

AMENDMENT #1 – January 20, 2016

REQUEST FOR PROPOSALS (RFP)

LOTTERY CENTRAL MONITORING AND CONTROL SYSTEM

#2015-01

This Amendment #1 is being issued to amend and clarify certain information contained in the above referenced RFP. All information contained herein is binding on all Offerors who respond to this RFP. Specific parts of the RFP have been amended. The following changes/additions are listed below; new language has been double underlined and marked in bold (i.e., **word**), and language deleted has been marked with a strikethrough (i.e., ~~word~~).

- 1. REVISE: Section 1.2 Abbreviations and Definitions, Definition of “Customer Relationship Management (CRM)”, page 14.**

Software applications that allow companies to manage **the material aspects** ~~every aspect~~ of their relationship with a customer. This software brings all touch points between an organization and its customers into one location for use in managing the “customer experience.”

- 2. REVISE: Section 3.4.1 Primary System Requirements, Item #29k Hardware, page 77.**

Any other item, Hardware or facilities ~~deemed necessary by the MLGCA~~ for the ~~efficient~~ operation of the LCMCS **as described in this RFP**.

- 3. REVISE: Section 3.4.2 Back-Up System Requirements, sub-Section 3.4.2.1 General Requirements Item #2, page 80.**

The Back-up LCMCS shall meet the same performance and security standards as the Primary LCMCS, with no single point of failure. The Back-up LCMCS shall contain the capability to perform all management functions associated with Draw, Monitor and Instant Games, as well as being available remotely by communications from the PDC ~~and BDG~~.

- 4. REVISE: Section 3.9.16 QUOTA LEVEL ADJUSTMENTS, page 96.**

3.9.16 INITIAL INSTANT TICKET ORDER QUOTA LEVEL ADJUSTMENT REQUIREMENTS

1. The LCMCS shall allow the MLGCA to adjust **initial Instant Ticket order quantities** ~~quota levels~~ for individual Retailers, by **Price Point Game**. **Initial Instant Ticket** ~~Quota levels~~ shall be visible and adjustable through the AAPs.

2. The LCMCS shall have the ability to upload and download initial **Instant Ticket** quota levels from and to a specific media type as specified by the MLGCA.

5. **REVISE: Section 3.21.1 INSTALLATION AND SUPPORT SERVICES, Item #7, page 113.**

7. The Contractor shall maintain an adequate inventory **of spare Terminals and components** for replacements and repairs **at no additional cost to the MLGCA** so as to provide the required service levels.

6. **REVISE: Section 3.25.1 CONVERSION PLAN, page 120.**

This Conversion Plan shall ensure a smooth Start-up of the LCMCS and all MLGCA games. Current MLGCA operations shall not be delayed or interrupted during this process.

The Contractor shall provide a full-time dedicated Certified Project Manager during the Conversion Period.

The Contractor shall have provided with its Proposal a draft Conversion Plan. The Contractor shall submit within thirty (30) days of Contract **Effective Date** award a detailed and final version of the Conversion Plan which, when approved by the MLGCA, shall become the basis for the Conversion. This Conversion Plan, both draft and final versions, shall include, but not be limited to, the following:

7. **REVISE: Section 3.30 Liquidated Damages – General and Specific, pages 142-143.**

For First Occurrence of Section 3.30.1

3.30.1-1 ~~3.30.1~~ **LIQUIDATED DAMAGES**

For Second Occurrence of Section 3.30.1

3.30.1-2 ~~3.30.1~~ **ASSESSMENT: COLLECTIONS, WITHHOLDS**

8. **REVISE: Section 3.30.7.2 Retailer Outage, page 146.**

If there has been a maintenance delay beyond the allowable three (3) hour repair time as set forth above, liquidated damages shall be based upon the average dollar value of lost revenue to the State. Lost revenue is determined by multiplying the current Revenue Contribution Rate **(which is 29.0%)** times the Retailer's average daily sales for the same day of the week for the thirteen (13) weeks immediately prior*. For a Retailer where multiple Terminals or Monitors

are installed, if at least one Terminal or Monitor (as applicable) remains operational then liquidated damages may not be assessed under this Section.

