

**REQUEST FOR PROPOSALS: BANKING AND LOCKBOX  
SERVICES FOR THE LOTTERY  
RFP # CMI 09-001  
ISSUED: JULY 11, 2008**

**ADDENDUM 1  
Issued: August 1, 2008**

This Addendum incorporates certain general comments, general corrections to the RFP, and answers to questions received and posed during the optional pre-proposal conference held on July 29, 2008.

**GENERAL**

Verbal responses to questions at the optional Pre-Proposal Conference on July 29, 2008 are unofficial and are not binding. Only these written responses may be relied upon by offerors.

Participants at the Optional Pre-proposal conference were required to register and a list of all attendees at the conference is enclosed for informational purposes.

**General Changes to the Released RFP:**

**1. Page 2 – First Paragraph changed to read:**

**Initial Period Of Contract: On or before March 1, 2009 through February 28, 2012  
With Three (3) Additional One (1) Year Renewal Periods in Accordance with  
the Terms and Conditions herein.**

**2. Page 16 – Section V, No. 5 changed to read:**

**Small Business Subcontracting Plan -- (Weighted at 20%)**

**3. Addition of Appendix F - Attached**

**Questions and Answers:**

1. Section II, Statement of Needs, items E4 and F4 specify annual settlement on June 30 for the Mega Millions and Win For Life Clearinghouse Accounts separate from other accounts analysis. Can you elaborate on this requirement?

The Mega Millions and the Win for Life accounts should each have a separate account analysis carrying an accumulated balance with an annual settlement at June 30th each year.

2. In Section XI, page 32, please clarify the reference to courier service (volume of 60).

This should be omitted. Hard copy reconciliation reports were once delivered to the Lottery by courier. This no longer applies.

3. Is it possible to get an email of the addendums with responses to our questions?

The addendum will be sent electronically to all firms that were directly solicited and to firms that have made inquiries.

4. When will responses to questions be posted?

We anticipate the addendum to be posted by August 1, 2008

5. Would it be possible for you to send us copies of ALL the lottery documents that come through the current lockbox operation?

The documents are being provided during the pre-proposal conference and will be included in the addendum.

6. Must winners go to one of your lottery centers to pick up a check or could they be mailed? If they have to go to one of the centers, I believe you said you would provide the addresses.

The checks may be mailed. The Lottery Customer Service Centers are listed on the Lottery's website. [Official Home of the Virginia Lottery](#)

7. If someone has a winning ticket, would they mail it to a PO Box and then the bank would cut a check and send it to the winner?

Currently, a winner would only mail their winning ticket to the Lottery to have it validated and the check issued and mailed to them, directly. In the optional section, TAB 5, proposals to provide additional ticket cashing/payments would not include mail-in claims. Any redemption requiring special evaluation is required to be presented/mailed to the Lottery, directly. The Lottery would not want items requiring further review to be sent to a third party. The Lottery would retain the processing of all mail-in claims. Optional ticket redemption services would be provided to increase the convenience to our players attempting to redeem their prize in person.

8. Are web subscriptions processed by the lottery?

Yes, but the process is not currently up and running.

9. Who handles the front end process?

Lottery

10. What are the balances that are held overnight in each of the accounts?

Approximate/target balances are currently as follows:

Lottery Revolving Account – \$3,000,000

Special Event Account - \$25,000 - \$150,000

Lottery Returned Items Account – average \$150,000 but may range from \$75,000 to \$300,000

Lottery Mega Millions / Win for Life Clearinghouse Accounts – Normally \$0 to \$10,000 but approximately twelve times a year it can be up to \$300,000,000 for 1-5 days.

11. What are the investment rules? Please see the link below.

<http://www.trsvirginia.gov/documents/cash/GenAcctInvstPolicy2005.pdf>

12. Is Section III Statement of Needs, Page 9, #13 true?

Yes, checks presented and paid under fraudulent endorsement, or that have been altered in a fraudulent manner are the responsibility of the paying bank.

13. Does each account have separate account analysis statement?

The Lottery general account has a separate account analysis that is linked to the Commonwealth General account analysis.

