division file identifiers
- device identity
- machine and software version/signature
- device ownership
- location ownership
- location
 - address
 - city
 - county
- sales
 - wagers
 - wagers played back
- transactions
- prizes won
- prizes paid
- duration of play
- duration of transactions
- jackpot operation
- progression
- management
- any other information at the request of the Division or which is required by rules or regulations to enforce and implement the intent of the Legislature.

Reporting must be regularly available in established formats as well as on an ad hoc basis. Vendors responding must describe the support available in creating reports as well as the process by which reports and other system functionality may be managed by Division personnel.

Reporting

INTRALOT will introduce its iGEM reporting subsystem as an advanced, fully integrated component of its information technology infrastructure. This subsystem is designed to ensure continuous, accurate, and real-time data collection and reporting from all cash devices in the State of Nebraska, fully aligned with the Division's requirements. The iGEM reporting subsystem provides meaningful insights into all aspects of cash device operations, enabling the Division to make data-driven decisions and ensure compliance with state regulations.

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System Architecture

Our proposed iGEM reporting subsystem will align with the architecture of INTRALOT adopting a structure that divides the exposed functionality across three distinct layers: Front-end, API, and data. A high-level flow chart, depicted below, provides the various components and how they interconnect with other iGEM modules. INTRALOT will store all iGEM reports configuration in the iGEM central database, providing several benefits, by enhancing the manageability, scalability, and maintainability of the iGEM reporting subsystem.

The main benefits of storing reporting configuration include:

- ***Centralized Management:*** All configuration details will be stored in a centralized location, making it easier to manage and update configurations for multiple reports in one place.
- ***Consistency Across Environments:*** Configuration data will be consistent across different environments (development, testing, production), so that reports behave consistently in each environment.
- ***Ease of Maintenance:*** INTRALOT can easily make changes to report configurations, which are tracked in the database. This simplifies maintenance and reduces the risk of configuration discrepancies.
- ***Version Control:*** Storing configurations in the database will provide ways to track changes over time, facilitating rollback or comparison between different versions.
- ***Scalability:*** We will manage reports and their configurations in a database to efficiently scale reporting as the number of reports and configurations grows. The database will be able to handle many configurations and provide fast retrieval.
- ***Security:*** Access control and security measures will be applied at the database level to restrict access to sensitive configuration data. This ensures that only authorized personnel can modify or view configuration details.
- ***Integration with Applications:*** Storing configurations in a database will enable seamless integration with other applications and systems. We will develop APIs to retrieve or update configurations programmatically.
- ***Backup and Recovery:*** Storing configurations in a database ensures that critical configuration data is included in routine backup processes.

Supported Reporting Outputs

INTRALOT will provide the iGEM reporting subsystem to encompass various formats and delivery methods tailored to meet diverse user needs. Output formats include PDF, Excel, CSV, XML and HTML, each suited

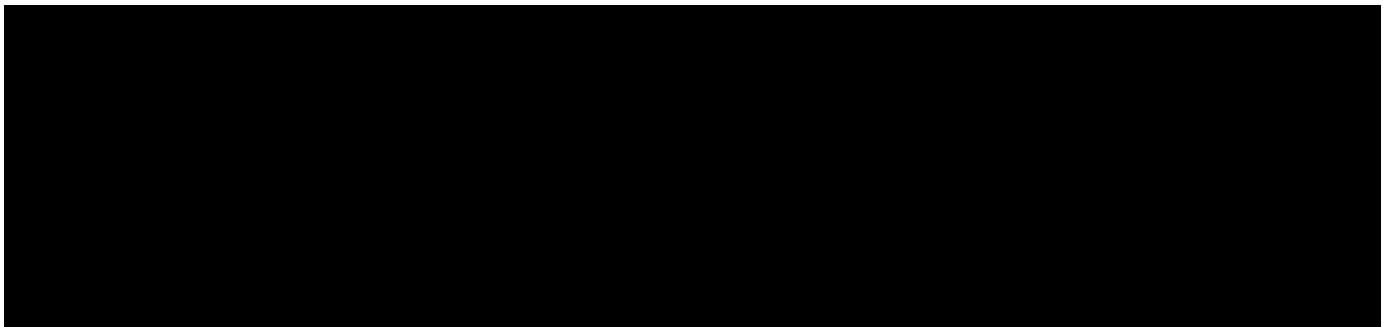
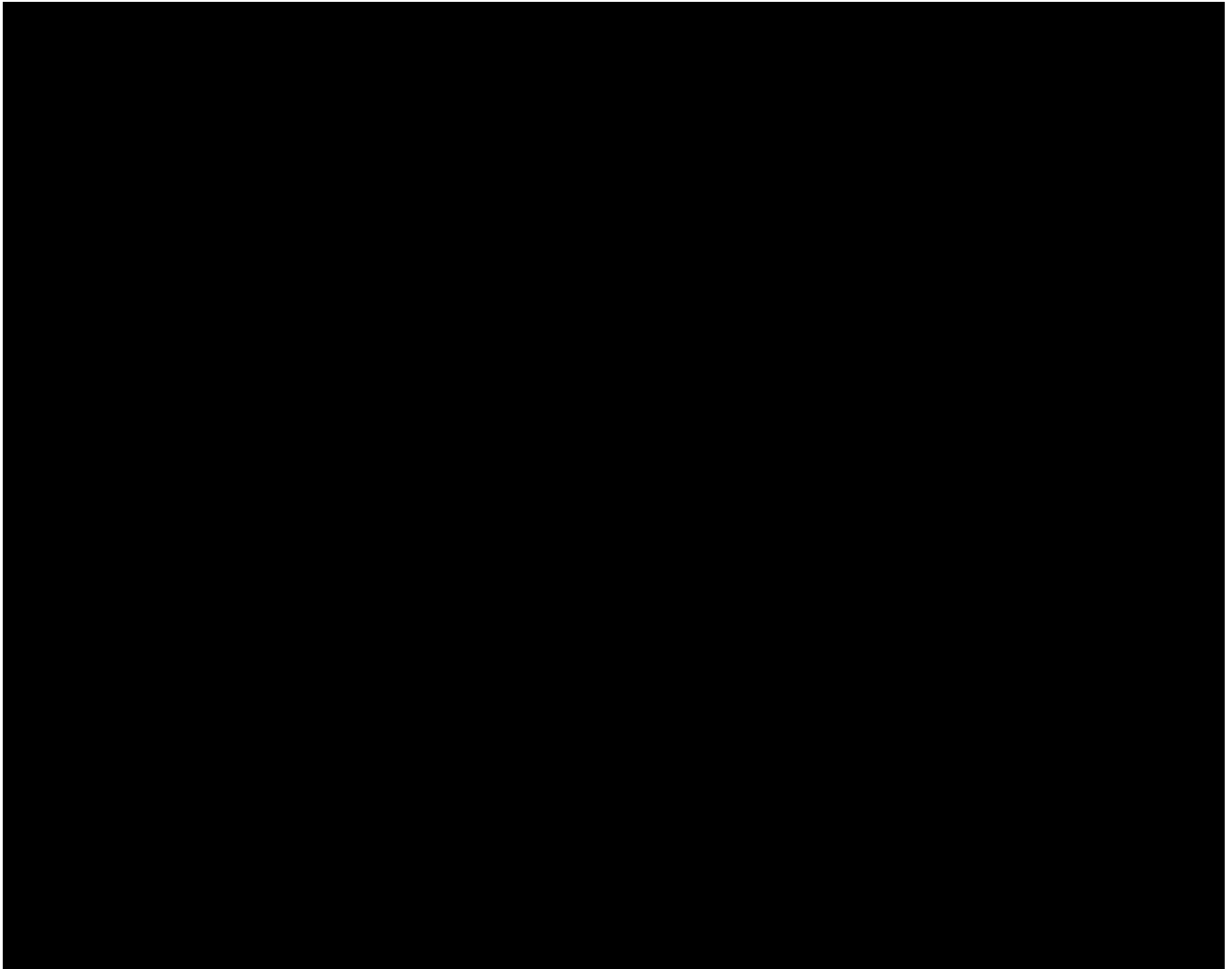
for specific use cases ranging from printable documents to data analysis. Users will be able to customize reports to include relevant metrics, graphs, and tables, providing insightful visualizations of data trends.

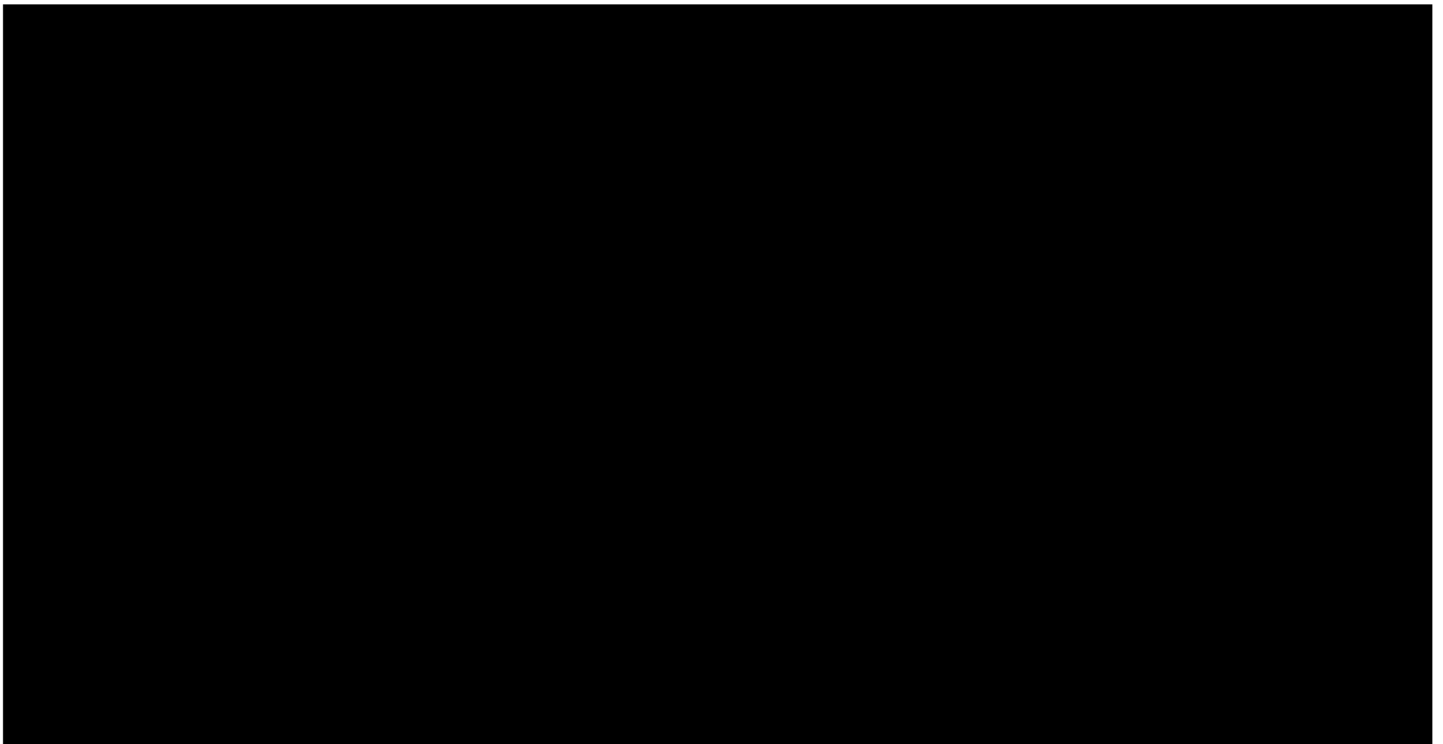
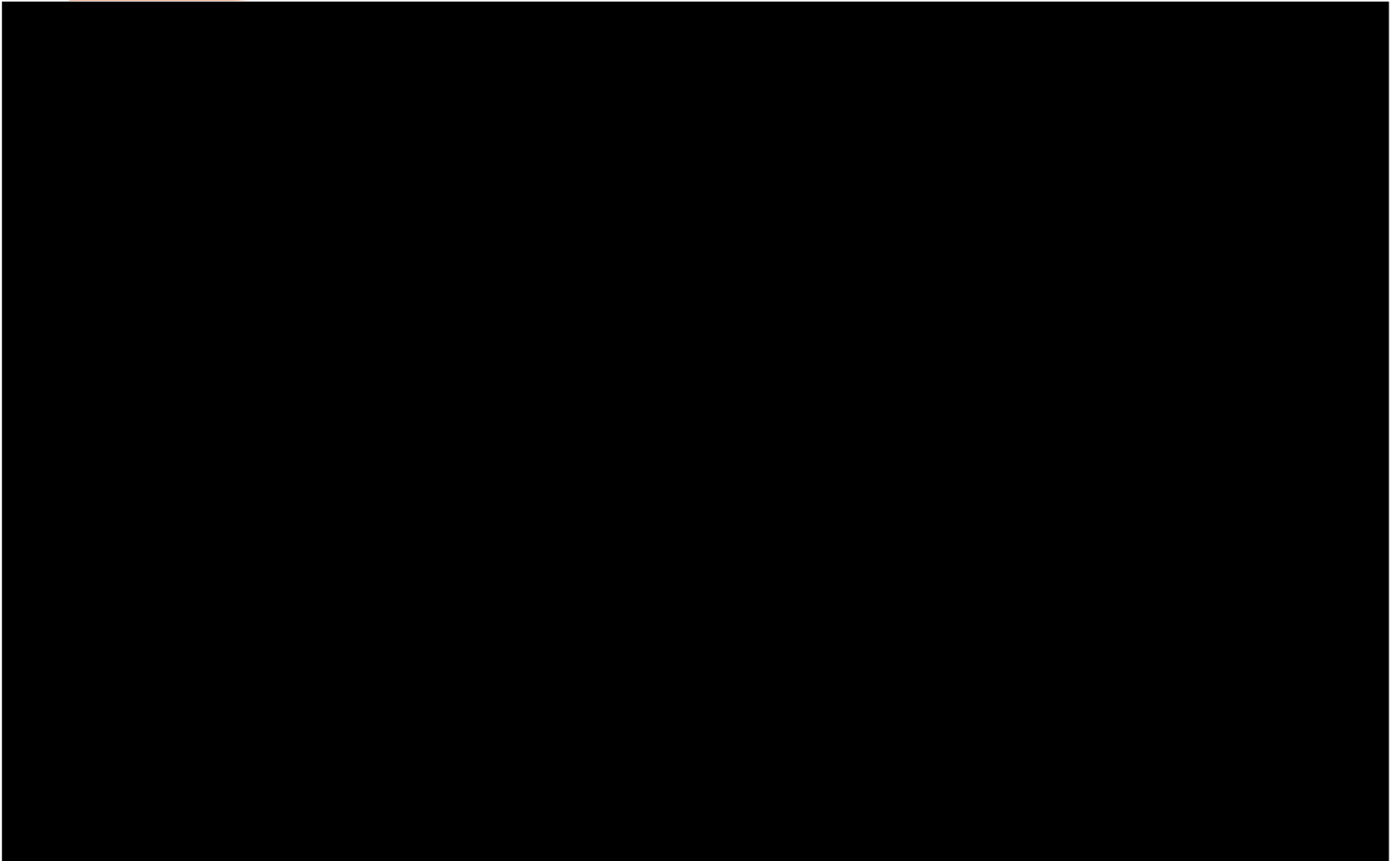
Additionally, the availability of export features will enable users to seamlessly extract data for further analysis or integration into external tools. The flexibility in reporting output options empowers stakeholders to customize their reporting experience, facilitating effective communication of findings and supporting data-driven decision-making across different platforms and devices.