*Example – Retailer with only one Terminal and/or Monitor averages \$1,000 per day in sales on Tuesday for prior 13 weeks. On the day of the service call sales are \$350, indicating lost sales equal to \$650 and lost revenue equal to **\$188.50** ~~\$201.50~~.

9. REVISE: Section 3.30.17 Performance, page 148.

3.30.17.1 Condition

The Send-to-Cut time for any Retailer Terminal, PSST or other device capable of producing or validating Tickets shall not exceed three (3) seconds, from the Terminal or device to the LCMCS and back. This time includes the total round trip communications time and the processing of the transaction by the LCMCS(s). The Telecommunication Network shall meet this objective 99.99% of the time. The Send-to-Cut time shall be under two (2) seconds 99% of the time. At no time shall the Send-to-Cut time exceed **three (3)** ~~four (4)~~ seconds.

3.30.17.2 Damage

\$5,000 per hour or portion thereof when the Send-to-Cut time exceeds **three (3)** ~~four (4)~~ seconds for over one (1) % of the Retailer Network.

10. REVISE: Section 3.31.4 Deliverable Descriptions/Acceptance Criteria, pages 153-154.

Remove in its entirety the table in Section 3.31.4 and replace with the attached revised “Section 3.31.4 DELIVERABLE DESCRIPTIONS/ACCEPTANCE CRITERIA (Revised 1/20/2016/Amendment #1)”.

11. REVISE: Section 3.34 Mobile Applications, page 157.

The Contractor shall provide the following functionality available to other applications within the MLGCA suite of mobile applications:

3.34.1 **Player Loyalty Mobile Application**

The Contractor shall be responsible for supplying a Player Loyalty mobile application to compliment the requirements from Section 3.2.10.

The mobile app shall include functionality to streamline and improve player loyalty participation including but not limited to:

- A. **My Account/Registration/Log-in**
- B. **Scanning to Enter Tickets into promotional opportunities**
- C. **Drawings and winners information**
- D. **Push notifications**

3.34.2 ~~3.34.1~~. Partner Functions:

The Contractor shall also be responsible for supplying the following functionality within the Player Loyalty app, as well as other applications within the MLGCA suite of mobile applications:

- A. Scanning to check tickets for winners
- B. Find a Retailer
- C. ePlayslip

3.34.3 ~~3.34.2~~. Additional Support

The Contractor shall work with MLGCA IT and other digital service vendors to support functionality within other MLGCA mobile applications including but not limited to:

- A. MD Lottery app
- B. MD Lottery - Keno & Racetrax app

12. REVISE: Section 4.2.2.2 Claim of Confidentiality, page 158.

Any information which is claimed to be confidential is to be noted by reference and included after the ~~Title Page and before the~~ Table of Contents, and if applicable, also in the Offeror's Financial Proposal. The entire Proposal cannot be given a blanket confidentiality designation - any confidentiality designation must apply to specific sections, pages, or portions of pages of the Proposal and an explanation for each claim shall be included (see Section 1.14 "Public Information Act Notice").

13. REVISE: Section 4.2.2.6.20 LCMCS Modifications, Enhancements and Upgrades, page 165.

Revise the Reference stated in the title to this Section:
(Ref: Section ~~3.22~~ 3.23)

14. REVISE: Section 4.2.2.6.24 Additional Tasks, Task VI, page 167.

Sub-Part CI: Offerors shall describe and provide specifications for any additional non-standard Terminal and Self Service Terminal types and Jackpot signs that it proposes to provide.

Sub-Part CII 2: Offerors shall describe the solution that it proposes to provide for accepting alternative alternate payment methods from Players at brick and mortar Retailers.

Sub-Part CIII 3: Offerors shall specify and describe any other types of equipment and services (except Terminals) that it proposes to provide.

15. **REVISE: Section 4.2.2.12 Certificate of Insurance, page 169.**

The Offeror shall provide a copy of its current certificate of insurance showing the types and limits of insurance in effect as of the Proposal submission date. The current insurance types and limits do not have to be the same as described in Section 3.32.4 and 3.32.5 ~~3.33.5~~.