The Mega Millions and Win for Life Accounts would be separate account analyses and paid for by the Lottery.

All other accounts (Revolving, Returns, Special Events, etc.) can be combined and billed on one statement to the Lottery.

14. How is the small business subcontracting plan measured?

The subcontracting plan is submitted by the offeror and it scored according the points allocated in Section V.

15. Is contractor required to provide ticket validation?

No

16. What is the current small business contracting plan in place and is Section A. 5. correct as worded?

There is no current small business contract in place. Section V. A. 5. has been changed.

17. Please provide the current solution for check cashing where branch coverage is not provided in the Commonwealth.

The Lottery expects to either maintain or improve upon the current level of branch availability for players to conveniently cash prize checks. Offerors should provide information about their branch saturation across the state and offer creative solutions for the overall improvement of player convenience in cashing checks, and should particularly outline solutions to address areas of the state where branch scarcity could negatively affect player convenience.

18. Could the contractor subcontract with other bank to ensure coverage?

Yes, however it is strongly encouraged that cash on hand be sufficient to cover winning checks regardless of whether it is a direct branch of the Offeror or a subcontract arrangement.

19. Is the post office box required to have a Virginia address?

Yes, due to prohibition of gambling across state lines.

20. Describe the match numbering system.

The payment is matched to the subscription application. Because checks received with applications are all for similar amounts (\$26, \$52, \$104, etc.) and the payor is often a different individual from the named subscriber on the application, it is nearly impossible to link a specific check payment to an application without a match numbering system.

21. What happens when the batches are returned to the Lottery?

The individual application items within the batches are loaded into the lottery system.

22. Who controls the printing of the Lockbox forms?

Lottery

23. Would the Lottery be interested in new technology of imaging and data transmission?

For future enhancements, yes, but not at contract inception.

24. Are two people required to open the mail?

Under the current contract two people open the mail. Alternative solutions may be considered, but those solutions must provide the same level of control and accountability.

25. What is the liability in processing each of the lockbox items?

The contractor is responsible for errors in lockbox processing.

Note: A signed acknowledgment of this addendum must be received at the location indicated on the RFP either prior to the due date and time or attached to your proposal.

Very truly yours,

Kelley Denton, VCO  
Procurement Officer  
Phone: 804-786-4741

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Name of Firm

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Signature/Title

---

Date





Subscribe!

# VIRGINIA LOTTERY

Draws are held Tuesday and Friday evenings

THIS PLAYSLIP IS FOR MAIL ORDER USE ONLY

- SELECT ONE**
- 26 Draws**  
(13 weeks, 2 draws per week)  
1 Play for \$26  
2 Plays for \$52  
3 Plays for \$78
  - 52 Draws**  
(26 weeks, 2 draws per week)  
1 Play for \$52  
2 Plays for \$104  
3 Plays for \$156
  - 104 Draws**  
(52 weeks, 2 draws per week)  
1 Play for \$104  
2 Plays for \$208  
3 Plays for \$312

**SELECT ONE:**  
New Subscription  Renewal

MARK BOXES IN PENCIL OR PEN AS SHOWN  USE BLUE OR BLACK ONLY

|      |      |      |      |      |      |      |      |      |      |      |      |                                    |
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## FOR MAIL USE ONLY

Mega Millions draws held Tuesday and Friday evenings.

PLEASE PRINT

NAME  Last  First  MI.

ADDRESS

CITY  , VA ZIP

DATE OF BIRTH  /  /  DAYTIME PHONE  -  -  EVENING PHONE  -  -

SOCIAL SECURITY #  -  -  \* AREA CODE

U.S. CITIZEN

RESIDENT ALIEN

ALIEN

NAME OF GIVER

PHONE  -  -

IF A GIFT

Subscriber Signature \_\_\_\_\_ Date \_\_\_\_\_

Subscriber I.D.# (If Known) \_\_\_\_\_

Enclose check or money order payable to the "Virginia Lottery" for the correct amount due and mail to: Virginia Lottery, P.O. Box 18158, Meridian, VA 22118-0158. Subscribe online at [www.valottery.com](http://www.valottery.com)

All Virginia Lottery profits are dedicated solely to Virginia's public schools K-12.