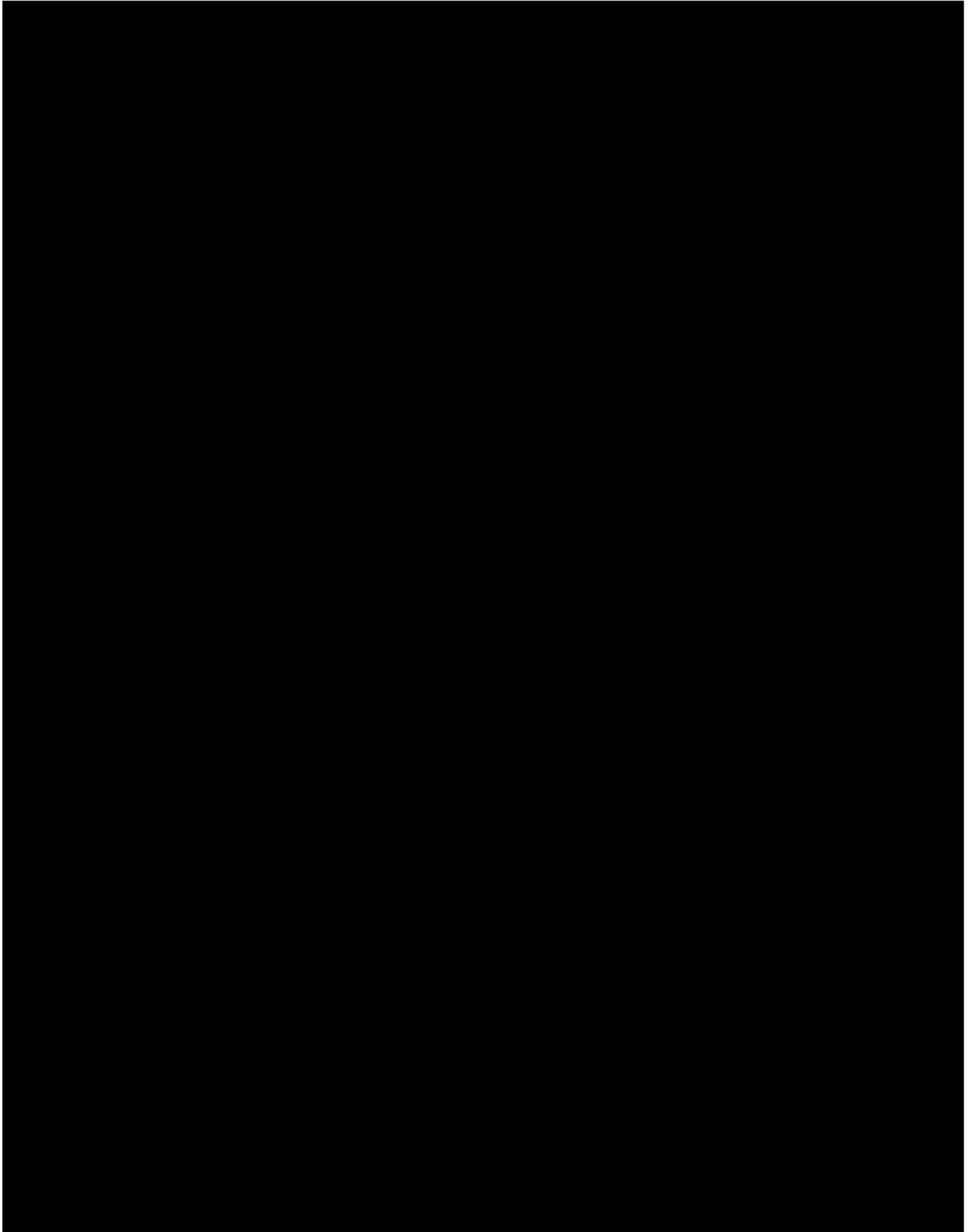
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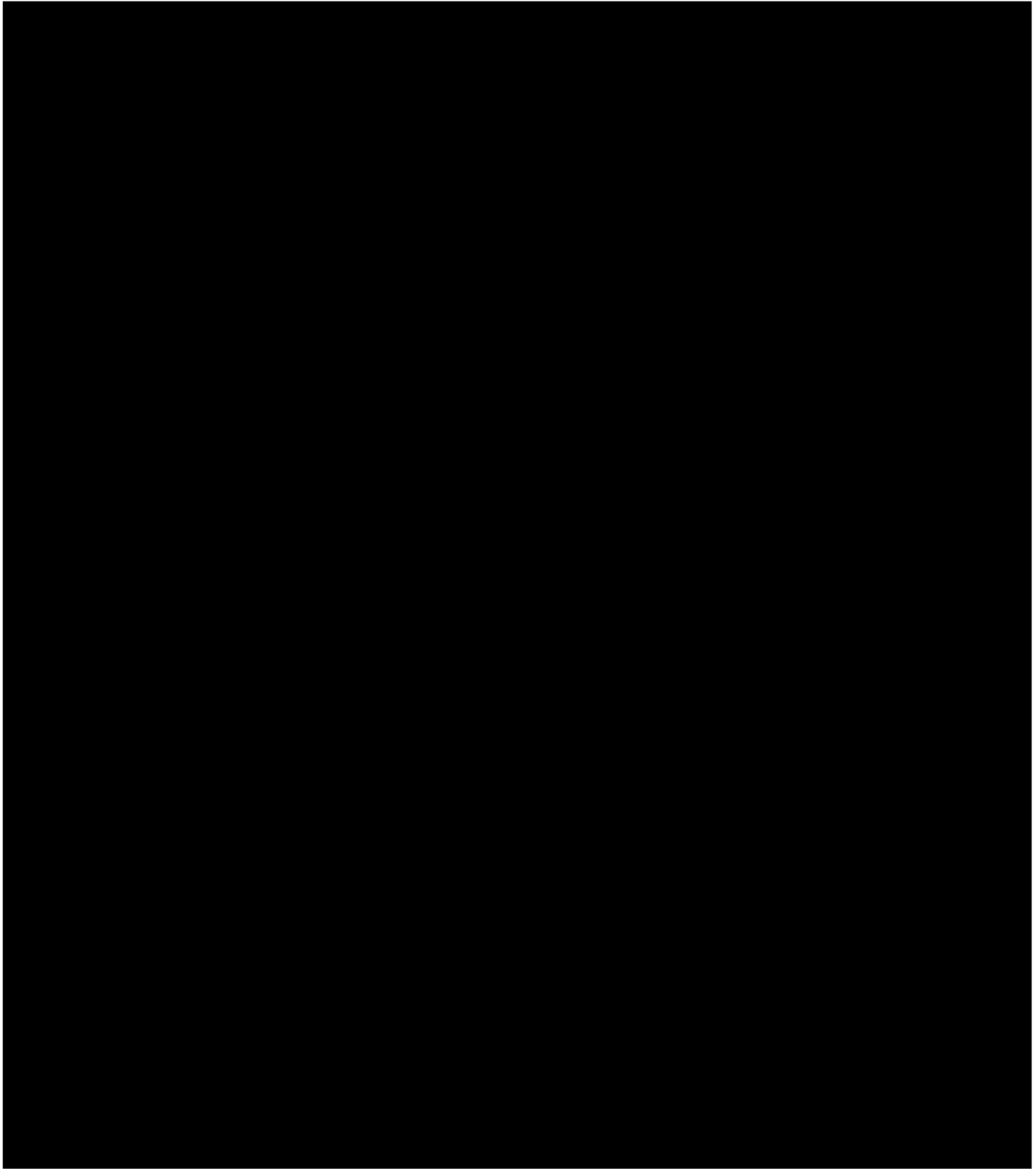
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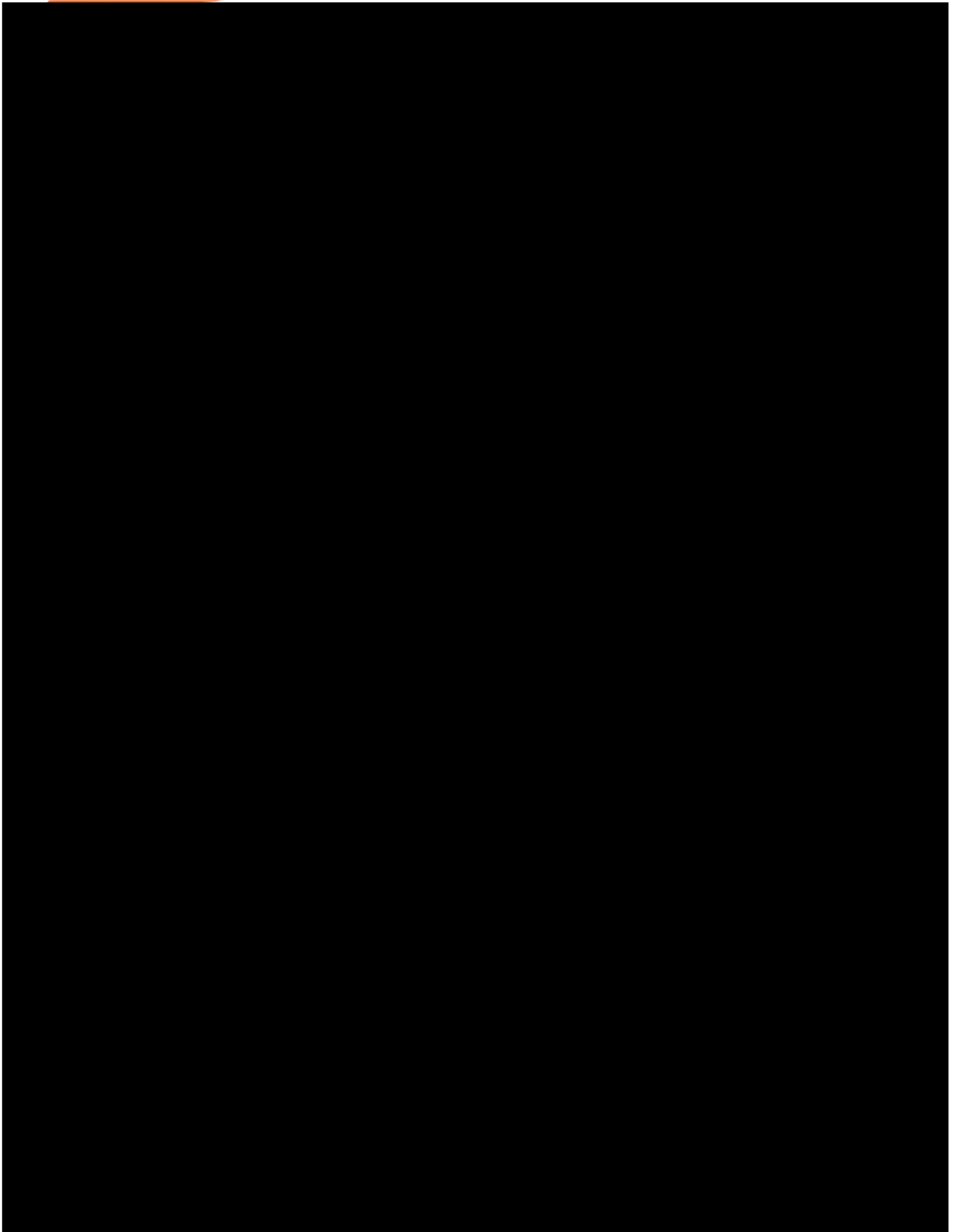
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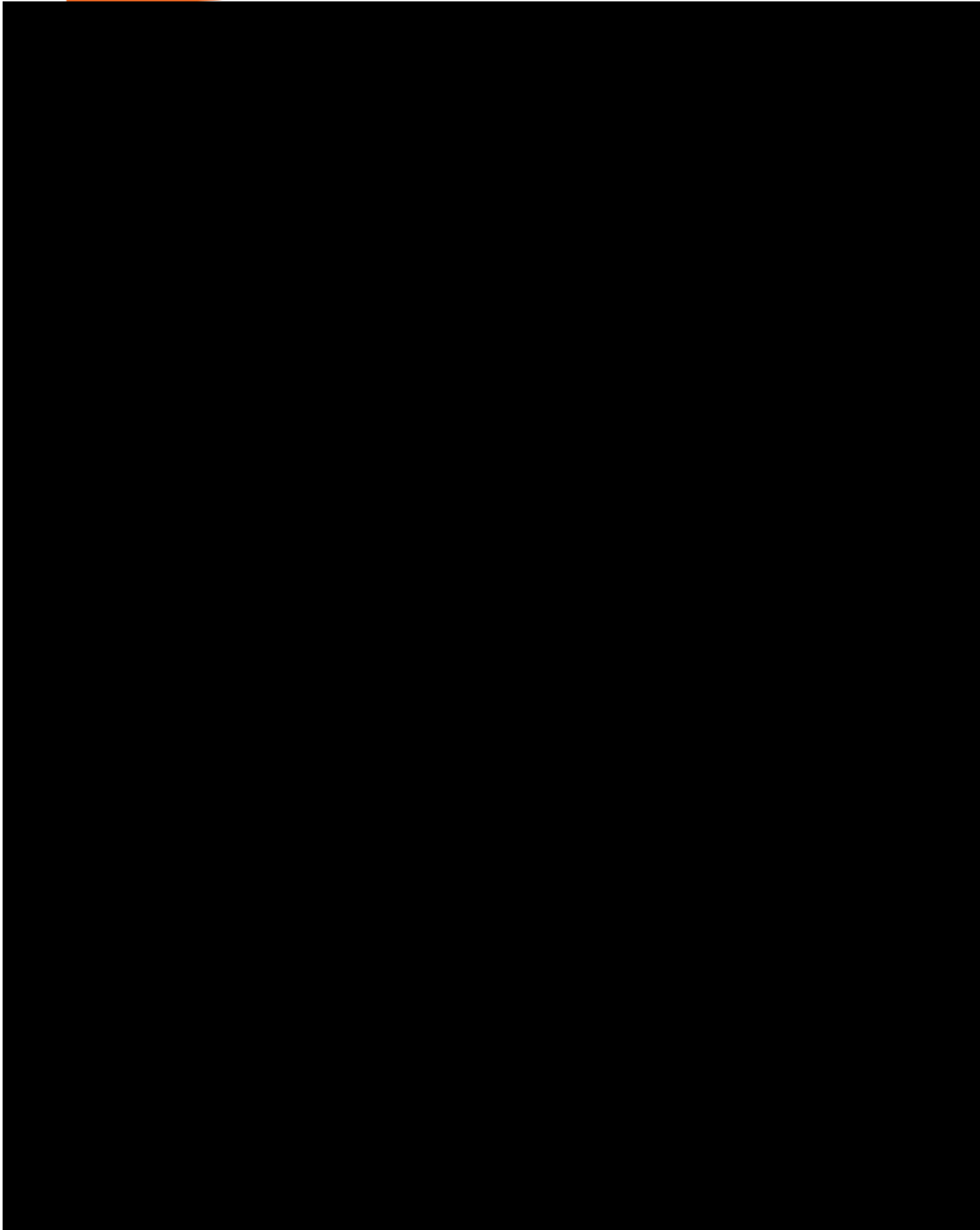