16. **REVISE: Section 5.2 Technical Proposal Evaluation Criteria, pages 174-175.**

5.2.3.1 Level 1 Criteria

- a) Monitor Games (Section 4.2.2.6.6)
- b) Draw Games (Section 4.2.2.6.5)
- c) **LCMCS Requirements** ~~Central System~~ (Section 4.2.2.6.2)
- d) Accounting Requirements – General (Section 4.2.2.6.8)
- e) System Administration/Management Features (Section 4.2.2.6.12)
- f) Security **Requirements** (Section 4.2.2.6.~~25~~ 26)
- g) Instant Game Support and Accounting (Section 4.2.2.6.7)
- h) Additional Task VI CIII (4.2.2.6.~~24~~ 25) **Other Equipment and Services**

5.2.3.2 Level 2 Criteria

- a) Conversion and Implementation (Section 4.2.2.6.~~23~~ 24)
- b) Back Office Functionality (Section ~~4.2.2.6.16~~ 4.2.26.16)
- c) Retailer **Location Configuration** Hardware (Section 4.2.2.6.3)
- d) Telecommunication Network (Section 4.2.2.6.4)
- e) Data Warehouse System with Business Intelligence (Section 4.2.2.6.~~22~~ 24)
- f) Games Development (Section 4.2.2.6.14)
- g) Management and Retailer Reports (Section 4.2.2.6.11)
- h) Retailer Management System (Section 4.2.2.6.~~17~~ 18)
- i) Training, Research and Marketing Support (Section 4.2.2.6.15)
- j) Additional Task VI CII (Section 4.2.2.6.~~24~~ 25) Alternative Payment Method
- k) **Internal Control System (Section 4.2.2.6.13)**
- l) **Problem Escalation Procedure (Section 4.2.2.6.26)**

5.2.3.3 Level 3 Criteria

- a) Retailer Website (Section 4.2.2.6.~~18~~ 19)
- b) Support Services (Section 4.2.2.6.~~19~~ 20)

- c) Additional Task IV (4.2.2.6.~~24~~ 25) Player Loyalty **Club Program**
- d) Additional Task V (4.2.2.6.~~24~~ 25) MLGCA Customer Resource Center
- e) Additional Task VI CI (4.2.2.6.~~24~~ 25) Additional Terminal Types

5.2.3.4 Level 4 Criteria

- a) Data Retention (Section 4.2.2.6.9)
- b) ~~LCMCS System~~ Modifications, Enhancements and Upgrades (Section 4.2.2.6.~~20~~ 24)
- c) Download Server Environment (Section 4.2.2.6.~~21~~ 22)

5.2.3.5 Level 5 Criteria

- a) Amber and Silver Alerts (4.2.2.6.10)
- b) Additional Task I (4.2.2.6.~~24~~ 25) E-Commerce Subscriptions
- c) Additional Task II (4.2.2.6.~~24~~ 25) Host mdlottery.com **Online Network**
- d) Additional Task III (4.2.2.6.~~24~~ 25) Secondary Communications to Retailers

5.2.3.6 **Level 6 Criteria** ~~Additional Considerations~~

- a. Offeror's Qualifications and Capabilities (4.2.2.8);References (4.2.2.9); and, Financial Capability and Legal Action Summary (Section 4.2.2.11, 4.2.2.14 and 4.2.2.12)
- b. Experience and Qualifications of Proposed Staff (4.2.2.7); and Subcontractors (4.2.2.13) (See RFP § 4.2.2.7)
- c. Economic Benefit (See RFP § 4.2.2.15)

17. REVISE: Section 5.6 5.6 Documents Required upon Notice of Recommended Award, Item G., page 178.

- G. Evidence of meeting insurance certificate requirements (See Section ~~3.23.3~~ 3.11.8)

18. REVISE: RFP ATTACHMENTS, pages 179-180.

ATTACHMENT A – Contract

This is the sample contract used by the MLGCA. It is provided with the RFP for informational purposes and is not required to be submitted at Proposal submission time. Upon notification of recommendation for award, a completed contract will be sent to the recommended awardee for signature. The recommended awardee must return to the Procurement Officer three (3) executed copies of the Contract within **ten (10)** ~~five (5)~~ Business Days after

receipt. Upon Contract award, a fully-executed copy will be sent to the Contractor.