Shift 2 4 5 6 7 8 9 10 11 12 05 06  
14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

Back

Mega Millions

Front

**WIN FOR LIFE SUBSCRIPTION RENEWAL**

**PLEASE VERIFY AND CORRECT INFORMATION**

**SUBSCRIBER #: 0000000000**

**VICTORIA VICTOR  
000 MAIN ST  
RICHMOND, VA 23219-0000**

**DATE OF BIRTH: 00/00/00  
DAYTIME PHONE #: (804) 000-0000  
EVENING PHONE #:  
LAST DRAW DATE: 00/00/00**

February 7, 2008

VICTORIA VICTOR  
000 MAIN ST  
RICHMOND, VA 23219-0000

DEAR VICTORIA:

Your Win For Life subscription will expire on 00/00/00.

You can renew one of two ways:

You can renew your subscription electronically on the web. It's easy, fast, and you won't need a stamp! Go to [www.valottery.com](http://www.valottery.com) and click on 'SUBSCRIBE ONLINE'.

OR

Detach the renewal form to the right and:

- \* Keep your same numbers or select new numbers (1-42), or choose the 'Easy Pick' option and the computer will select your numbers for you.
- \* Circle the number of draws you would like: 26, 52 or 104 Draws.
- \* Correct any personal information on your renewal form that is not accurate.
- \* Enclose your renewal form and a check or money order, payable to the Virginia Lottery in the envelope below. Each set of numbers that you play will cost \$26. (26 draws), \$52 (52 draws) or \$104 (104 draws).

If your envelope was destroyed or misplaced, please send your check and form to:

**Virginia Lottery, P.O. Box 18158, Merrifield, VA 22118-0158**

Your selected numbers or the same 'Easy Pick' numbers will be in effect for each draw in the subscription period. Approximately three (3) weeks after we receive your renewal, a new wallet-sized card will be sent to you with all your Win For Life subscription information.

If you have questions, please contact us at (804) 692-7686. Remember, Virginia Lottery proceeds are provided to local school divisions solely for public education purposes.

Good Luck!

Write New Numbers or 'Easy Pick' Below  
1-42

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Circle Number of Draws  
26 52 104

Current Numbers

06 07 25 29 30 38

09 31 33 35 44 36

18 25 32 45 46 26

Suscriber #: 0000000000

*Current Lottery Subscriber.*

Virginia Lottery  
P. O. Box 18158  
Merrifield, VA 22118-0158

VIRGINIA LOTTERY  
WIN FOR LIFE RENEWAL  
900 EAST MAIN STREET, 1ST FLOOR  
RICHMOND, VA 23219

VICTORIA VICTOR  
000 MAIN ST  
RICHMOND, VA 23219-0000

Virginia Lottery  
P. O. Box 18158  
Merrifield, VA 22118-0158

VIRGINIA LOTTERY  
MEGA MILLIONS RENEWAL  
900 EAST MAIN STREET, 1ST FLOOR  
RICHMOND, VA 23219

VICTORIA VICTOR  
000 MAIN ST  
RICHMOND, VA 23219-0000

**MEGA MILLIONS SUBSCRIPTION RENEWAL**

**PLEASE VERIFY AND CORRECT INFORMATION**

**SUBSCRIBER #: 0000000000**

**VICTORIA VICTOR  
000 MAIN ST  
RICHMOND, VA 23219-0000**

**DATE OF BIRTH: 00/00/00  
DAYTIME PHONE #: (804) 000-0000  
EVENING PHONE #:  
LAST DRAW DATE: 00/00/00**

February 7, 2008

VICTORIA VICTOR  
000 MAIN ST  
RICHMOND, VA 23219-0000

DEAR VICTORIA:

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**OR**

Detach the renewal form to the right and:

- \* Keep your same numbers or select new numbers (1-56 AND MEGA BALL 1-46), or choose the 'Easy Pick' option and the computer will select your numbers for you.
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- \* Correct any personal information on your renewal form that is not accurate.
- \* Enclose your renewal form and a check or money order, payable to the Virginia Lottery in the envelope below. Each set of numbers that you play will cost \$26, (26 draws), \$52 (52 draws) or \$104 (104 draws).