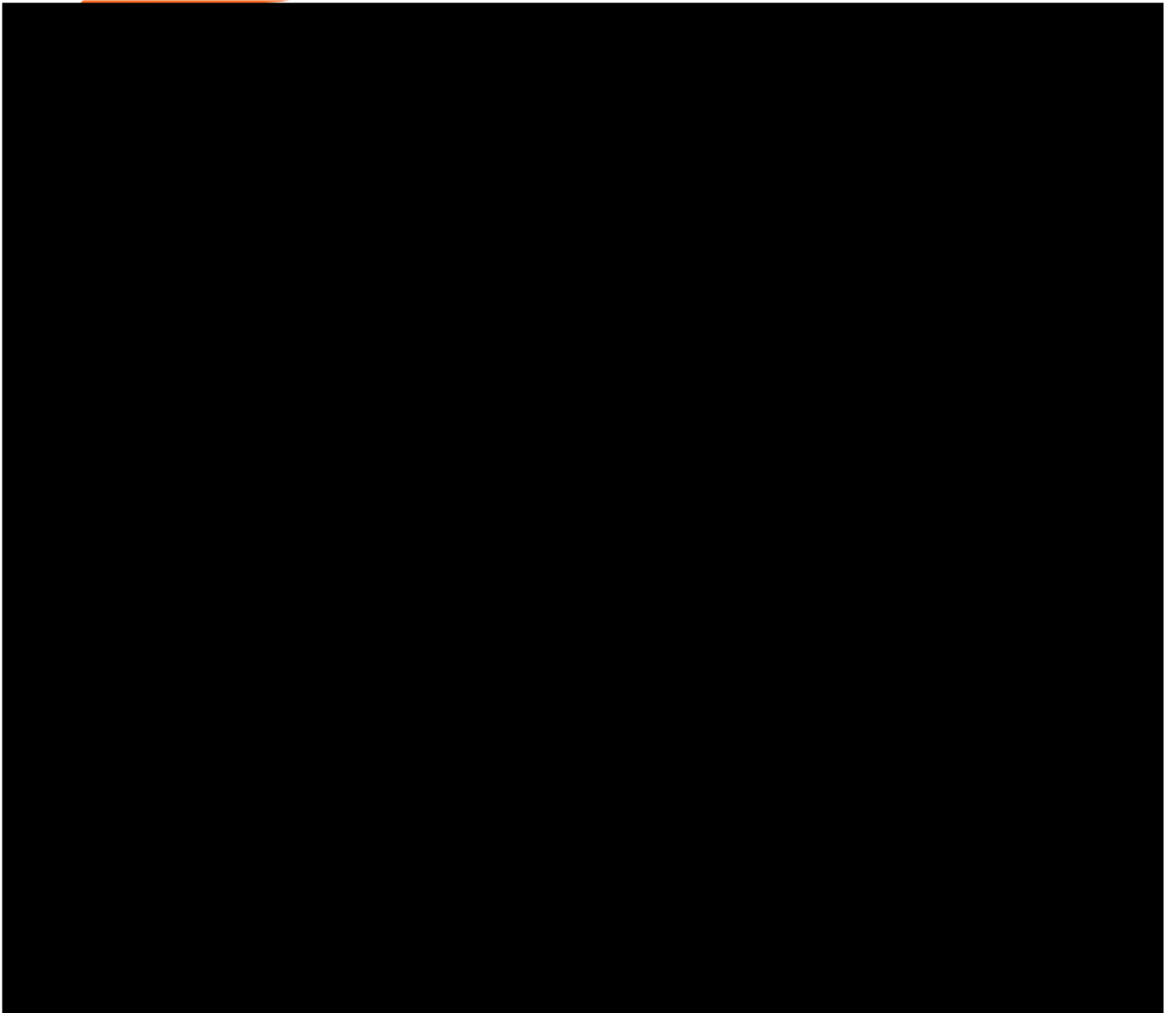


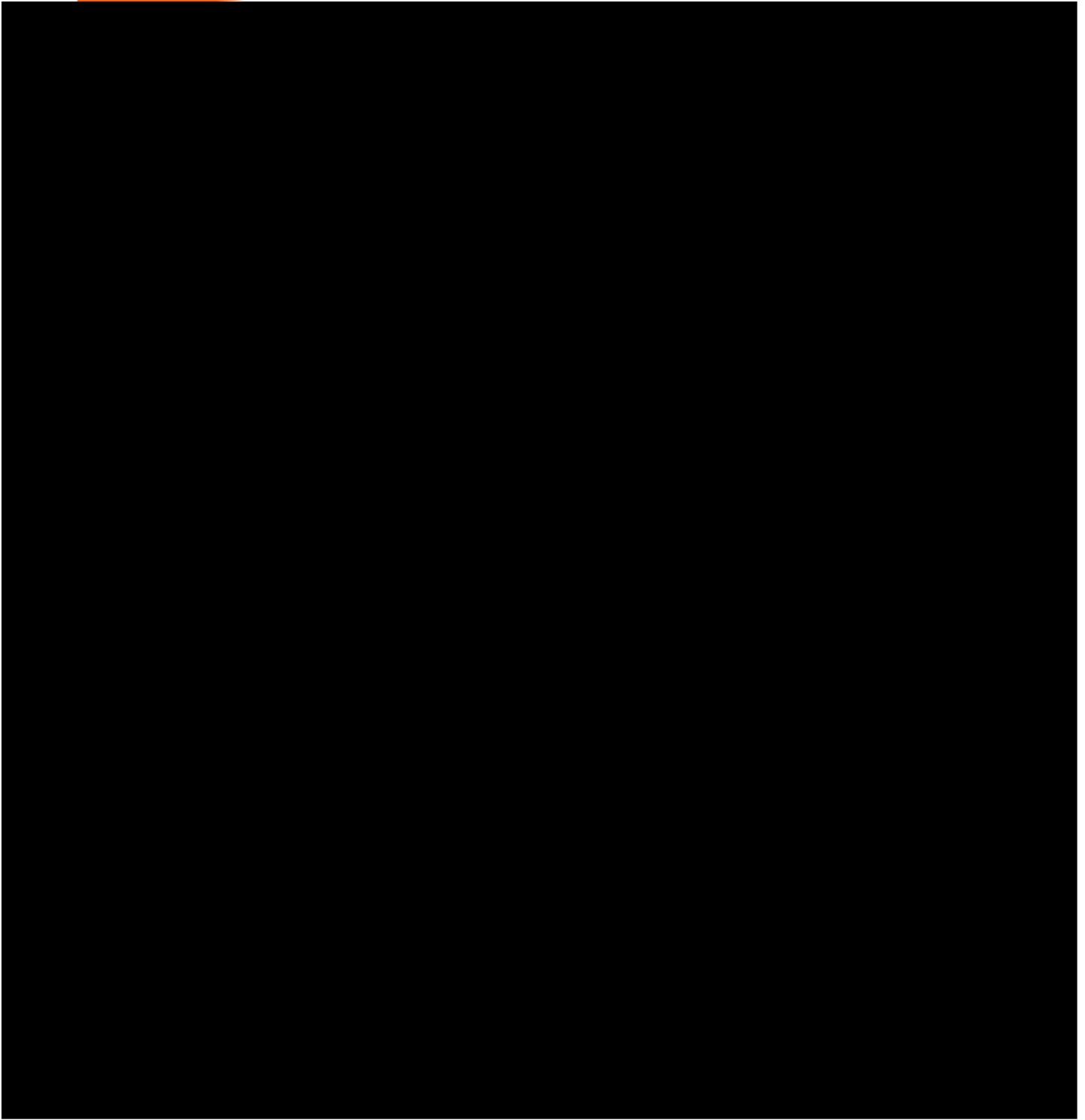


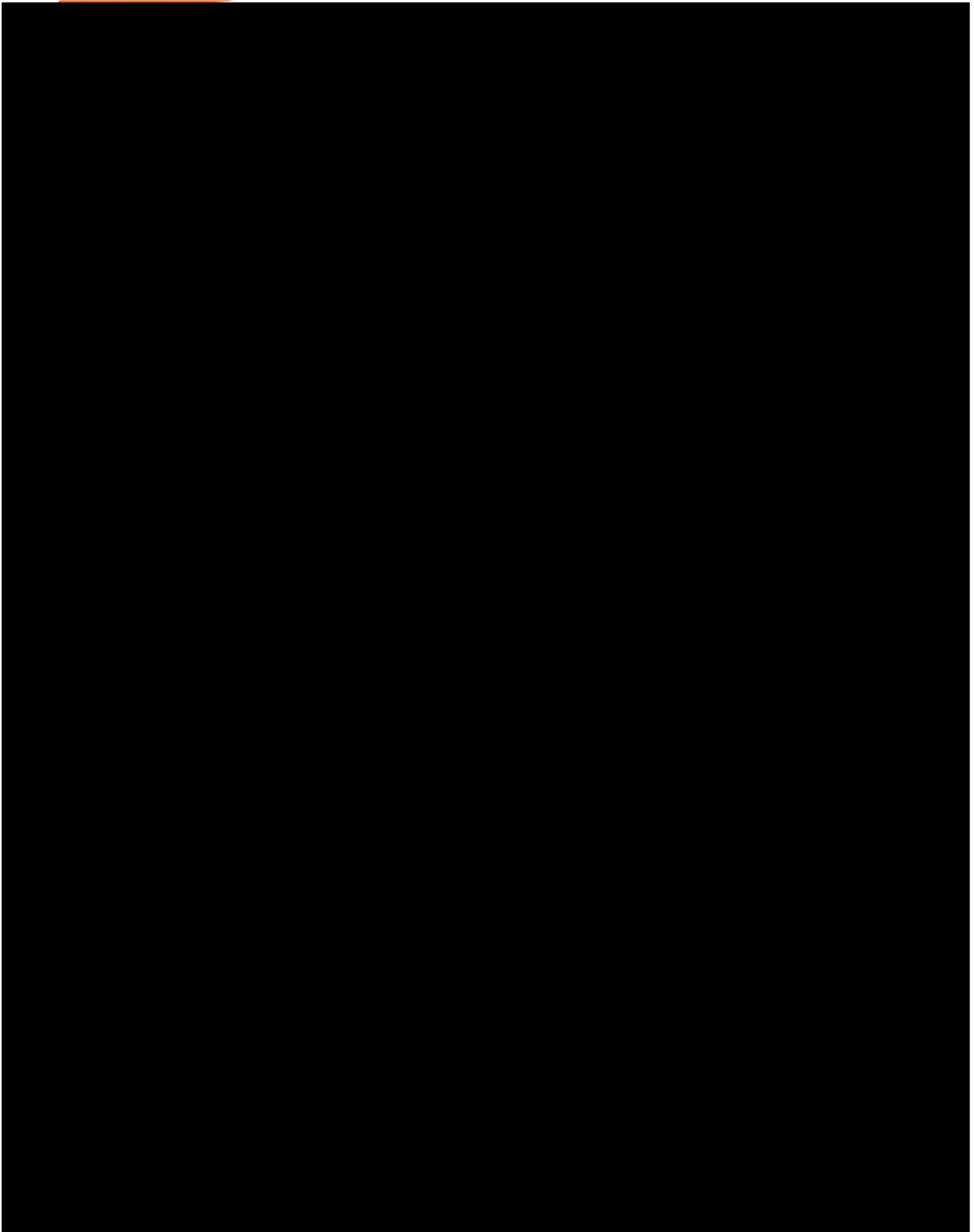


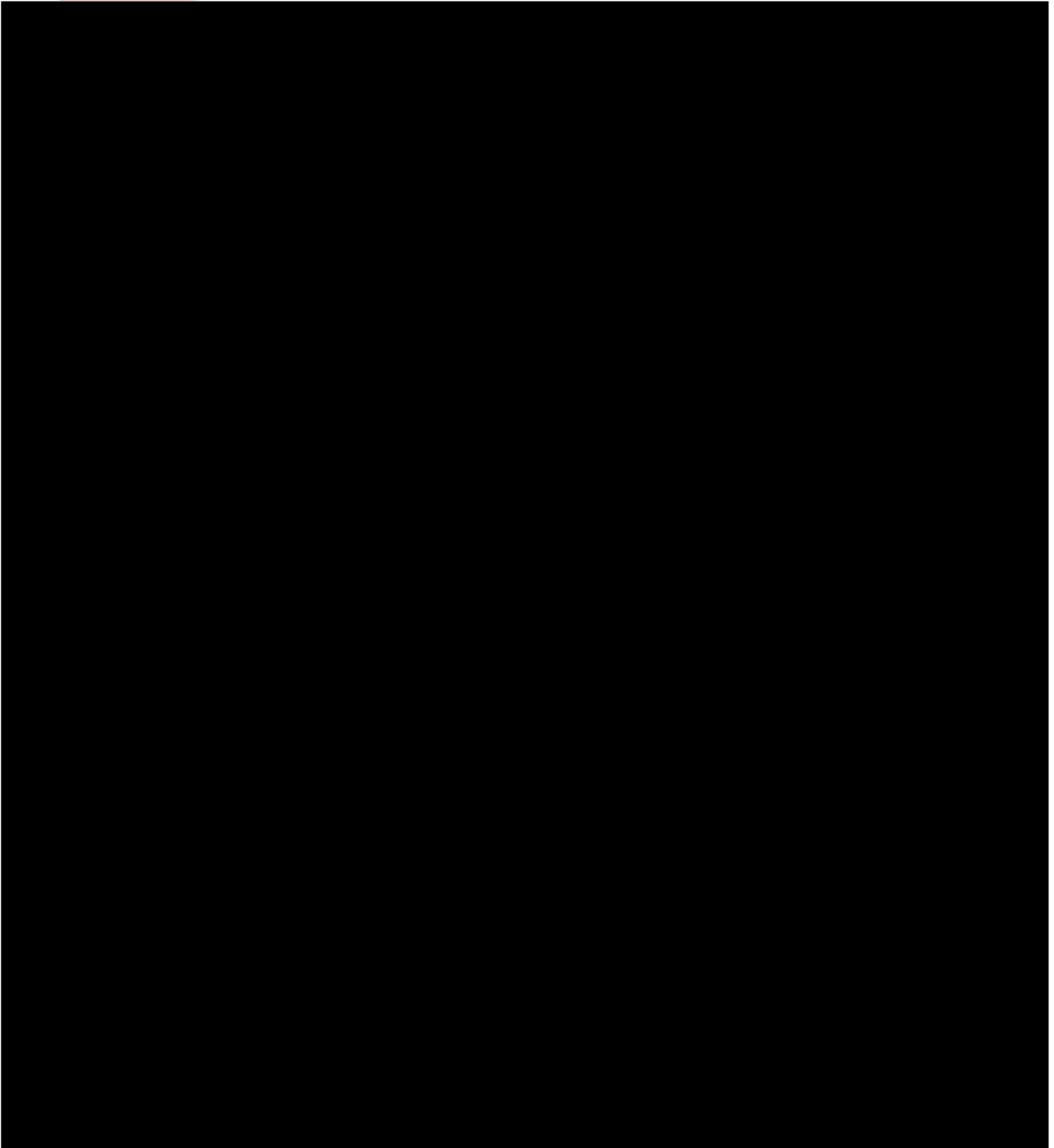


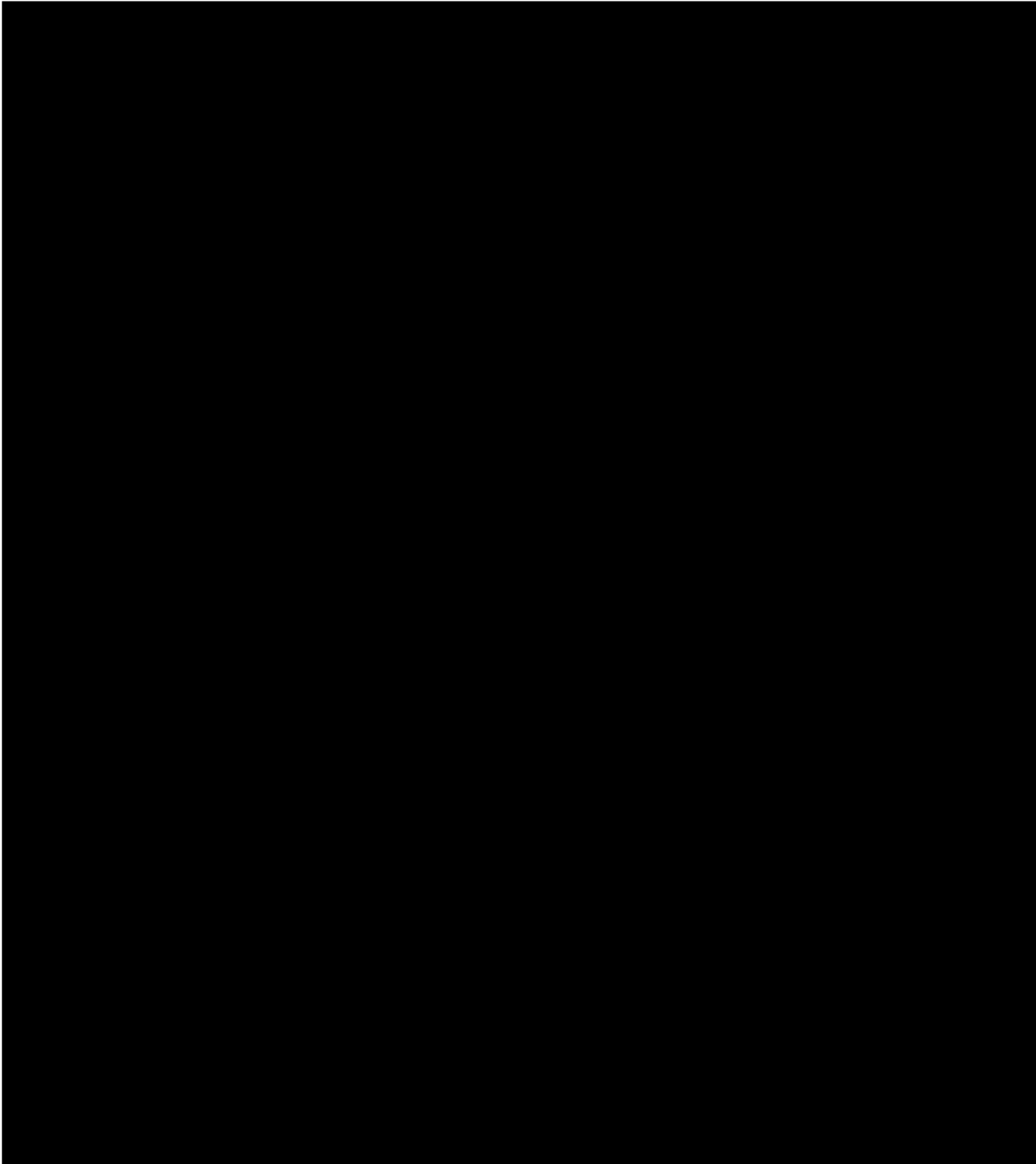


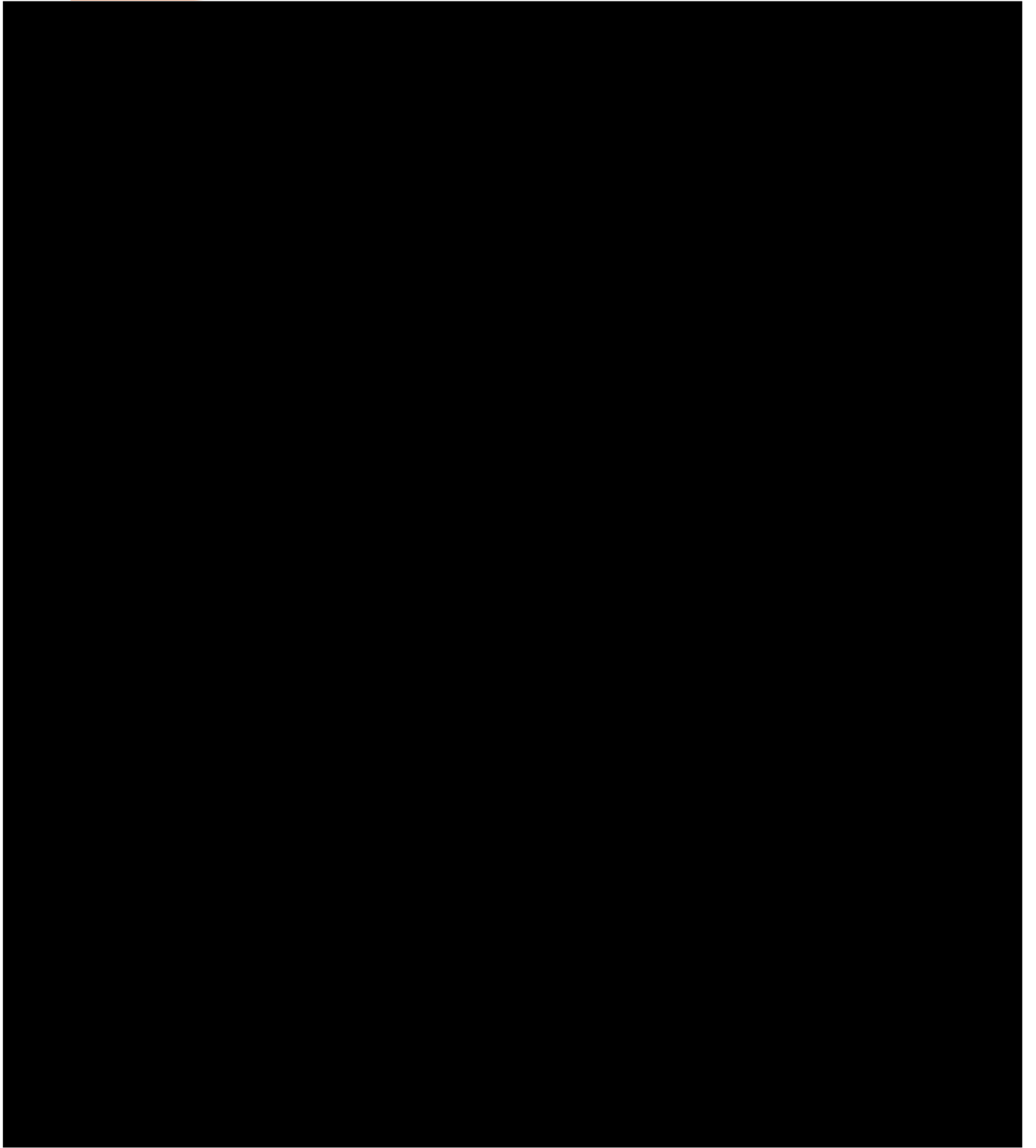


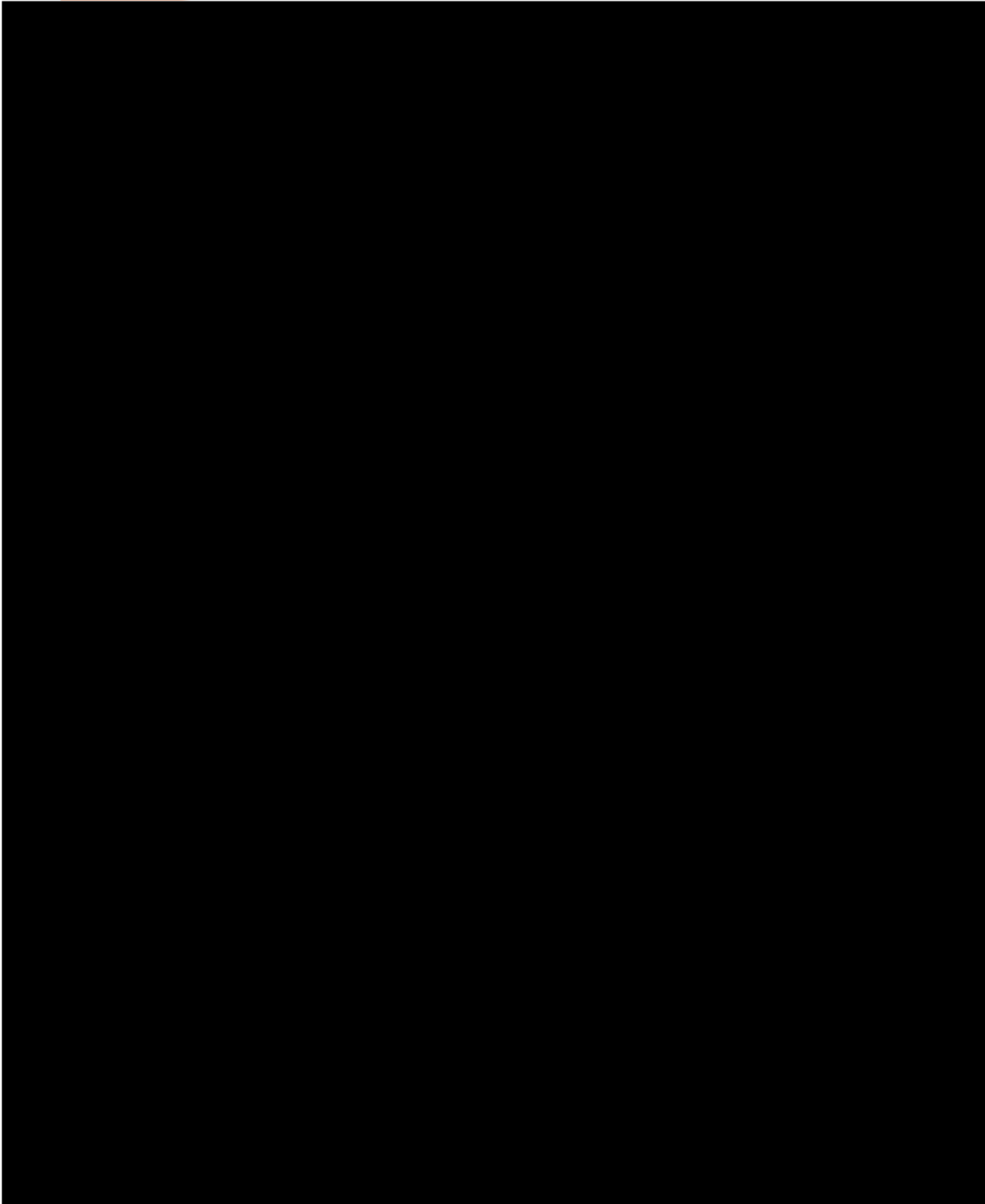


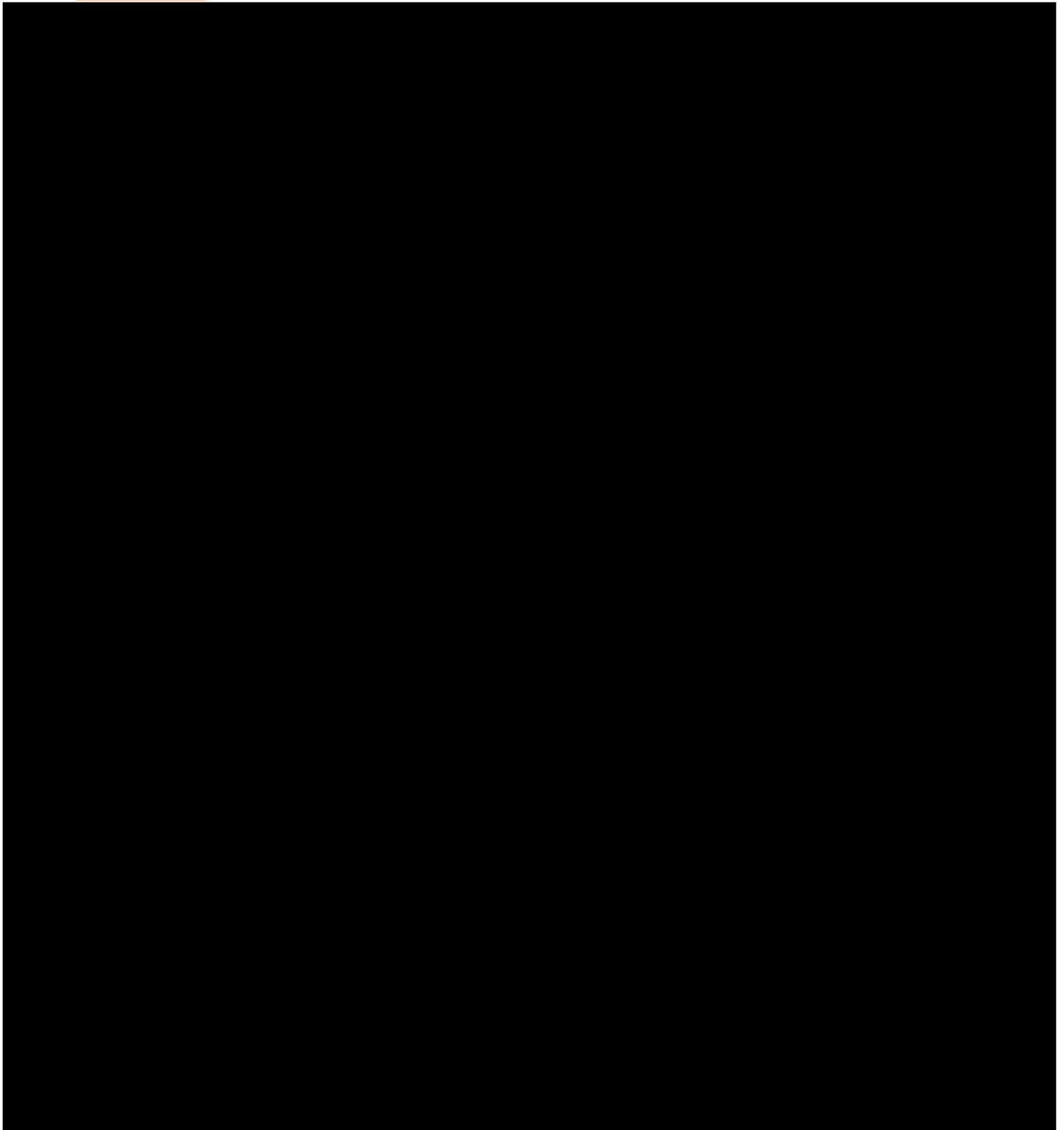


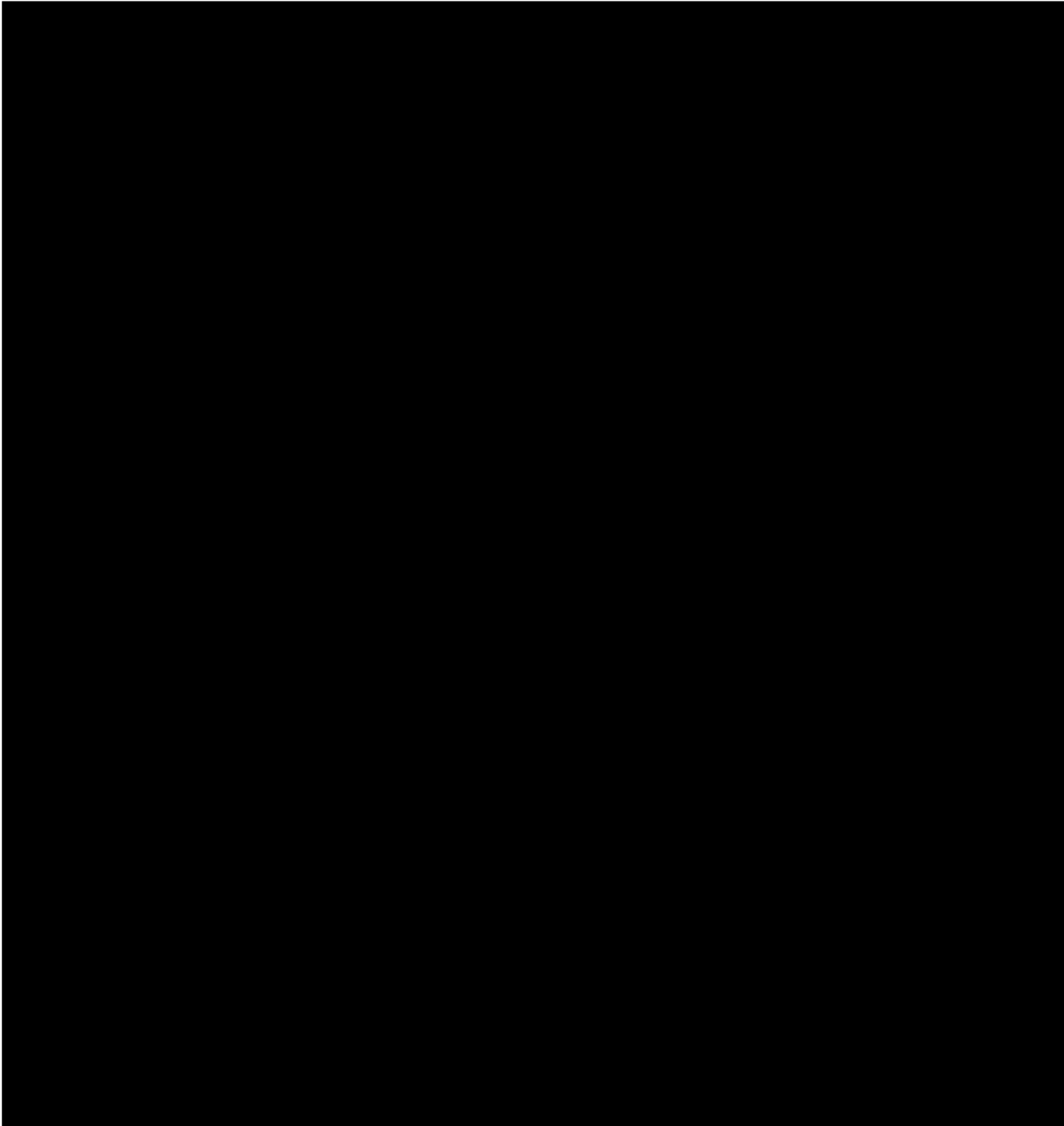


