

**TORBAY COUNCIL**

**Part 2 Specification**

**Contract Reference**

**TCES4621**

**Contract Title**

**Management of the Torbay Lottery**

# Contents

1.	Overall Scope and Nature of the Requirement .....	3
2.	Minimum and Mandatory Requirements .....	5
3.	Specific Requirements.....	7
4.	Contract and Performance Review Requirements .....	9
5.	Data Protection, Information Sharing and Information Security.....	11
6.	Invoicing .....	13
7.	Added Value.....	14
8.	Scope and Nature of Possible Modifications or Options.....	15
9.	Awarding the Contract on Behalf of Other Contracting Authorities .....	16

# 1. Overall Scope and Nature of the Requirement

The purpose of this Tender is to identify a successful Supplier to provide External Lottery Management for the Torbay Lottery. This requires the provision and ongoing management of an on-line (hosted) system for the Torbay Lottery.

The successful Applicant will run the Lottery on an operational level and have in place suitable mechanisms and processes to ensure all requirements of the Gambling Commission licenses both for the External Lottery Manager Operating Licence and the Remote Gambling Licence and Gambling Act and other relevant legislation is complied with. This includes providing advice and support to Torbay Council on Lottery Policies and working practices.

The successful Applicant will also be responsible for arranging and administering the charitable proceeds raised (from members of the public subscribing to the Lottery), to local good causes, on behalf of Torbay Council.

- 1.1 The successful Provider will be expected to have in place suitable insurances/indemnities to enable the payment of all prizes for the Torbay Lottery with no cost or liability for these prizes being the responsibility of the Authority. The prizes will be:
  - 2 numbers = 3 extra tickets
  - 3 numbers = £25
  - 4 numbers = £250
  - 5 numbers = £2,000
  - 6 numbers = £25,000
- 1.2 In order to provide consistency and continuity for players, the successful Applicant will be required to operate the lottery in the same manner as it is currently operated:
  - Currently each ticket consists of 6 numbers and each number is between 0 and 9. There will be a draw every Saturday night when a 6 digit winning combination will be picked. Prizes will be given to players with tickets that match the first or last 2-5 numbers from the winning combination, or all 6 to win the jackpot.
- 1.3 The Authority is looking to award a contract to a supplier who will provide regular marketing materials to good causes, be proactive in encouraging the sale of tickets and come up with innovative ways to increase overall ticket sales and performance for the Torbay Lottery and to keep the Torbay Lottery Twitter and Facebook feeds updated.
- 1.4 The supplier will need to ensure that should any migration of members' and good causes' personal information be required to provide continuity of service, this is done securely and complies with the General Data Protection Regulation (GDPR) and Data Protection Act 2018. If applicable, this will be carried out during the implementation phase with the successful applicant and the Authority's current

supplier, to ensure smooth transition. The current supplier will provide a set of downloads of information from their system, in terms of good causes' information and players' tickets, etc. (NB: the consequences of any data loss resulting from this exercise rests solely with the awarded supplier.)

## 2. Minimum and Mandatory Requirements

This section sets out the Authority's minimum and mandatory requirements for this Contract.

The Authority has set out a number of specific Mandatory Requirements within this Specification, these are identified with the inclusion of the wording **(Mandatory Requirement)** against whole sections or individual requirements. Applicants will be required to confirm their compliance with these Mandatory Requirements within their Part 4 Award Tender Submission.

In order to achieve any threshold set in relation to award evaluation criteria Applicants are required to establish within the relevant responses how they will meet these requirements.

The following within this section 2, are all **(Mandatory Requirements)**:

### **Licences and Insurances**

- 2.1 Providers will hold and maintain a valid Gambling Commission External Lottery Manager Operating Licence and Remote Gambling Licence and will provide proof of these on an annual basis.
- 2.2 Providers will have in place relevant insurances/indemnities to cover the pay out of all prize funds, with no costs being the responsibility of Torbay Council and will provide proof of current policies.

### **Minimum funding to good causes**

- 2.3 The funding to good causes will need to be a minimum 60% of every £1 ticket sale. Management costs, prize fund and any applicable VAT will be funded through the remainder of the £1.

### **Lottery draw and prize structure**

- 2.4 Providers will ensure that the lottery is based on the following prize structure and operating model set out at 1.2 above:

2 numbers = 3 extra tickets

3 numbers = £25

4 numbers = £250

5 numbers = £2,000

6 numbers = £25,000

2.5 The Lottery must take place on a weekly basis with the draw taking place on a Saturday. Currently draw takes place at 8pm on a Saturday.