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If you have questions, please contact us at (804) 692-7686. Remember, Virginia Lottery proceeds are provided to local school divisions solely for public education purposes.

Good Luck!

Write New Numbers or 'Easy Pick' Below  
1-56

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Circle Number of Draws  
26 52 104

Current Numbers  
06 07 25 29 30 + 38  
09 31 33 35 44 + 36  
18 25 32 45 46 + 25

Suscriber #: 0000000000

*Current Lottery Subscriber*

COMMONWEALTH OF VIRGINIA DEPARTMENT OF THE TREASURY

OPTIONAL PRE-PROPOSAL CONFERENCE  
RFP #CMI 09-001 – BANKING & LOCKBOX SERVICES – VA LOTTERY

TUESDAY, JULY 29, 2008 @ 10:00 A.M. (EST)  
VA LOTTERY HEADQUARTERS, 900 E MAIN STREET, RICHMOND, VA 23218

1. Name: Margaret Marchetti Company: Bank of America  
Address: 1111 East Main St. City/State/Zip Rich, VA 23231  
Telephone & Fax Number: 988-3051-T E-mail Address: margaret.m. marchetti@Bank of  
788-2838 F america.com
2. Name: Jane Lorne Company: BGA  
Address: Sam City/State/Zip  
Telephone & Fax Number: E-mail Address:
3. Name: Kevin Larkin Company: Bank of America  
Address: City/State/Zip  
Telephone & Fax Number: E-mail Address:
4. Name: John Santilli Company: Wachovia  
Address: City/State/Zip  
Telephone & Fax Number: E-mail Address:
5. Name: DARRELL KATOVSIKH Company: WACHOVIA  
Address: City/State/Zip  
Telephone & Fax Number: E-mail Address:
6. Name: Hattie Hamlin Company: SunTrust  
Address: City/State/Zip  
Telephone & Fax Number: E-mail Address:

COMMONWEALTH OF VIRGINIA DEPARTMENT OF THE TREASURY

OPTIONAL PRE-PROPOSAL CONFERENCE  
RFP #CMI 09-001 – BANKING & LOCKBOX SERVICES – VA LOTTERY

TUESDAY, JULY 29, 2008 @ 10:00 A.M. (EST)  
VA LOTTERY HEADQUARTERS, 900 E MAIN STREET, RICHMOND, VA 23218

1. Name: Margaret Mauchetti Company: Bank of America  
Address: 1111 East Main St. City/State/Zip Rich, VA 23231  
Telephone & Fax Number: 988-3051-T E-mail Address: margaret.m.mauchetti@Bankof  
788-2838 F america.com
2. Name: Jane Lorne Company: BGA  
Address: Sam City/State/Zip \_\_\_\_\_  
Telephone & Fax Number: \_\_\_\_\_ E-mail Address: \_\_\_\_\_
3. Name: Kevin Larkin Company: Bank of America  
Address: \_\_\_\_\_ City/State/Zip \_\_\_\_\_  
Telephone & Fax Number: \_\_\_\_\_ E-mail Address: \_\_\_\_\_
4. Name: John Santilli Company: Wachovia  
Address: \_\_\_\_\_ City/State/Zip \_\_\_\_\_  
Telephone & Fax Number: \_\_\_\_\_ E-mail Address: \_\_\_\_\_
5. Name: DARRELL KATOVSIKH Company: WACHOVIA  
Address: \_\_\_\_\_ City/State/Zip \_\_\_\_\_  
Telephone & Fax Number: \_\_\_\_\_ E-mail Address: \_\_\_\_\_
6. Name: Hattie Hamlin Company: SunTrust  
Address: \_\_\_\_\_ City/State/Zip \_\_\_\_\_  
Telephone & Fax Number: \_\_\_\_\_ E-mail Address: \_\_\_\_\_