



State of New Jersey

Department of the Treasury

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Treasury Seeks Bids for State Lottery Contract

TRENTON -- Acting State Treasurer Michellene Davis today announced that the Division of Purchase and Property has issued a new Request for Proposal (RFP) for the State Lottery Gaming System and Support Services. The new solicitation marks the completion of an intensive process to develop and incorporate reforms that specifically address perceived deficiencies from the last lottery procurement.

In November, 2005 following a lengthy open and competitive process, Purchase and Property selected a vendor for the lottery contract. The formal award was subsequently challenged by the only other bidder, resulting in a hearing officer review and ultimately, Treasury's decision to re-bid.

In preparing the re-bid, the Purchase Bureau developed and incorporated top to bottom changes to the lottery RFP to enhance objectivity and transparency in the procurement process. Some of the key reforms include:

- New RFP developed without reference to or reliance on prior RFP;
- Requirement for all vendors to sign non-contact agreement, under which all bidders and their agents agree to refrain from all direct and indirect contact with Executive Branch personnel during the procurement process;
- Disclosure in RFP of weightings assigned to each area of bid evaluation;

The RFP for the Lottery Gaming System and Support Services is available online at <http://www.state.nj.us/treasury/purchase/bid/summary/bid.shtml> .

The services provided under the Lottery contract include the equipping, operation and support of approximately 6,200 lottery terminals statewide.

Through its games of Pick 3, Pick 4, Jersey Cash 5, Pick 6 Lotto, Mega Millions instant scratch-offs and on-line games, the New Jersey Lottery generated \$2.3 billion in gross sales in FY 2007. The Lottery's mission is to raise revenue for education and institutions in New Jersey.

While the Division of Purchase and Property has announced it will accept and evaluate responsive bids for a new seven year contract, it has simultaneously announced an extension of services being provided by the current vendor. The current contract extension, with GTECH Corporation, was due to expire December 20, 2007.

Under a negotiated extension, the incumbent could continue to perform services through August 20, 2009. The extension is timed to coincide with the anticipated schedule for the awarding of the new contract and the start-up of the new lottery gaming system. The award is anticipated by April of 2008, and the negotiated extension allows for a transition period. The State has the option to terminate this extension earlier if the new lottery gaming system is ready for start-up prior to the August, 2009 date.

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