### **Lottery Management System**

2.6 Providers will take all necessary steps to ensure that the website is fully tested and any bugs removed before it goes live on 28 May 2022 to ensure a seamless transition from the current supplier to the new supplier (if this is a different supplier).

2.7 Providers will provide and maintain a fully interactive Torbay Lottery website with customer, good cause and back office functionality.

2.8 The Authority requires that the system must be:

- An established web-based software application;
- Fully developed;
- Fully operational and currently used in a live environment;
- Hosted;
- Secure; and
- Kept fully functional with all supported versions of third party components, systems etc., for example databases, operating systems including mobile devices, report tools, browsers or any other products.

2.9 Applicants must:

- Ensure that any enforced format or layout requirements imposed meet at least AA standards in terms of Accessibility; and
- Provide up-to-date documentation from the latest annual Penetration Testing of the application, undertaken by a reputable security vendor and provide evidence that any high priority items have been addressed and provide this information annually.

2.10 Applicants will need to demonstrate that any personal information held for the purposes of the Torbay Lottery is stored securely and that their organisation is able to comply with the rights of individuals under the Data Protection Act 2018 and the General Data Protection Regulation (GDPR).

2.11 Any service taking Credit and Debit card payments on the Authority's behalf needs to be able to provide their PCI DSS certificate in order to prove compliance, where this functionality is an integral part of the system, or the PCI DSS certificate of the third party payment gateway where such a service is being used, such as World Pay, etc.

## 3. Specific Requirements

The following within this section 3, are all *(Mandatory Requirements)*:

- 3.1 Providers will comply with all the requirements of the Gambling Commission and all Gambling legislation and guidance and will complete Gambling Commission regulatory returns as directed by Torbay Council.
- 3.2 Providers will provide dedicated email and telephone help lines for customers and good causes, and also technical support for the Authority to report issues with the system.
- 3.3 Providers will provide a response to customers' and good causes' queries within two working days and will adhere to an SLA for Support, in terms of responding to technical issues.
- 3.4 Providers will provide and maintain a fully interactive Torbay Lottery website with customer interface to enable them to register, purchase tickets, view results etc. – see [www.torbaylottery.co.uk](http://www.torbaylottery.co.uk)
- 3.5 Providers will provide and maintain interactive webpages for good causes to enable them to run their accounts remotely and provide access to marketing material to help them promote their causes and increase ticket sales.
- 3.6 Providers will provide and maintain interactive webpages for back office support (including Torbay Lottery) with access to approve, reject or amend good causes.
- 3.7 Providers will provide and maintain interactive webpages to enable the back office to have easy access to contact details of good causes and supporters to enable them to download email addresses and send out updates. Contact details should include name, email address, postal address and contact telephone number.
- 3.8 Providers will only use the Council's agreed format, styles and layout for website and promotional materials, in accordance with any guidelines issued by the Council and/or the Gambling Commission.
- 3.9 Providers will take all necessary steps to ensure that the website is fully tested and any bugs removed before it goes live on 28 May 2022 to ensure a seamless transition from the current supplier to the new supplier (if this is a different supplier).
- 3.10 Providers will have robust business continuity procedures in place (i.e. how they plan to ensure the Torbay Lottery has continued functioning and servicing for this contract, after a major event e.g. a flood or fire, that results in the loss of computers, telephones, premises etc.) and organisational security equivalent to that required under the seventh principle of the Data Protection Legislation to protect the data held and the website from cyber-attacks. They will also comply at all times with the provision of the Data Protection Act 2018 with regard to Data.
- 3.11 All records will be collated and maintained in accordance with the provisions of the Data Protection Act, and the Human Rights Act. All necessary precautions will be taken to ensure complete protection of this data in accordance with these Acts.

