

REQUEST FOR PROPOSALS (RFP)

LOTTERY CENTRAL MONITORING AND CONTROL SYSTEM #2015-01

RESPONSES TO WRITTEN QUESTIONS (Q&A #6) March 23, 2016

This list of questions and responses #6 (Q&A#6) is being issued to clarify certain information contained in the above named Request for Proposals (RFP). The statements and interpretations of Contract requirements, which are stated in the following responses are not binding on the State, unless the State expressly amends the RFP. Nothing in the State's responses to these questions is to be construed as agreement to or acceptance by the State of any statement or interpretation on the part of the entity asking the question as to what the Contract does or does not require. Some questions have been edited for brevity and clarity, and duplicate questions may have been combined or eliminated.

The following are questions submitted pursuant to the RFP and the State Lottery and Gaming Control Agency's ("MLGCA") responses to those questions:

169. QUESTION: Q&A #4: In consideration of the response to Question No. 117 and the related Amendment item No. 32 set forth in Amendment #3, whereby the MLGCA provided "tiered" pricing, taking into consideration for items B(1)-B(5) and Sub-Part CII and CIII the Contract Year when the NTP is issued after the first year of the Contract, this Offeror also notes that the issue identified in Question No. 117 similarly applies for the items set forth in both: A(2)-A(7) (pages 246- 248 of the RFP) and Sub-Part CI (items CI(1)-CI(5) (pages 251-253 of the RFP). As such, will the MLGCA revise the Price Sheet for items A(2)-A(7) and items CI(1)-CI(5) to allow Offerors to provide similar "tiered" pricing that takes into consideration the Contract Year when the NTP is issued by the MLGCA, utilizing the same format used in Amendment #3? (i.e., If NTP Issued in Years 2 -3 If NTP Issued in Years 4 -5 If NTP Issued in Years 6 - 7 If NTP Issued in Years 8 – 10)

ANSWER: Yes, tiered pricing will be considered. (See Amendment #6 to the RFP)

170. QUESTION: Pricing Sheet: In connection with the Pricing Sheet for those certain Additional Task VI, Additional Business Enhancements, there are certain peripherals to the Terminals/Jackpot Signs that may be more properly priced (and included) in Sub-Part CI (under a Fixed Monthly Fee pricing scenario), as such peripherals are either connected to base Hardware (Terminals, PSSTs, Jackpot Signs) and/or to the Hardware to be offered under Sub-Part CI.

Will the MLGCA confirm that Offerors are permitted to include pricing for these Terminal/Jackpot peripherals under either: (i) the Sub-Part CI “Fixed Monthly Fee” pricing formula or (ii) the “Percentage of Net Sales” pricing formula permitted under Sub-Part CIII?

ANSWER: Yes (See Amendment #6 to the RFP)

171. QUESTION: Attachment F, Price Sheet, page 254: Some of the Tasks (Task VI, Sub-Part CIII) that vendors would like to provide are not suitable to be priced as required due to the nature of the product or service being considered. Would the MLGCA allow vendors to price Tasks (Task VI, CIII) in a format other than total sales (Draw and Instant based on \$1.8 Billion per year in sales)?

ANSWER: Yes (See Amendment #6 to the RFP)

172. QUESTION: It is noted that at least two of the members of the Evaluation Committee have, at various times, been employed by one or more prospective vendors in this procurement. Without questioning the integrity of any individual, it is respectfully suggested that in order to avoid any appearance of favoritism or bias former employees of prospective vendors should not be members of an Evaluation Committee tasked with reviewing proposals of their former employers. Will the MLGCA replace any members of the Evaluation Committee who have been employed by or contracted by prospective vendors to avoid creating grounds for a potential protest?

ANSWER: No, members of the Evaluation Committee will not be replaced. The members have been selected to bring a broad spectrum of knowledge and experience to this procurement process in order to obtain the best outcome for the State. While some members have prior employment or contractual relationships with potential offerors, that is very common in the lottery industry. People move between companies and jurisdictions regularly, especially those who have been working in the lottery industry for a number of years. Each of the potential offerors employs individuals who previously worked at a competitor and they are able to perform their professional responsibilities, just as the MLGCA Evaluation Committee members will.

173. QUESTION: In the document “MBEs Currently Used” posted on the Lottery web site, the totals for 2016 do not appear to be correct? Also, is there an explanation as to why the expenditures for L. Meyers & Assoc. jumped from 2.1 million in 2014 to 3.6 million in 2015?

ANSWER: There was an error in the previously posted file “MBEs Currently Used”. A corrected file has been posted to the website “MBEs Currently Used (Revised 2/29/2016)”. The MLGCA has no explanation for the increased expenditure for L. Meyers & Assoc. other than more paper was purchased during 2015.

174. QUESTION: We are trying to understand any potential integration between the current central system provider, the Retailer terminals, the communications network, and the ITLMs provided by Diamond Game, and what if any impact that will have for the new system provider and its new terminals, communications and the Diamond Game machines. Is the current central system or the current terminals supporting validation or some accounting functions for activities from the Diamond Game machines ?

ANSWER: ITLMs are not connected to the Lottery Central Monitoring & Control System. ITLM patrons are not validating anything through the current Extrema terminals. They are validating through the Diamond Game central system. The entire ITLM program is handled outside of the Lottery Central Monitoring & Control System.

See RFP Section 3.2.1 HISTORY:

"In 2014 Instant Ticket Lottery Machines (“ITLM”) were approved for Veterans’ Organizations located in certain counties in the State. The Law authorizes the issuance of up to 5 ITLMs for each licensed organization and it is estimated that there are currently 150 qualified organizations that may apply for the ITLMs.

The Contractor is not responsible for the operation of VLTs or ITLMs."

Also, see the Answer to prior Question #110 (Q&A#3).