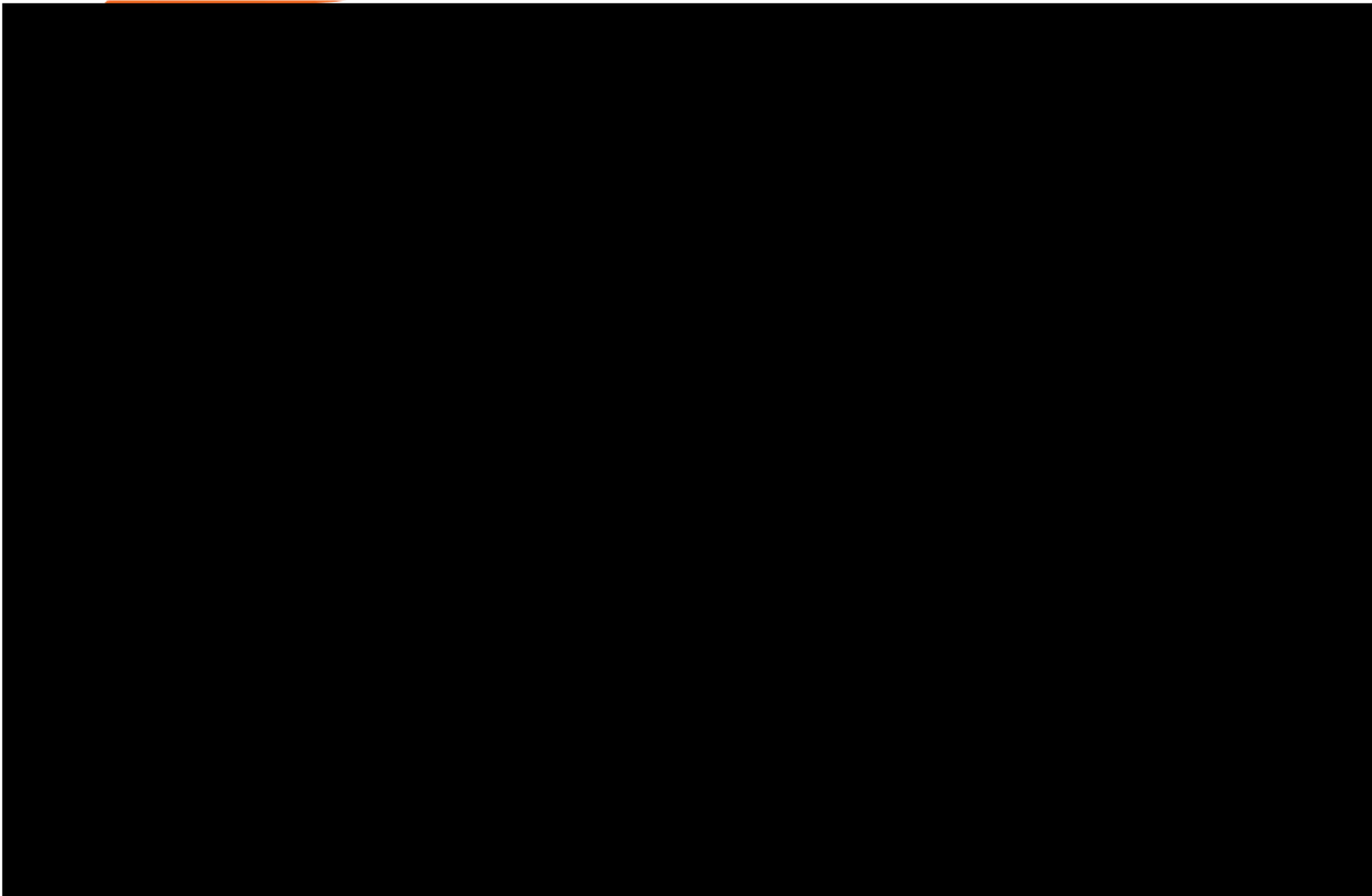












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Operator Portal

The Operator Portal is a standard feature in every INTRALOT project, providing all entities with essential access to monitor their financials and other activities within the Cash Device network. The Operator Portal will display relevant information about the Cash Device network and State of Nebraska developments, including announcements, deadlines, upcoming scheduled maintenance, and more. Distributors will have access to financial data, real-time information for their venues, and the ability to submit requests for day-to-day operations. INTRALOT can work with State of Nebraska to provide access to Distributors, Retailers, Manufacturers or any other entities required. Here is a sample of the users will have access to.