- 3.12 All electronic data will be stored securely with appropriate security protocols. No confidential information will be sent via external e-mail or via the internet unless in a secure form. All confidential emails will be sent in encrypted format in line with the Council's email protocol using Egress.
- 3.13 All information / data must be recorded and stored by the Provider in accordance with Torbay Council's information security policies.
- 3.14 Providers will not do or permit any act by which, in the opinion of Torbay Council, the Council's rights in the intellectual property (i.e. all information and data held on behalf of the Council) may be prejudiced or put in jeopardy.
- 3.15 All data relating to Members of the Torbay Lottery (e.g. players and good causes) will be owned by Torbay Council and licensed to the Provider for use by them for the purpose of administering the Torbay Lottery.
- 3.16 The Provider will be the Data Processer and Torbay Council will be the Data Controller in respect of personal data.
- 3.17 Providers will assist Torbay Council in preparing any information required under the Freedom of Information Act and the Environmental Information Regulations to enable the Council to comply with the information disclosure obligations.
- 3.18 Providers will adhere to all Council policies in respect of the Torbay Lottery.
- 3.19 Providers will provide a fully managed direct debit and payment card collection mechanism, the latter to be either part of the system, or via a third party payment gateway. Providers will hold a separate bank account for the Torbay Lottery and ensure payments are made to the Torbay Lottery, good causes and the External Lottery Manager on a monthly basis by no later than the last working day of each month.
- 3.23 Providers will provide weekly collection of winning numbers and identification and verification of winners to enable prizes to be claimed by successful players.
- 3.24 Providers will ensure that any third parties employed to act on the Council's behalf to sell memberships are aware of the Code of Practice ensuring that no one under the age of 16 is approached, members date of births are recorded and responsible gambling is promoted.



## 4. Contract and Performance Review Requirements

- 4.1 The Authority will appoint a nominated contract manager who will act as the main contact for business as usual discussions as well as escalation.
- 4.2 The Contract will be managed by reasonable and regular review meetings, which will cover management information to aid identification of trends and issues, performance against the service level agreement and areas for service development. The exact nature, format and timings of the meetings will be agreed with the Provider, although the authority will expect review meetings to be held at least monthly during the early part of the contract and at least once a quarter thereafter. These meetings may be in person, virtually or via telephone.
- 4.3 In extreme circumstances, to assist with performance management, the following will be used:
- Breach of Service Level Agreement – if there has been a breach in the Contract due to not meeting terms such as response times for example this may result in a penalty of not being able to charge for that Service for that specific element. If this occurs an Action Notice will be issued, please see the following point below;
  - Action Notices will be issued - Step in Rights have been included in the terms and conditions of Contract to cover the circumstance where the Authority reasonably believes that it needs to take action in connection with the Service being provided.
- 4.4 The Provider will provide the following:

Item	Frequency
Invoices showing External Lottery Management charges	Monthly
Provision of management reports to be able to be downloaded on a monthly basis.	Monthly
Returns to the Gambling Commission (to be sent to us for approval prior to submission)	Monthly (within 4 days of the end of each month)
Regulatory returns to the Gambling Commission (to be sent to us for approval prior to submission)	Annual (within 42 days of annual period)
Bank statements showing reconciliation of money in and out of the account for the Torbay Lottery	Quarterly

Details of any complaints received by them.	Within 2 days of receiving a complaint.
---------------------------------------------	-----------------------------------------

## 5. Data Protection, Information Sharing and Information Security

The following within this section 6, are all **(Mandatory Requirements)**:

- 5.1 The Provider must comply in all respects with the provisions of the General Data Protection Regulation (GDPR) and Data Protection Act 2018, have an up to date Data Protection Policy and will indemnify the Authority against all actions, costs, expenses, claims, proceedings and demands which may be made or brought against the Authority for breach of statutory duty under the Act which arises from the use, disclosure or transfer of personal data by the Contractor, his staff, agents or work people.
- 5.2 The Authority expects that you have a formal information security policy applicable to your processing, storage or handling of the Torbay Lottery Members' and good causes personal data. You must on request supply the Authority with evidence of this policy and describe precisely how it applies to member and good cause data.
- 5.3 Access to personal data must be strictly controlled and only personnel who need access to the information should have access to the information. No person who is not working directly on the Torbay Lottery's information should have access to it, either in paper or electronic form.
- 5.4 All electronic data (email and media) must be encrypted in transit (this must be at least 256 bit AES encryption or similar). The method of transmitting and receiving personal data must be specifically agreed with the Authority in advance.
- 5.5 All paper documentation containing personal details such as names and addresses must be subject to clear desk policy, locked away when not attended and always sent via recorded or registered post.
- 5.6 Specific handling arrangements for paper documents must be agreed with the Authority in advance.
- 5.7 On completion of the assignment all documentation and physical media must be returned to the Authority by secure and agreed method.
- 5.8 On completion of the assignment all data pertaining to the project must be permanently deleted from any computer used for working on the project and evidence provided that this has been done.
- 5.9 Access to personal data must be strictly controlled. All servers holding Authority data must be held in secure rooms with strictly controlled access. Access to physical media and documentation must also be strictly controlled. The Authority's physical data and documentation must always be held in locked storage when not attended.
- 5.10 Personal data must never be taken off site without the Authority's specific authorisation.
- 5.11 Evidence of your organisations compliance with relevant standards, regulations and legislation applicable to your handling and destruction of Authority data must be

