



Connecticut Lottery Corporation
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**Request for Qualifications and Capabilities
Sports Betting Solution for
Connecticut Lottery Corporation
CLC#202103**

Response Due Date: 04/23/2021 by 3:00 PM Eastern Time

**This document is subject to change.
Visit ctlottery.org for the most current information.**

INTRODUCTION

The Connecticut Lottery Corporation (CLC) is soliciting qualifications and capabilities from qualified and experienced sports betting solution providers. Interested parties are invited to submit a response in accordance with the requirements and directions of this Request. For additional information about the CLC, please visit ctlottery.org.

The CLC expects to soon be legally authorized to conduct online and retail sports wagering in Connecticut through the use of contracted agents and vendors. As a preliminary step the CLC is requesting information from experienced providers of sports wagering solution in the U.S. No formal or binding proposals will be requested until legal authority exists.

Interested parties are invited to respond by 3:00 PM ET on April 23, 2021. All responses must be in PDF format only, and be clearly identified as CT Lottery Corporation Sports Betting Solution Qualifications and include the firm name that is submitting the response.

This Request is not a contract or an offer to contract and does not obligate the CLC to make any award, negotiate with any Respondent, or pay any costs incurred by Respondents to participate in this Request.

Respondents are prohibited from making unsolicited contact with any CLC employee, member of the CLC Board of Directors, or State of Connecticut official concerning this Request. A Respondent's failure to observe this restriction may result in its disqualification.

Any changes to this Request, including date changes, will be posted on the CLC's website (ctlottery.org, Procurement, Public Solicitations). The CLC's website is the official source of information for all CLC procurements.

I. The Opportunity

The Connecticut Lottery Corporation (CLC) expects to be authorized to conduct online and retail sports wagering in Connecticut through the use of contracted agents and vendors. This expectation is based on [an agreement](#) reached between the Governor and both of Connecticut's tribal nations, pending bills before the legislature, and inclusion in the Governor's budget bill. The online channel is expected to be offered through an online and mobile platform, and the retail channel is expected to be operated in up to fifteen retail locations.

As a preliminary step in the process of selecting the necessary agents and vendors, CLC hereby requests information from "Qualified Operators" for sports wagering systems and services for one or both channels. A Qualified Operator is a company that can provide a plan for a full solution including a system and services for one or both channels. This means providing all hardware, software, data networks, fully integrated sportsbook services including market creation and market and event management, risk management, player account management, payment processing and related banking services, player acquisition and customer relationship management, responsible gaming program and integrity monitoring.

Interested parties are requested to share information on their sports betting operational capabilities and a draft business plan for operating the online and/or retail channels based upon the information that is currently available, in order for the CLC to understand your interest, qualifications and approach if chosen as CLC's partner. CLC may choose to select one or multiple vendors across both channels. Interested parties may present their qualifications alone or combined with proposed partners or subcontractors.

Retail locations may be owned or leased locations operated by third parties, or may be owned or leased and operated by your company. Two larger retail locations are envisioned for Bridgeport and Hartford; other locations may be within existing off-track-betting (OTB) locations of the state's current OTB operator; and others may be coordinated within existing lottery-licensed locations. Retail locations in the state could include physical sportsbook windows staffed or trained by your company, kiosks only, or a blend of both selling methods.

Responses submitted will be reviewed by CLC, and respondents should expect to be asked to make presentations of their proposal and respond to questions during the presentation and at other times during the CLC's review. CLC plans to select any number of respondents who are deemed best qualified to meet the overall needs of the CLC to submit formal proposals including a pricing proposal for all commercial terms. CLC reserves the right to request business plans and pricing proposals from any service providers until an apparent successful proposal is chosen and contract negotiations begin.

II. Description of CLC

The CLC is a quasi-governmental agency of the state of Connecticut and operates the state lottery. If authorized, the CLC Board expects to establish a division of the CLC to work closely with a chosen operator to provide sports betting in Connecticut, competing against the sports betting offered by the tribal casinos, both online and at their casino properties. It is also likely that the CLC will be adding an online lottery system to sell its draw games and Keno soon after its projected launch of sports betting. There is no requirement for having experience or qualifications with lottery or online lottery solutions, nor specific expectation for integration with your solution. Responses can include recommendations for a combination of user interface or player account management with descriptions for why this would be beneficial.

III. Process for Submitting Responses

Responses submitted for declaring your qualification for this potential opportunity must be received by the CLC no later than 3:00 PM Eastern Time, April 23, 2021. Responses must be emailed to Greg Smith, President and CEO of the CLC (Gregory.Smith@ctlottery.org), including any necessary links for downloading the documents. CLC will confirm the successful completion of obtaining the response documents, and make contact as needed should technical difficulties arise. All response documents must be submitted at one time. Paper versions or digital copies on thumb drives may be provided instead, or in addition to email submissions. All must be received by April 23, 2021. Any confidential or proprietary information should be clearly identified.