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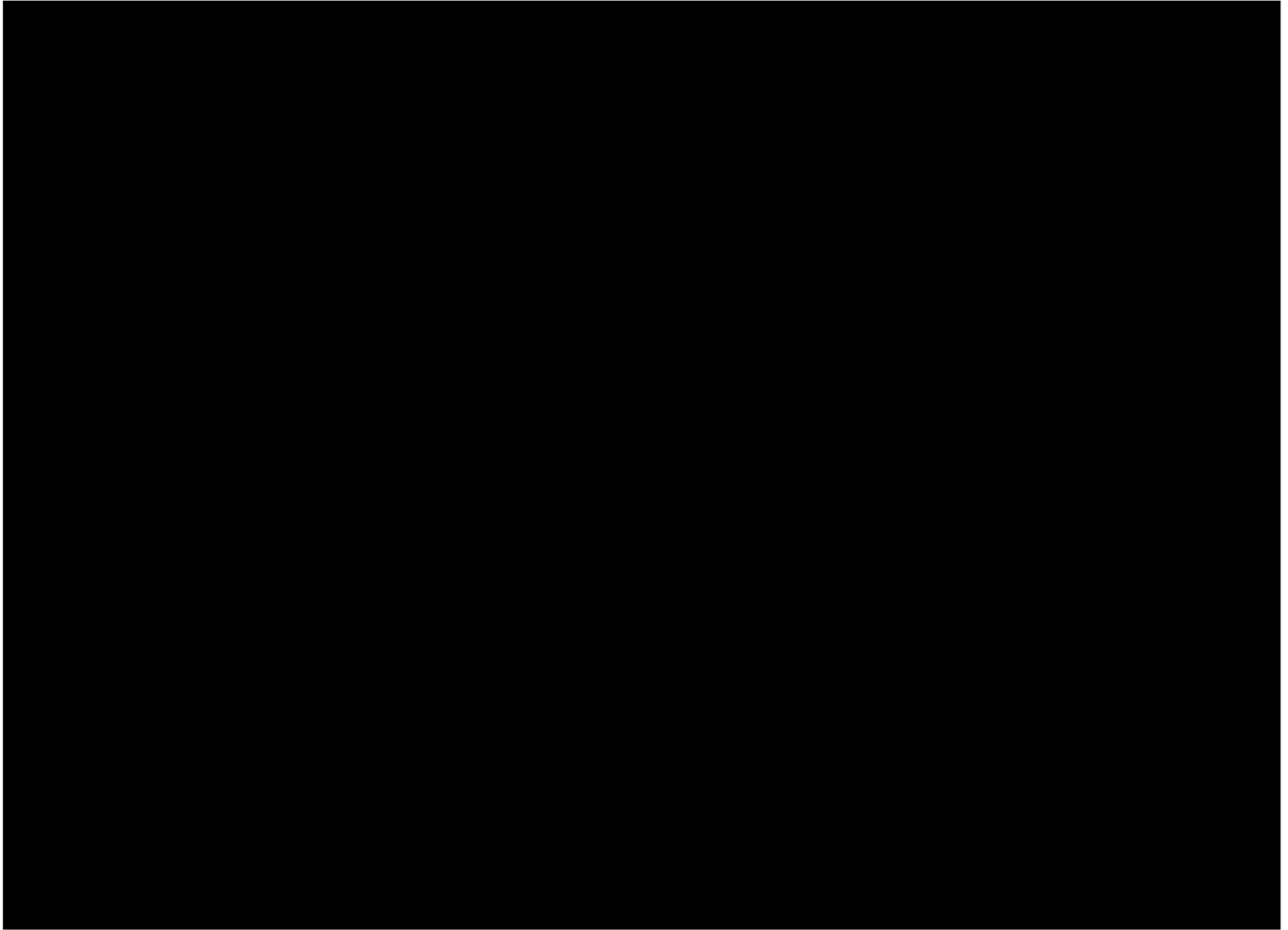
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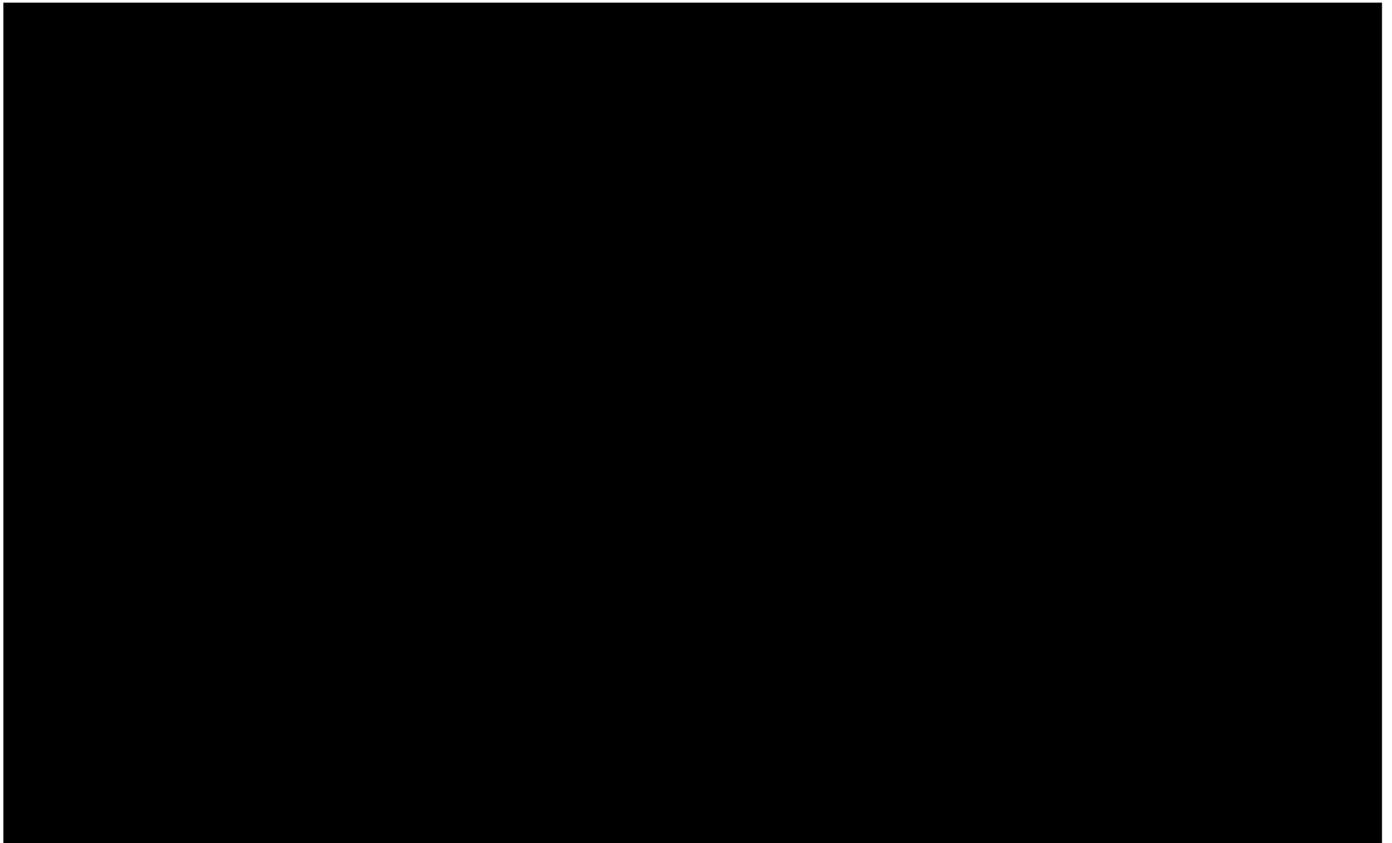
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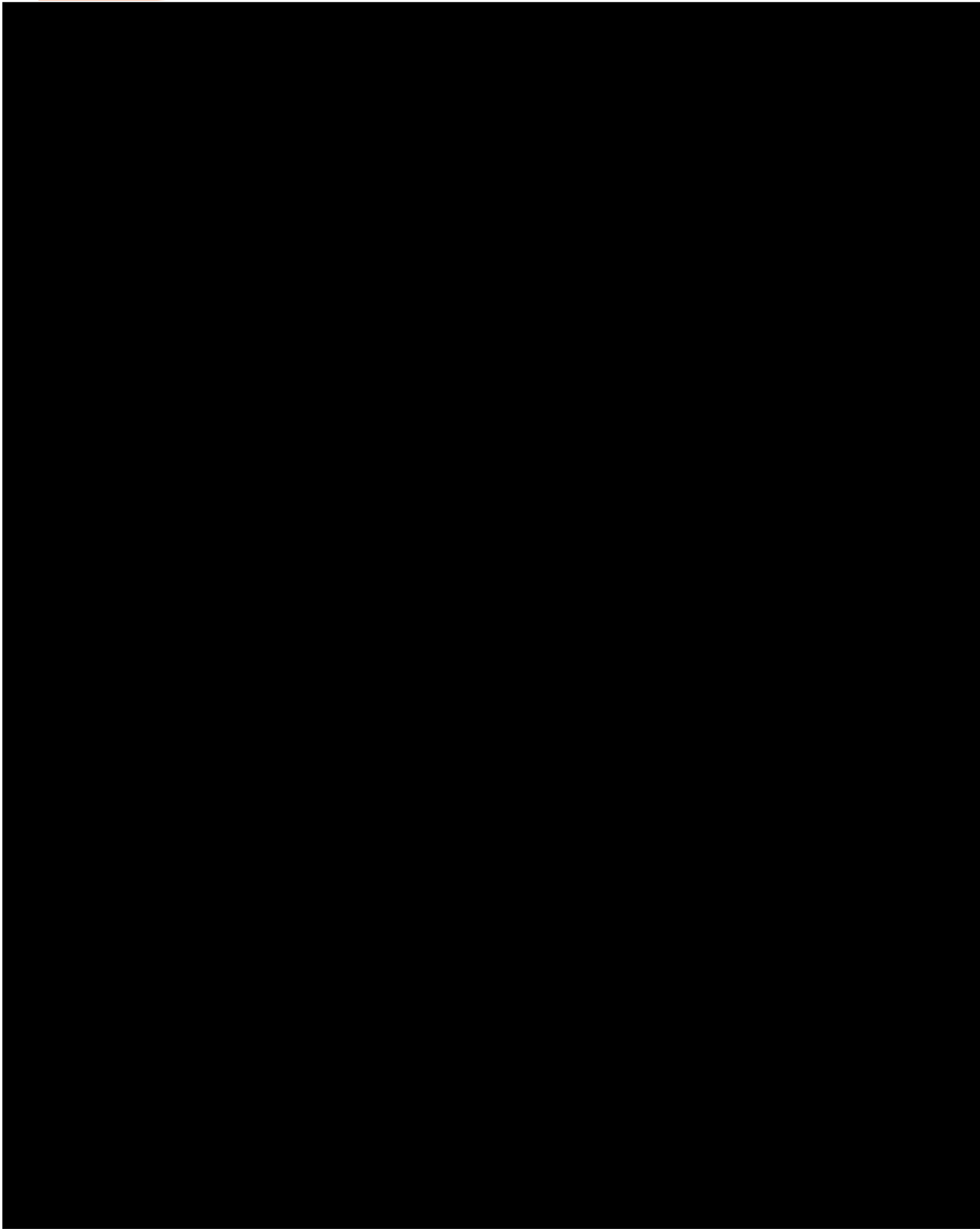
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INTRALOT has thoroughly reviewed the RFP, and the additional information provided by the State in response to the submitted questions. Additionally, during our site visits to several Cash Device locations, we conducted an in-depth assessment of the current Cash Device operations in the field. Based on our analysis, we have identified four key areas that require careful consideration for the successful implementation of this project:

START OF CONFIDENTIAL, PROPRIETARY AND TRADE SECRET INFORMATION

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Vendors should identify any equipment which is proprietary in nature and which equipment is not proprietary. Vendors should also describe if other industry standard equipment including, but not limited to ticket in ticket out terminals which are not the subject of this RFP may be connected to the central system.

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d. Detailed Project Work Plan

The following sections provide a detailed description of all phases of the project. INTRALOT is committed to working closely with the State of Nebraska to monitor progress and promptly communicate any deviations from the plan.

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e. Deliverables and Due Dates

INTRALOT is committed to ensuring timely and efficient delivery of all project milestones. The table below outlines the key deliverables and corresponding due dates as specified in the Nebraska Cash Devices Implementation Plan. This plan will be strictly adhered to, with progress monitored and shared with the State of Nebraska to ensure transparency and project alignment. A detailed project plan will be delivered with our RFP response.

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State of Nebraska RFP 119588 O3



Intralot's Response to RFP# 119588 03

APPENDICES



BID/PROPOSAL BOND**BID/PROPOSAL BOND**

KNOW ALL BY THESE PRESENTS, That we, Intralot, Inc. of 11360 Technology Circle, Duluth, GA 30097 (hereinafter called the Principal), as Principal, and Atlantic Specialty Insurance Company (hereinafter called the Surety), as Surety, are held and firmly bound unto State of Nebraska, Department of Revenue Charitable Gaming Division (hereinafter called the Oblige) in the penal sum of Fifty Thousand and 00/100 Dollars (\$50,000.00) for the payment of which the Principal and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, That, whereas the Principal has submitted or is about to submit a Bid/Proposal to the Oblige on a contract for RFP 119588 O3 – Real Time Monitoring and Reporting System for Cash Devices – State of Nebraska, Department of Revenue Charitable Gaming Division.

