



IGT'S RESPONSE TO THE
STATE OF WEST VIRGINIA'S RFP FOR A GAMING SYSTEM AND SERVICES

SOLICITATION NUMBER: CRFP 0705 LOT17000000001 | 2017



February 22, 2017

Department of Administration
Purchasing Division
2019 Washington Street East
Charleston, WV 25305-0130

Re: Request for Proposal – Gaming System and Services
West Virginia Lottery: Solicitation No.: CRFP 0705 LOT1700000001

Dear Purchasing Division:

With this letter, IGT Global Solutions Corporation (“IGT”) submits its cost proposal in response to Request for Proposal – Gaming System and Services, Solicitation No. CRFP 0705 LOT1700000001 (the “RFP”).

We are proud to be the current lottery gaming system and related services provider to the West Virginia Lottery (the “Lottery”) and welcome the opportunity to build upon this long-standing and productive relationship. If IGT is selected as the successful vendor, the Lottery can be assured of the same high level of service, integrity, and security that it currently provides for West Virginia’s lottery operations today. Additionally, we are committed to working with the Lottery to increase operational efficiencies and sales through the many features and functions that IGT’s new technology will provide.

IGT proposes its latest lottery system, retailer terminals, associated equipment and communications network. They have each been carefully developed to facilitate growth of lottery sales and provide the Lottery with an innovative and, most important, reliable solution. We will also provide a timely conversion that strictly adheres to the conversion plan timeline and all requisite quality assurance and acceptance testing requirements.

IGT employs a *Customer First* philosophy. This customer-centric ideology is the framework around which our long-lasting customer relationships are forged and our professional expertise is skillfully delivered. Customer First means that the Lottery will receive reliable, customized collaboration based upon the consistent quality service standards we apply to every customer account. This approach has become a time-tested and proven methodology for listening, learning, and collaborating to ensure that the Lottery is the beneficiary of a positive and productive partnership that exceeds expectations.

We are committed to responsible gaming and will adhere to the Lottery's socially responsible gaming framework, government legislation and rules. This commitment is demonstrated by our ongoing investment in new and creative features and functions in this area, including age control, customer relationship management, player tracking, and analytics.

Should the Purchasing Division or the Lottery have any questions concerning our response or would like to further discuss our proposal, please feel free to contact either me or Elizabeth (Nikki) Orcutt, the Account Development Manager for our West Virginia operations (contact information below).

Elizabeth (Nikki) Orcutt
Account Development Manager, West Virginia Lottery
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Thank you for this exciting opportunity to present IGT's enclosed proposal to the West Virginia Purchasing Division and the Lottery for your consideration.

Best regards,



Joseph S. Gendron
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Cost information as detailed in the Request for Proposal must be submitted in a separate sealed envelope. The outside of the envelope should be clearly marked **COST**.

Cost information related to this procurement consists of two broad areas: (1) Base Cost, and (2) Total Device Costs.

As defined in the project description [Section 4.4: Project, Goals, and Objectives] of this RFP, **Base Cost** SHALL include all equipment and services detailed in Section 4.4, Subsections 4.1, 4.2, 4.3, 4.4.10, 4.4.11, 4.4.13, 4.5, 4.6 (excluding Subsection 4.6.2), 4.7 (excluding Subsection 4.7.8), and 4.8 unless otherwise specified therein. **TOTAL COST** must be completed by all Vendors and equals the total sum of A-1 and B-1 [A-1+B-1= **TOTAL COST**].

Data Entry Cells are highlighted:

A. Base Cost: System Use, Operations and Services Fee:

Note

Annual Fee stated as a percentage of actual draw and instant games net sales, less return "Base Cost".

The Annual fee, provided as a percentage of actual draw and instant games net sales, must be converted to a dollar amount for evaluation. The fee percentage is to be multiplied by the assumed amount of \$192 million (representing an estimate of total traditional lottery annual sales, based on FY 2014).

% Fee	x	4.115%
		\$192,000,000
		<hr/>
A-1. Annual Base Cost		\$ 7,900,800.00

B. Retailer Terminal Units/Devices

An assumed number [based on the specifications found in Section 4.4, Subsections 4.4.1 and 4.4.2] of each unit is shown below, the Lottery may lease different quantities over the life of the contract, the intent of this section is to convert the lease cost to a comparable standard cost for evaluation by each bidder.

Item	Device Type	Annual Lease Cost Per Unit	Assumed Units	Total Device Cost
1	Standard Retailer Terminal Units (Note 1)	\$ 625.00	2,000	\$ 1,250,000.00
2	Customer Display Units	\$ 125.00	1,200	\$ 150,000.00
3	Keno Monitor Units	\$ 135.00	350	\$ 47,250.00
4	Ticket Self-Checker Units	\$ 125.00	1,200	\$ 150,000.00
5	Wireless Mobile Terminal Units	\$ 425.00	5	\$ 2,125.00
6	Self-Service Terminal Units (SSTs)	\$ 3,500.00	400	\$ 1,400,000.00
7	Low Volume Self-Service Terminal Units (SSTs)	\$ 3,997.50	200	\$ 799,500.00
8	Digital Jackpot Displays	\$ 95.00	750	\$ 71,250.00
9	Cash Drawers	\$ 19.00	1,200	\$ 22,800.00
B-1. Total Device Costs (sum of 1-8)				\$ 3,892,925.00

The annual lease costs will not be increased over the term of the contract without Lottery approval.

Note 1 Including, but not limited to printer, card reader, chip enabled card reader and graphical user interface.

Total Cost

A-1. Annual Base Cost	\$ 7,900,800.00
B-1. Device Costs	\$ 3,892,925.00
Bid Total	\$ 11,793,725.00