provided. These should include but not be limited to your Data Protection Act registration and any evidence of ISO 27001 compliance. Authority data must never be passed to or accessed by a third party without the Authority's specific authorisation.

- 5.12 Evidence of your compliance with PCI DSS (Payment Card Industry Data Security Standards) for the storage of and taking card payments, must be provided.
- 5.13 The Authority must be informed straight away of any security incidents relating to processing, storage or handling of Authority or Member personal data. These include but are not limited to unauthorised access, denial of service, loss of information, data corruption etc.
- 5.14 The Authority's data must not be transferred to a country or territory outside the European Economic Area, unless that country or territory ensures an adequate level of protection for the rights and freedoms of data subjects in relation to the processing of personal data.
- 5.15 The Provider must have technical and procedural security measures in place to prevent:
  - Unauthorised or unlawful processing of personal data; and
  - Accidental loss or destruction of or damage to personal data.
  - All personal data displayed on the website must be supplied using https (minimum level SSL3 or TLS 1.2 (preferred)).
- 5.16 The system must be capable of supporting a secure connection mechanism from an external user's network to the hosted system.
- 5.17 The Provider must have a Service Level Agreement (SLA) for the hosting of the Torbay Lottery system, which must be submitted as part of their bid. As a minimum the SLA needs to cover:
  - back-ups;
  - system restore;
  - system availability/reliability;
  - loading of Software Patches and Upgrades;
  - details of where data backups will be held and what physical and electronic security will be used to secure them;
  - reaction to information on potential security breaches.

## 6. Invoicing

6.1 The Applicant must provide a monthly VAT invoice showing:

- the number of ticket sales per month, total revenue for the month, service charge and VAT (20% of the service charge); and
- the cost of redeemed 'Free Tickets – the number of tickets, prize fund (%), service charge and VAT (20% of the service charge).

This will be generated in PDF format following Torbay Council's authorisation of the monthly payments and the key lottery monthly return statistics, which shall be approved, following an email notification of its availability on or around the 1<sup>st</sup> of each month, via the back office portal.

6.2 All agreed monthly payments shall be made by the Applicant to all eligible parties following authorisation by Torbay Council's representative by bank transfer from the Torbay Lottery account.

# 7. Added Value

## 7.1 Further Services Offered

The Applicant will be expected to suggest as part of its response to the Evaluation Questions any additional products or services that they may be able to offer as part of this Contract or any other added value that their offer might be able to bring to the Authority. Applicants are expected to build any such offers into their submissions regardless of whether specific questions are asked along these lines or not.

## 7.2 Social Value, Sustainability, Environmental Considerations

7.2.1 The Authority is seeking a Provider who will add value to the Contract by providing additional community benefits which support the Council's ambitions for a prosperous and healthy Torbay, as identified in the One Torbay: Working for all Torbay – Community and Corporate Plan 2019-2023:

<http://www.torbay.gov.uk/council/policies/corporate/corporate-plan/>

7.2.2 Applicants should take into account the following key areas in formulating their response and what they can do to help encourage local good causes sign up to the Torbay Lottery who will help the Council address these issues as well as the other areas highlighted in the Community and Corporate Plan:

- (a) Turning the tide on poverty; and
- (b) Thriving economy.

## 8. Scope and Nature of Possible Modifications or Options

- 8.1 The requirements of External Lottery Managers and Operators are set by external bodies such as the Gambling Commission or through changes in legislation and guidance. Where these alter the operator will be required to implement the necessary changes in order to continue to meet the requirements of this contract at no additional cost to the Authority and to also provide good practice advice to the Authority on such changes.

## 9. Awarding the Contract on Behalf of Other Contracting Authorities

9.1 The Authority is not purchasing on behalf of other contracting authorities.