This bond is given to guarantee that the Principal/Contractor will not withdraw the Bid/Proposal.

NOW, THEREFORE, if the said contract be timely awarded to the Principal and the Principal shall, within such time as may be specified, enter into the contract in writing, and give bond with surety acceptable to the Oblige for the faithful performance of the said contract, then this obligation shall be void; otherwise to remain in full force and effect.

SIGNED and SEALED this 27th day of September, 2024.

WITNESS:



Intralot, Inc.
Principal

By: 

WITNESS:


John E. Genet

Atlantic Specialty Insurance Company
Surety

By: 
Molly Speranza, Attorney-in-Fact (NE License #18107714)



Surety Acknowledgment**State of Georgia****County of Dekalb**

On this 27th day of September, 2024, before me **Danielle Ashby Hitt**, a Notary Public in and for said County, personally appeared **Molly Speranza**, personally known to me, who being by me duly sworn did say that she is the aforesaid Attorney-in-Fact of the Atlantic Specialty Insurance Company, a corporation duly organized and existing under the laws of the State of New York, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that the said instrument was signed, sealed and executed on behalf of said corporation by authority of its Board of Directors, and further acknowledge that the said instrument and the execution thereof to be a voluntary act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

My Commission Expires:
August 16th, 2026



Danielle Ashby Hitt
Danielle Ashby Hitt, Notary Public



Power of Attorney

KNOW ALL MEN BY THESE PRESENTS, that ATLANTIC SPECIALTY INSURANCE COMPANY, a New York corporation with its principal office in Plymouth, Minnesota, does hereby constitute and appoint: **Frank Kinnett, John E. Genet, Molly Speranza**, each individually if there be more than one named, its true and lawful Attorney-in-Fact, to make, execute, seal and deliver, for and on its behalf as surety, any and all bonds, recognizances, contracts of indemnity, and all other writings obligatory in the nature thereof; provided that no bond or undertaking executed under this authority shall exceed in amount the sum of: **unlimited** and the execution of such bonds, recognizances, contracts of indemnity, and all other writings obligatory in the nature thereof in pursuance of these presents, shall be as binding upon said Company as if they had been fully signed by an authorized officer of the Company and sealed with the Company seal. This Power of Attorney is made and executed by authority of the following resolutions adopted by the Board of Directors of ATLANTIC SPECIALTY INSURANCE COMPANY on the twenty-fifth day of September, 2012:

Resolved: That the President, any Senior Vice President or Vice-President (each an "Authorized Officer") may execute for and in behalf of the Company any and all bonds, recognizances, contracts of indemnity, and all other writings obligatory in the nature thereof, and affix the seal of the Company thereto; and that the Authorized Officer may appoint and authorize an Attorney-in-Fact to execute on behalf of the Company any and all such instruments and to affix the Company seal thereto; and that the Authorized Officer may at any time remove any such Attorney-in-Fact and revoke all power and authority given to any such Attorney-in-Fact.

Resolved: That the Attorney-in-Fact may be given full power and authority to execute for and in the name and on behalf of the Company any and all bonds, recognizances, contracts of indemnity, and all other writings obligatory in the nature thereof, and any such instrument executed by any such Attorney-in-Fact shall be as binding upon the Company as if signed and sealed by an Authorized Officer and, further, the Attorney-in-Fact is hereby authorized to verify any affidavit required to be attached to bonds, recognizances, contracts of indemnity, and all other writings obligatory in the nature thereof.

This power of attorney is signed and sealed by facsimile under the authority of the following Resolution adopted by the Board of Directors of ATLANTIC SPECIALTY INSURANCE COMPANY on the twenty-fifth day of September, 2012:

Resolved: That the signature of an Authorized Officer, the signature of the Secretary or the Assistant Secretary, and the Company seal may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing an Attorney-in-Fact for purposes only of executing and sealing any bond, undertaking, recognizance or other written obligation in the nature thereof, and any such signature and seal where so used, being hereby adopted by the Company as the original signature of such officer and the original seal of the Company, to be valid and binding upon the Company with the same force and effect as though manually affixed.

IN WITNESS WHEREOF, ATLANTIC SPECIALTY INSURANCE COMPANY has caused these presents to be signed by an Authorized Officer and the seal of the Company to be affixed this first day of January, 2023.

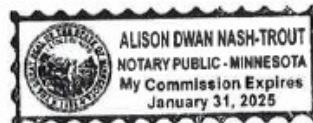
STATE OF MINNESOTA
HENNEPIN COUNTY



By


Sarah A. Kolar, Vice President and General Counsel

On this first day of January, 2023, before me personally came Sarah A. Kolar, Vice President and General Counsel of ATLANTIC SPECIALTY INSURANCE COMPANY, to me personally known to be the individual and officer described in and who executed the preceding instrument, and she acknowledged the execution of the same, and being by me duly sworn, that she is the said officer of the Company aforesaid, and that the seal affixed to the preceding instrument is the seal of said Company and that the said seal and the signature as such officer was duly affixed and subscribed to the said instrument by the authority and at the direction of the Company.




Notary Public

I, the undersigned, Secretary of ATLANTIC SPECIALTY INSURANCE COMPANY, a New York Corporation, do hereby certify that the foregoing power of attorney is in full force and has not been revoked, and the resolutions set forth above are now in force.

Signed and sealed. Dated 27th day of September, 2024.



This Power of Attorney expires
January 31, 2025


Kara L.B. Barrow, Secretary

Please direct bond verifications to surety@intralotinsurance.com

TECHNICAL PROPOSAL:

SUBMISSION OF CONFIDENTIAL OR PROPRIETARY
INFORMATION



CLAIM OF CONFIDENTIAL INFORMATION

Pursuant to the provisions of the RFP, the Q&A, and all amendments, INTRALOT claims exemption from Public Disclosure subject to all applicable provisions for data designated as Proprietary as defined under Nebraska Public Records Law (Neb. Rev. Stat. §§ 84-712 to 84-712.09) and relevant case law. The information referenced by the markings in our proposal submission constitutes trade secrets, proprietary, and confidential commercial information furnished by INTRALOT in responding to the RFP. Please do not disclose the following information to others without the knowledge and agreement of INTRALOT.

START OF CONFIDENTIAL, PROPRIETARY AND TRADE SECRET INFORMATION

The body of the text and graphics that are enclosed between markings as those above and below this statement are requested confidential materials.

END OF CONFIDENTIAL, PROPRIETARY AND TRADE SECRET INFORMATION

As requested by the RFP, INTRALOT has provided a redacted copy of the proposal. Per the RFP requirements, we HAVE NOT marked the entire proposal as confidential. In the REDACTED COPY of our proposal, any content considered confidential has been removed. As a result, some of the page numbers are different than in our full, unredacted version.

Section	Confidential Pages	Reason Exempt
Executive Summary	9-10, 11-13, 15-18	Trade secrets, proprietary and confidential
Corporate Overview	45-49, 50-53, 54-63, 65-66, 67-68	Trade secrets, proprietary and confidential
Technical Approach	73, 74-75, 77, 78-83, 83-89, 89, 90-92, 93-94, 95, 99-100, 101-103, 104-110, 111-112, 113, 117-119, 122-124, 126-142, 142-143, 143-154, 155-156, 156-160, 160-161	Trade secrets, proprietary and confidential
Project Plan	.pdf and .mpp files	Trade secrets, proprietary and confidential



Intralot's Response to RFP# 119588 03

COST PROPOSAL

OPTION #1



1. Introduction

In response to State of Nebraska, Department of Revenue Charitable Gaming Division ('Division') Request for Proposal Number 119588 O3, Intralot is pleased to submit this financial proposal for the provision and operation of a real time Central Monitoring and Reporting System for Cash Devices.

Our proposal outlines a comprehensive and scalable solution based on our proven system, currently operating successfully in Georgia and Ohio in USA, as well as Australia and New Zealand globally, ensuring reliable and efficient monitoring, reporting, and supporting the current operational needs, as well as future growth considerations.

Our fee structure is performance-based, tied to the Net Operating Revenue generated by the Cash Devices, ensuring our compensation is directly linked to the market performance, while allowing to scale seamlessly as the number of cash devices and venues increases. This aligns our interests with the Division's goal of optimizing system performance and maximizing revenue. Our approach balances cost-effectiveness, future scalability, and operational excellence.

While we are not required to provide equipment and services at the operator level, we have included relevant fees in our proposal for deliverables that we can provide either directly, or in cooperation with the Distributors (as defined in the Legislative Bill 685, page 2, section 3).

Considering that only 1% (i.e. 20% of the 5% Tax) of Net Operating Revenue will be allocated to the Charitable Gaming Operations Fund for enforcement of the Act and the operation of the Central Monitoring and Reporting, we have committed to propose alternative pricing approaches to offer flexibility and alignment with the Division's budget requirements.

This document presents a Division-centric model where the Division is responsible for paying a percentage fee for the central monitoring service. In this option, Distributors bear the responsibility for the site equipment and connectivity costs, ensuring that the Division focuses solely on the central monitoring service fee.

This flexibility allows us to support the operational model that best serves the interests of the Division. Depending on the model adopted, we are prepared to collaborate closely with the Distributors to ensure they have the necessary equipment and support, whether through separate agreements or as part of a larger operational framework.

Through this proposal, we aim to demonstrate our commitment to delivering a state-of-the-art system that meets the Division's needs today while providing the flexibility and support necessary for future growth. We look forward to the opportunity to partner with the Division in this important endeavour.

2. Market and Growth Considerations

Our financial proposal incorporates assumptions and projections regarding market growth to ensure that the Central Monitoring System remains efficient, scalable, and aligned with the Division's evolving needs. This section outlines the key market assumptions and growth expectations, ensuring that our pricing model and system capabilities are designed to handle the anticipated expansion.

Initial Market Assumptions at Commercial Launch

- Number of Venues: 1,705
- Total Cash Devices: 5,938
- Prize Payout Rate: 85%
- Daily Net Operating Revenue per Cash Device: \$100 per day

These figures form the basis of our initial implementation, and our system is designed to handle the volume of cash devices and transactions across the entire network from day one.

Projected Annual Market Growth

Our projections are based on historical data from comparable markets, including Georgia, Illinois, and South Dakota. In these regions, we observed a substantial increase in both the number of locations and machines following the passage of gaming legislation. However, this growth has been accompanied by a slight decline in Net Operating Revenue as the network expands. This trend is primarily attributed to market saturation and increased competition as more gaming options become available. Looking ahead, we expect a consistent and controlled market expansion throughout the contract period, supported by the following key assumptions:"

- New Venues: An estimated 170 new venues will be added each year.
- New Cash Devices: Approximately 800 additional cash devices will be installed annually.
- Net Operating Revenue: An annual growth rate of approximately 7% is estimated.

Our projections are consolidated in the table below:

Projection	Year 1	Year 2	Year 3	Year 4	Year 5
Dollar Amount Collected	\$1,562M	\$1,666M	\$1,776M	\$1,893M	\$2,016M
Net Operating Revenue	\$234M	\$250M	\$266M	\$284M	\$302M
Average Prize Payout Rate	85%	85%	85%	85%	85%
Taxes on Net Operating Revenue	\$12M	\$12M	\$13M	\$14M	\$15M
Number of Venues	1875	2045	2215	2385	2555
Number of Cash Devices	6750	7509	8296	9112	9956
Net Operating Revenue per Cash Device	\$95.11	\$91.18	\$87.98	\$85.36	\$83.22

System Scalability and Adaptability

Our solution is designed to accommodate even higher than the anticipated growth, ensuring that both hardware and software components can scale efficiently without requiring substantial upgrades or additional fees. As the market expands, the system will maintain high performance, providing real-time monitoring, reporting, and data management for the increasing number of cash devices and transactions.

Financial Model Considerations

Our proposed fee structure considers this projected growth, allowing for a flexible and sustainable pricing model that aligns with the increasing revenue generated from the expanding network of cash devices. This means that our revenue model is directly linked to the success and growth of the market, ensuring that costs remain fair and proportional to the Division's income.

This forward-looking approach ensures that the system remains both cost-effective and scalable, supporting the Division's objectives of maximizing revenue from cash devices while maintaining efficient operations as the market evolves.

3. Pricing Proposal

3.1. Monitoring Fee

Intralot's fee shall be **0.925% (nine hundred twenty-five thousandths) of the Net Operating Revenue** generated by the Cash Devices, as defined in the Legislative Bill 685, page 2 section (6), with a **minimum annual fee of USD 1,800,000** (one million, eight hundred thousand United States Dollars).

This fee covers all services related to the implementation, operation, and maintenance of the Central Monitoring and Reporting System, including:

- **System Development and Installation:** Full design, configuration, and seamless integration with existing cash devices and networks.
- **Ongoing Maintenance and Support:** Continuous monitoring, technical support, system updates, and maintenance to ensure system uptime and compliance with all State regulations.
- **Market Growth and Scalability:** As the number of cash devices or venues increases, the system will scale without requiring immediate adjustments to the pricing model, ensuring sustainability as the network expands.
- **Training and Documentation:** Comprehensive training programs and documentation to ensure that the Division and the Distributors can effectively use the system.