ATTACHMENT C – Contract Affidavit

This Attachment must be completed and submitted by the recommended awardee to the Procurement Officer within ten (10) ~~five (5)~~ Business Days of receiving notification of recommendation for award.

ATTACHMENT J – Non-Disclosure Agreement (Contractor)

If required (see Section 1.37), this Attachment must be completed and submitted within ten (10) ~~five (5)~~ Business Days of receiving notification of recommendation for award. However, to expedite processing, it is suggested that this document be completed and submitted with the Technical Proposal.

19. REVISE: Attachment A – Contract, Section R23.15. Insurance Requirements, Page 196.

The Contractor shall maintain workers' compensation coverage, property and casualty insurance, cyber liability insurance, and any other insurance as required in the RFP. The minimum limits of such policies must meet any minimum requirements established by law and the limits of insurance required by the RFP, and shall cover losses resulting from or arising out of Contractor action or inaction in the performance of services under the Contract by the Contractor, its agents, servants, employees or subcontractors. Effective no later than the date of execution of the Contract, and continuing for the duration of the Contract term, and any applicable renewal and transition periods, the Contractor shall maintain such insurance coverage and shall report such insurance annually or upon Contract renewal, whichever is earlier, to the Procurement Officer. The Contractor is required to notify the Procurement Officer in writing, if policies are cancelled or not renewed 35 days in advance of such cancellation and/or nonrenewal. Certificates of insurance evidencing this coverage shall be provided within ten (10) Business Days ~~five (5)~~ days of notice of recommended award. All insurance policies shall be issued by a company properly authorized to do business in the State of Maryland. The State shall be included as an additional named insured on the property and casualty policy and as required in the RFP.

20. REVISE: ATTACHMENT F – PRICE SHEET, page 245.

Remove in its entirety the first page of Attachment F – Price Sheet which contains Section A(1) and replace with the attached revised “Attachment F - Price Sheet (Revised 1/20/2016)”.

Except as expressly amended herein, all other terms, provisions and conditions in the RFP remain unchanged and in full effect.

5.2.1 DELIVERABLE DESCRIPTIONS/ACCEPTANCE CRITERIA (Revised 1/20/2016 - Amendment #1)

The Contractor may suggest other subtasks, artifacts, or deliverables to improve the quality and success of the assigned tasks.

Deliverables

Section	Deliverable	Due
3.4.1.2	The Contractor shall create and document the procedures for computer operations staff, especially regarding failure situations	45 Days prior to Start-up Date
3.4.2.1 3.4.3.4	Subsection 4 The Contractor shall provide and maintain an up to date disaster recovery plan as set forth in 3.27.12.2 3.28.12	<u>Within 45 Days of Effective Date</u> Updated as needed
3.21.1.1	Subsection 8 The Contractor shall provide the MLGCA with monthly reports of the status of preventive maintenance as designed and requested by the MLGCA	Monthly
3.21.1.3	Subsection 2, c, ii, d The Contractor shall submit for approval by the MLGCA ten (10) Ticket samples of its Ticket stock for evaluation of anti-counterfeiting characteristics, graphics and durability	Within 120 days of NTP
3.21.1.3	Subsection 2, c, iii Tickets shall be legible and readable for a minimum of 365 days after printing	60 Days prior to Start-up Date
3.21.1.4 3.21.4	Subsection 1 The Contractor shall provide a detailed plan for establishing a field service schedule to maintain all Terminals, Monitors, and other Retailer location Hardware used for the sales, validations, and cashing of Tickets	60 Days prior to Start-up Date
3.21.4	Subsection 6 The Contractor shall produce a detailed inventory of all existing and newly installed Hardware	60 Days prior to Start-up Date
3.21.3 3.22.3	Subsection 3 The Contractor shall provide weekly Hotline Call daily call statistics	<u>Within 5 Days of the End of the Business Week Weekly</u>
3.21.3 3.22.3	Subsection 11 Have a Hotline Quality Assurance and Training Program, which is subject to approval by the MLGCA	As Requested