Inquiries regarding submitting a response and clarifications on the potential opportunity should be directed to Greg Smith, President and CEO of the CLC (Gregory.Smith@ctlottery.org), no later than April 16, 2021.

Making contact with any CLC Board member or employee regarding this opportunity or your submission, is prohibited.

The CLC will review responses and then select some respondents for video conference presentations during the week of April 26 – 30 to discuss the proposals in more detail.

After this video conference meeting, the CLC may request further clarification of submitted information or ask for additional background information. The CLC will look to move forward with its selection process from this point and ask for your expeditious attention to any follow up requests made by CLC.

It is not possible for CLC to accurately predict when legal authority for operating sports betting will be completed. The timeline below provides a view if this authority occurs prior to the end of the current legislative session typically ending in early June. Binding proposals will not be requested until such authority exists.

IV. Timeline

There remain several key developments that must be completed before legal sports betting can commence in Connecticut, including but not limited to:

- Passage by the legislature of enabling legislation and signature by the Governor;
- Amendment of current tribal compacts and approval by the Bureau of Indian Affairs; and
- Identification of the controlling regulatory body and adoption of comprehensive regulations.

The CLC will move as quickly as possible to position itself for immediate launch once all necessary authorizations and approvals are in place. The Governor has stated a goal of launching sports betting as soon as September 2021.

Based on that aspiration, below is a tentative timeline:

Tentative Timeline*

April 12, 2021	CLC issues qualifications request
April 16, 2021	Question submission period ends
April 23, 2021	Responses due
April 26, 2021	CLC invites qualified responses for presentations
April 27 – 30, 2021	Presentations (via Zoom)
May 3, 2021	Finalists chosen for submission of formal business plans and pricing proposals
May 10, 2021	Formal proposals due
May 17, 2021	Evaluation period ends; successful proposal selected
May 17 – June 11, 2021	Negotiation period and contract finalized; signed
June 14 – Sept 5, 2021	System development, testing and implementation
September 6, 2021	System launch

*Subject to change at CLC’s sole discretion; all interested parties will be notified of any timeline changes.

The CLC may consider any objective and subjective factors it deems relevant while reviewing responses, including but not limited to: a respondent’s experience, reputation, capabilities, and available resources; its management, operational, and financial responsibility and stability; and the range of products and/or services it proposes to provide. Other more specific Request for Proposal documents, that include sections describing CLC’s evaluation criteria and process as they apply to those RFPs, are available for review on the CLC’s website - <https://www.ctlottery.org/PublicSolicitations>.

V. Expected Deliverables

CLC expects the sports betting solution will need to include all of the following components. CLC may request more deliverables, and may adjust some of those listed below once the expected statutory and regulatory language is finalized. Additional recommended deliverables are welcome and will be given full consideration.

1. **Creation of Connecticut Sports Betting Skin (both channels):** The successful Qualified Operator(s) will be responsible for the creation and implementation, in consultation with CLC, of a “skin” or brand for the sports betting platform. Qualified Operators are advised that they can propose existing skins or brands that are in use in the U.S. market, a Connecticut specific brand or a hybrid skin with the existing brand but identifying the Connecticut nature of the product. The Qualified Operator will be responsible to refresh their skin at least every three (3) years unless a different timeframe is agreed to between the contractor and CLC.
2. **Sports Betting Platform Hardware, Software and Networking (both channels):** The successful Qualified Operator(s) will be responsible for providing a full-scale sports betting platform. Qualified Operator must have an established sports betting software platform that is currently in use in at least three U.S. or international jurisdictions. Qualified Operator will be responsible for procuring and operating servers, a production system and a disaster recovery system to support sports wagering within the State and any associated equipment including firewalls, UPS, cabling, etc. The Qualified Operator expect to locate both the primary and disaster recovery server within

the State of Connecticut in a physically secure environment. Qualified Operator will be responsible for ensuring the security of the location. Equipment must be approved by the CLC. Qualified Operator shall be responsible for all networking for the system. Qualified Operator shall ensure that the system balance loads during high transaction periods. The CLC shall be granted access to the sports betting system through a back office portal.