3.2. Distributors' Costs

Taking into consideration the RFP provision that site-based communication equipment and site-based validation equipment necessary to implement the central system will be the responsibility of those wishing to operate cash devices (i.e. the Distributors), the fee stipulated in Article 3.1 does not include these relevant costs. However, the below equipment constitutes integral part of Intralot's solution; without it, connectivity between the Cash Devices and the Central Monitoring and Reporting System cannot be established and must therefore be procured from Intralot by the Distributors. While the cost this equipment will not be the responsibility of the Division, we detail the relevant costs below:

- (a) Site Controllers: **\$980** per unit
- (b) Site Controller Extended Warranty (after 1st year): **\$46** per unit per annum
- (c) Venue Internet Connectivity: **\$39** per connection per month

It should be noted that Site Controllers are proprietary equipment of Intralot; thus, procurement and repair can only be performed by Intralot. Furthermore, providing internet connectivity through

a managed set of static IPs ensures seamless integration and centralized management between the Cash Devices and the Central Monitoring and Reporting System, while eliminating vulnerabilities and maintaining reliable system performance.

4. Change Orders

Our solution is based on a robust, off-the-shelf system currently deployed in Georgia, which we deem more than sufficient to meet the requirements outlined in the RFP. However, we understand that the Division may require additional customizations or modifications to tailor the system to specific operational or regulatory needs. In such cases, while Intralot will make reasonable efforts to minimize the cost implication for minor requests, where feasible, relevant charges shall be on a time and material basis at a **man-day rate of \$1,100**.

We recognize the importance of meeting project timelines, particularly in ensuring that the commercial launch of the system is not delayed. Therefore, we will make every effort to implement Change Orders in a way that does not interfere with the System's commercial launch, scheduling non-critical modifications after the commercial launch to ensure that the system is operational on schedule.

5. Exclusions

We acknowledge that the responsibility to support the site-based equipment lies with the Distributors; therefore, we anticipate them to perform the following services to connect to the Central Monitoring and Reporting System:

- (a) Installation of Site Controllers at the sites according to the implementation plan provided by Intralot.
- (b) Field Maintenance for Site Controllers by means of replacement of faulty equipment on-site and managing the logistics for the repairs of such equipment.

To support the performance of these services, Intralot shall provide advisory, training, guidance, and technical support as needed and described in our Technical Proposal.

6. Payment Terms and Subsequent Agreements with Distributors

6.1. Invoicing Schedule

- (a) The fees stipulated in Article 3.1 shall be invoiced monthly, at the end of each month, commencing from the month that the first Cash Device is connected to the Central Monitoring and Reporting System, based on the Net Operating Revenue for the said month.
- (b) If the amount invoiced as a percentage of the Net Operating Revenue under Article 3.1 is less than the minimum annual fee stipulated in this Article for any calendar year, the remaining balance shall be invoiced on the last day of the calendar year. If the Central Monitoring and Reporting System begins or ceases operations midway through a calendar year, the minimum fee shall apply proportionally for that year.
- (c) The fees stipulated in Article 3.2(a) shall be invoiced upon delivery of the Site Controllers at the Distributors, or relevant designated depot, as agreed.

- (d) The fees stipulated in Article 3.2(b) shall be invoiced annually, commencing one year after the date of delivery of the relevant Site Controllers.
- (e) The fees stipulated in Article 3.2(c) shall be invoiced monthly based on the number of active connections during that month.
- (f) The fees stipulated in Article 4 shall be invoiced upon delivery of the Change Orders for acceptance testing.

6.2. Division Payment Terms

All the invoiced issued to the Division are payable within 45 days of the invoice date.

6.3. Distributors' Agreements and Payment Terms

In relation to the Distributors' Cost set forth in Article 3.2, Intralot is agreeable to invoice the relevant fees to the Division, which can then charge them to the Distributors, subject to execution of the relevant agreements.

Alternatively, if Intralot is expected to enter into agreements and invoice the Distributors directly, the Division shall authorize Intralot to collect the relevant amounts as part of the tax collection sweeps. This process and amounts will be clearly documented in a separate section of the reports to both the Division and the Distributors.

In conclusion, Intralot is fully prepared to enter into contracts with the Division and/or the Distributors, depending on what best aligns with the Division's operational and financial objectives. We trust that the Division will provide the necessary means to ensure a reliable partnership with the Distributors, as this is vital for the success of our initiative. Our commitment is to foster a collaborative environment that supports the Division's goals to operate a dependable and efficient Central Monitoring and Reporting System.



Intralot's Response to RFP# 119588 03

COST PROPOSAL

OPTION #2



1. Introduction

In response to State of Nebraska, Department of Revenue Charitable Gaming Division ('Division') Request for Proposal Number 119588 O3, Intralot is pleased to submit this financial proposal for the provision and operation of a real time Central Monitoring and Reporting System for Cash Devices.

Our proposal outlines a comprehensive and scalable solution based on our proven system, currently operating successfully in Georgia and Ohio in USA, as well as Australia and New Zealand globally, ensuring reliable and efficient monitoring, reporting, and supporting the current operational needs, as well as future growth considerations.

Our fee structure is performance-based, tied to the Net Operating Revenue generated by the Cash Devices, ensuring our compensation is directly linked to the market performance, while allowing to scale seamlessly as the number of cash devices and venues increases. This aligns our interests with the Division's goal of optimizing system performance and maximizing revenue. Our approach balances cost-effectiveness, future scalability, and operational excellence.

While we are not required to provide equipment and services at the operator level, we have included relevant fees in our proposal for deliverables that we can provide either directly, or in cooperation with the Distributors (as defined in the Legislative Bill 685, page 2, section 3).

Considering that only 1% (i.e. 20% of the 5% Tax) of Net Operating Revenue will be allocated to the Charitable Gaming Operations Fund for enforcement of the Act and the operation of the Central Monitoring and Reporting, we have committed to propose alternative pricing approaches to offer flexibility and alignment with the Division's budget requirements.

This document presents a shared-cost model, where both the State and Distributors jointly contribute to the central monitoring service. Under this model, part of the central monitoring service fee is transferred to the Distributors, who also maintain responsibility for the equipment and connectivity costs. This approach ensures a balanced cost-sharing arrangement while ensuring the necessary infrastructure is in place.

This flexibility allows us to support the operational model that best serves the interests of the Division. Depending on the model adopted, we are prepared to collaborate closely with the Distributors to ensure they have the necessary equipment and support, whether through separate agreements or as part of a larger operational framework.

Through this proposal, we aim to demonstrate our commitment to delivering a state-of-the-art system that meets the Division's needs today while providing the flexibility and support necessary for future growth. We look forward to the opportunity to partner with the Division in this important endeavour.

2. Market and Growth Considerations

Our financial proposal incorporates assumptions and projections regarding market growth to ensure that the Central Monitoring System remains efficient, scalable, and aligned with the Division's evolving needs. This section outlines the key market assumptions and growth expectations, ensuring that our pricing model and system capabilities are designed to handle the anticipated expansion.

Initial Market Assumptions at Commercial Launch

- Number of Venues: 1,705
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- Prize Payout Rate: 85%
- Daily Net Operating Revenue per Cash Device: \$100 per day

These figures form the basis of our initial implementation, and our system is designed to handle the volume of cash devices and transactions across the entire network from day one.

Projected Annual Market Growth

Our projections are based on historical data from comparable markets, including Georgia, Illinois, and South Dakota. In these regions, we observed a substantial increase in both the number of locations and machines following the passage of gaming legislation. However, this growth has been accompanied by a slight decline in Net Operating Revenue as the network expands. This trend is primarily attributed to market saturation and increased competition as more gaming options become available. Looking ahead, we expect a consistent and controlled market expansion throughout the contract period, supported by the following key assumptions:"

- New Venues: An estimated 170 new venues will be added each year.
- New Cash Devices: Approximately 800 additional cash devices will be installed annually.
- Net Operating Revenue: An annual growth rate of approximately 7% is estimated.

Our projections are consolidated in the table below:

Projection	Year 1	Year 2	Year 3	Year 4	Year 5
Dollar Amount Collected	\$1,562M	\$1,666M	\$1,776M	\$1,893M	\$2,016M
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Net Operating Revenue per Cash Device	\$95.11	\$91.18	\$87.98	\$85.36	\$83.22

System Scalability and Adaptability

Our solution is designed to accommodate even higher than the anticipated growth, ensuring that both hardware and software components can scale efficiently without requiring substantial upgrades or additional fees. As the market expands, the system will maintain high performance, providing real-time monitoring, reporting, and data management for the increasing number of cash devices and transactions.

Financial Model Considerations

Our proposed fee structure considers this projected growth, allowing for a flexible and sustainable pricing model that aligns with the increasing revenue generated from the expanding network of cash devices. This means that our revenue model is directly linked to the success and growth of the market, ensuring that costs remain fair and proportional to the Division's income.

This forward-looking approach ensures that the system remains both cost-effective and scalable, supporting the Division's objectives of maximizing revenue from cash devices while maintaining efficient operations as the market evolves.

3. Alternative Pricing Proposal

The fee structure set forth herein this Article, is designed to balance the costs between the State and the Distributors while ensuring coverage of all services related to the implementation, operation, and maintenance of the Central Monitoring and Reporting System, including:

- **System Development and Installation:** Full design, configuration, and seamless integration with existing cash devices and networks.
- **Ongoing Maintenance and Support:** Continuous monitoring, technical support, system updates, and maintenance to ensure system uptime and compliance with all State regulations.
- **Market Growth and Scalability:** As the number of cash devices or venues increases, the system will scale without requiring immediate adjustments to the pricing model, ensuring sustainability as the network expands.
- **Training and Documentation:** Comprehensive training programs and documentation to ensure that the Division and the Distributors can effectively use the system.

The Division and the Distributors are jointly contributing to the costs of the Central Monitoring and Reporting System in the following manner:

3.1. Division's Contribution

The Division shall be charged **0.40% (forty hundredths) of the Net Operating Revenue** generated by the Cash Devices, as defined in the Legislative Bill 685, page 2 section (6), with a **minimum annual fee of USD 1,000,000** (one million United States Dollars).

3.2. Distributor's Contribution

The Distributors shall be charged **1.50% (one and fifty hundredths) of the Net Operating Revenue** generated by the Cash Devices, as defined in the Legislative Bill 685, page 2 section (6). This fee also covers the costs for the necessary site equipment, detailed below, that the Distributors need to install and maintain according to the provisions of Article 5:

- (a) **Site Controllers:** including initial quantities for the installation at the existing network as well as additional quantities for the expansion of the network.
- (b) **Site Controller Extended Warranty** (after 1st year) for all deployed units.
- (c) **Venue Internet Connectivity** for all retail network.

It should be noted that this fee includes the cost of the above equipment, which would otherwise need to be procured separately by the Distributors, as the Site Controllers are

proprietary to Intralot. Furthermore, Distributors should obtain internet connectivity from Intralot, as it offers a managed set of static IPs that ensure seamless integration and centralized management between the Cash Devices and the Central Monitoring and Reporting System, providing the most reliable and secure approach to maintaining high system performance.

This pricing model not only reduces the financial burden that the Division if it were solely responsible for the Central Monitoring and Reporting System but also provides a clear and predictable cost structure for the Distributors, with all necessary equipment and services bundled into their fee.

4. Change Orders

Our solution is based on a robust, off-the-shelf system currently deployed in Georgia, which we deem more than sufficient to meet the requirements outlined in the RFP. However, we understand that the Division may require additional customizations or modifications to tailor the system to specific operational or regulatory needs. In such cases, while Intralot will make reasonable efforts to minimize the cost implication for minor requests, where feasible, relevant charges shall be on a time and material basis at a **man-day rate of \$1,100**.

We recognize the importance of meeting project timelines, particularly in ensuring that the commercial launch of the system is not delayed. Therefore, we will make every effort to implement Change Orders in a way that does not interfere with the System's commercial launch, scheduling non-critical modifications after the commercial launch to ensure that the system is operational on schedule.

5. Exclusions

We acknowledge that the responsibility to support the site-based equipment lies with the Distributors; therefore, we anticipate them to perform the following services to connect to the Central Monitoring and Reporting System:

- (a) Installation of Site Controllers at the sites according to the implementation plan provided by Intralot.
- (b) Field Maintenance for Site Controllers by means of replacement of faulty equipment on-site and managing the logistics for the repairs of such equipment.

To support the performance of these services, Intralot shall provide advisory, training, guidance, and technical support as needed and described in our Technical Proposal.

6. Payment Terms and Subsequent Agreements with Distributors

6.1. Invoicing Schedule

- (a) The fees stipulated in Article 3 shall be invoiced monthly, at the end of each month, commencing from the month that the first Cash Device is connected to the Central Monitoring and Reporting System, based on the Net Operating Revenue for the said month.

- (b) If the amount invoiced as a percentage of the Net Operating Revenue under Article 3.1 is less than the minimum annual fee stipulated in this Article for any calendar year, the remaining balance shall be invoiced on the last day of the calendar year. If the Central Monitoring and Reporting System begins or ceases operations midway through a calendar year, the minimum fee shall apply proportionally for that year.
- (c) The fees stipulated in Article 4 shall be invoiced upon delivery of the Change Orders for acceptance testing.

6.2. Division Payment Terms

All the invoiced issued to the Division are payable within 45 days of the invoice date.

6.3. Distributors' Agreements and Payment Terms

In relation to the Distributors' Contribution set forth in Articles 3.2, Intralot is agreeable to invoice the relevant fees to the Division, which can then charge them to the Distributors, subject to execution of the relevant agreements.

Alternatively, if Intralot is expected to enter into agreements and invoice the Distributors directly, the Division shall authorize Intralot to collect the relevant amounts as part of the tax collection sweeps. This process and amounts will be clearly documented in a separate section of the reports to both the Division and the Distributors.

In conclusion, Intralot is fully prepared to enter into contracts with the Division and/or the Distributors, depending on what best aligns with the Division's operational and financial objectives. We trust that the Division will provide the necessary means to ensure a reliable partnership with the Distributors, as this is vital for the success of our initiative. Our commitment is to foster a collaborative environment that supports the Division's goals to operate a dependable and efficient Central Monitoring and Reporting System.