Section	Deliverable	Due
3.25.1	The Contractor shall submit within thirty (30) days of Contract Effective Date award a detailed and final version of the Conversion Plan which, when approved by the MLGCA, shall become the basis for the Conversion.	Within 30 days of Effective Date
3.25.4	Subsection 2 The Contractor shall provide the MLGCA with the plan for Conversion of all required data	Within 60 days of Effective Date
3.25.5	Subsection 1 Upon receiving MLGCA approval of its Business Requirements Documents, the Contractor shall develop corresponding Software Requirements Specification (“SRS”) documents	Within 45 days of approval of the Business Requirements Documents
3.27.5	The Contractor shall submit a detailed security plan to the MLGCA for approval	No Later than 90 60 Days prior to Start-up Date
3.27.8	Subsection 6.c 5,e The Contractor shall develop, document and implement a data security plan that is appropriate for the level of sensitivity/confidentiality of the information being processed	No Later than 90 Days prior to Start-up Date
3.27.8	Subsection 8 7 The MLGCA requires external, independent penetration tests and security reviews to be conducted regularly. The Contractor shall provide for independent, professional and The Contractor shall provide for independent, professional and credible security firms offering such security and penetration testing services	Annually
3.27.12.1	Subsection 1 The Contractor shall develop a disaster recovery plan and submit to the MLGCA for approval	No later than 45 days from Effective Date
3.27.12.1	Subsection 4 A written report of failover testing shall be supplied to the Contract Manager	Within 5 days of failover testing
3.29	Subsection 3 The Contractor must provide the Problem Escalation Procedure Plan	No later than 60 days after notice of recommended award

ATTACHMENT F – PRICE SHEET

This form must be completed in its entirety (prices must be provided for each section in Part A, each Task in Part B, and items in Part C as appropriate) and submitted by Offeror as its Financial Proposal.

PART A. – LOTTERY CENTRAL MONITORING AND CONTROL SYSTEM: The Offeror must provide its price in Section A(1) to provide all hardware, software, personnel and services including a Telecommunications Network required by this RFP for a Lottery Central Monitoring and Control System. The prices shall be expressed as Fixed-Price type Unit Prices based on a **Fixed Percent of Net Sales**. Offerors must provide their proposed incremental price to provide the various types of Additional Hardware stated in Sections A(2) – A(7) in the form of a **Fixed Monthly Fee** based on the various specified unit quantity ranges. **Price shall include the provision of necessary spare levels.**

Note: The Weighted Percentages used in A(2) – A(7) to calculate the Price represent the MLGCA’s estimate of the distribution of the actual quantity ranges to be purchased during the Contract.

<p>A(1). Proposed Fixed Percent for All Services & Hardware Required by This RFP for the LCMCS (Based on Hardware Listed below for up to 5,000 Retail locations, provided by Contractor)</p> <p>4,700 Retailer Terminals <u>with cash drawers</u></p> <p>1,800 Player Self Service Terminals</p> <p>4,700 Ticket Checkers</p> <p>4,700 Customer Advertising/Display Monitors</p> <p>5,500 Monitors to Support Monitor Games</p> <p>1,500 Double Jackpot Signs</p> <p>100 Keno Enunciator Boards</p> <p>80 Tablets/Laptops, printers and all equipment needed to support the Lottery Sales Force Automation system</p>	<p>A(1) _____ (%) Percent shall be stated to 5 decimal places (e.g.,0.00000)</p>
	<p align="right">% On Line A(1) x \$1.8 billion Net Sales (EST)</p>
<p>Estimated Annual Price for Section A(1)</p>	<p align="right">= \$ _____</p>

(This Page Revised 1/20/2016 - Amendment #1)

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