3. **Buildout and Servicing of Retail Sportsbooks (retail channel):** The successful Qualified Operator(s) in the retail channel will demonstrate the capability to build and service up to fifteen (15) retail sportsbooks within the State. Locations need not be identified at the time of proposal. All locations will be approved by the CLC. Qualified Operators will be responsible to build out the space in a manner that is consistent with the approved skin. Each retail environment will be operated in compliance with security and internal controls as approved by the CLC. The CLC is seeking retail sportsbooks that are first-rate entertainment venues with commercially appealing location, atmosphere and décor.
4. **Customer Acquisition (both channels):** The successful Qualified Operator(s) will be responsible for implementing a customer acquisition program. Qualified Operator may utilize email marketing, bonus structures, and affiliate programs to support customer acquisition. Qualified Operator will also be expected to use their resources to market their sportsbook offering(s) in Connecticut and coordinate with CLC's marketing team and vendors to support advertisement of the overall sports betting program.
5. **Sports Betting Services (both channels):** The successful Qualified Operator(s) shall be responsible for providing all ancillary services required to operate the sports betting platform including event creation, market creation, odds compilation and management, risk management, content management and bet settlement. Each channel should provide relevant customer support and sales support for sports wagering within the channel, including a call center. In addition, the successful Qualified Operator(s) will be responsible for providing real-time or near real-time player analytics, business intelligence reporting and tailored CRM services informed by those analytics.
6. **Player Account Management (PAM) and Player Wallet (online channel):** The successful Qualified Operator(s) will need to provide a PAM system and player wallet. The Qualified Operator will be responsible for ensuring, either directly or through integration of systems the geolocation of a player, Know Your Customer (KYC) requirements including identity, age and eligibility to play, all relevant Anti Money Laundering (AML) compliance requirements, and fraud protection and detection. Qualified Operator shall either directly, or through integration of systems, accept payments as allowed by Connecticut law and pay players winnings and refunds. Qualified Operator shall ensure that its payment processing systems are PCI compliant.
7. **Local Personnel Support (both channels):** The successful Qualified Operator(s) shall provide a project manager who will be the primary point of contact with CLC. Qualified Operator must also provide 24/7 technical support for the sports betting platform and for retail and lottery equipment utilized in the sports betting program. Establishment of a Connecticut-based office, staffing and system components may be required by statute, regulation, or requirement of the CLC.
8. **Responsible Gaming and Integrity Monitoring Services (both channels):** The successful Qualified Operator(s) will have a responsible gaming program that has been reviewed and approved by the CLC. The plan should include responsible gaming tools that are embedded in the Qualified

Operator's systems, policies and procedures. Further, the Qualified Operator will participate in sports integrity monitoring programs or services as approved by the CLC.

9. **Financial Reporting and Internal Auditing (both channels):** The successful Qualified Operator(s) will be responsible for providing financial reporting on all sports betting activities, and for periodically performing internal and third-party audits of their accounting system by reputable third-party companies approved by the CLC.
10. **Implementing your solution with strong project management and integration with CLC for ultimate approval to launch solution.**

VI. Qualifications and Capabilities Content and Requirements

CLC requests information for your company's (and if applicable your partner company's) qualifications to operate an online and retail sportsbook in the state of Connecticut. This should include the below information about your business. CLC understands that because sports betting is not yet authorized in Connecticut, some of your responses may be best estimates.

1. Corporate overview
 - a. History of your company
 - b. Details on where you are currently operational
 - c. Recent financial performance
 - d. Audited financial statements including a balance sheet with cash and debt position plus any other relevant financial metrics
2. Market share position in existing legal online sports betting states
 - a. Current positioning and market share reported by state
 - b. Any future projections / goals
3. Market access overview
 - a. Current roadmap to market access in other states where you have not already launched, including states that have not yet legalized online sports betting but where you have market access
 - b. CLC has particular interest in NY, NJ, PA, RI, MA and other nearby states.
4. Overview of technology capabilities
 - a. Sports betting customer-facing platform (mobile and web)
 - b. Trading and risk management capabilities
 - c. Player account management (PAM) system
 - d. Breadth and types of payment solutions for deposit and withdrawal
5. Specific product capabilities
 - a. Type of wagers available (including in-game wagers)
 - b. Breadth of sports coverage and markets
 - c. Any unique features
6. Brand positioning and awareness, including non-casino brands under which casino-owned operators may operate.
7. Marketing efforts and capabilities, including media partnerships relevant to the Connecticut audience and access to existing databases of potential Connecticut users.
8. Promotions and customer retention strategy
9. Retail sportsbook experience and capabilities
10. Assessment of the Connecticut market and your market share expectations as CLC's partner
11. Implementation and speed to market
 - a. Please include estimate of time needed to go live in Connecticut
12. Long-term business plan

- a. U.S. market broadly
 - b. Connecticut specifically
13. Non-binding commercial guidelines for a term not to exceed ten (10) years, including but not limited to up front license fee, guaranteed annual minimums and annual share of net gaming revenue. Parties may also indicate their interest, if any, in deploying capital investment to build out retail locations. These guidelines will be subject to change as more information is available on legislation and regulations, but parties can assume that the revenue share to CLC will be their effective tax rate.

CLC includes a standard and thorough set of terms and conditions in all of its vendor agreements – insurance, indemnification, force majeure, etc. This request for capabilities and qualifications does not include those because sports betting is not authorized at this time. Other more specific Request for Proposal documents, that include those sections as they apply to those RFPs, are available for review on the CLC's website - <https://www.ctlottery.org/PublicSolicitations>.