

VIDEO LOTTERY TERMINALS AND RELATED SERVICES MASTER CONTRACT (#2009-12)

REQUEST FOR QUOTATION (RFQ) - SUPPLEMENTAL

KEY INFORMATION SUMMARY

RFQ Number:	2009-12-012(supplemental)OD (IGT) (Original RFQ/NTP: 2009-12-012OD)
Facility/Delivery Location:	<u>Worcester County</u> Ocean Enterprises 589, LLC Casino at Ocean Downs 10218 Racetrack Road Berlin, MD 21811
Issue Date:	May 18, 2011
Due Date and Time:	May 26, 2011 @ 12:00 noon (Local Time)
Issuing Agency:	Maryland State Lottery Commission by and through the Maryland State Lottery Agency
Send Proposals and Questions to Procurement Officer:	Robert W. Howells, Director of Procurement Maryland State Lottery Agency Montgomery Park Business Center 1800 Washington Boulevard-Suite 330 Baltimore, MD 21230 Phone: 410-230-8789 Fax: 410-230-8727 e-mail: rhowells@msla.state.md.us
Contract Manager:	Edward Gordon, Project Manager Maryland State Lottery Agency Montgomery Park Business Center 1800 Washington Boulevard-Suite 330 Baltimore, MD 21230 Phone: 410-230-8947 Fax: 410-230-8727 e-mail: egordon@msla.state.md.us
Period of Performance:	Estimated June 1, 2011 – March 31, 2015 (Estimated issuance of NTP – June 1, 2011)
MBE Goal:	25%
Fidelity Bond	N/A
Performance Bond	N/A

Central System:	GTECH
Player Tracking System:	Bally – SDS EPI
<u>VLTs Required</u>	
<u>Quantity (Total)</u> <u>27</u>	<u>Model/Type/Denomination</u> See Attachment 1 – Required VLTs/Price Proposal
<u>Key Dates</u>	
BIN Files Delivered to Commission (Required)	Not Later Than July 1, 2011*
Testing Certification Letters Delivered to Commission (Required)	Not Later Than July 1, 2011*
Delivery of VLTs To Facility (Required)	Not Later Than July 15, 2011*
Operational Date (Target)	To Be Determined
	(* Note: Contractors may deliver VLTs to Facility at any time prior to date specified upon notification to Commission and coordination with Facility)

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SECTION 1 - ADMINISTRATIVE INFORMATION

1.1 PURPOSE

The Maryland State Lottery Commission ("Commission") is issuing this supplemental Request for Quotation ("RFQ") to Master Contractors under the Video Lottery Terminals and Related Services Master Contract #2009-12 ("Master Contract") to obtain additional Video Lottery Terminals and related services defined in Section 2 - Scope of Work for the Casino at Ocean Downs VLT Facility in Worcester County.

The Master Contractor is required to provide VLTs under the lease and purchase Methods of Acquisition, as well as the installation, implementation, and ongoing support and maintenance for the term of the contract of these VLTs at the specified Facility. Master Contractors capable of providing the required VLTs and services are invited to submit a response to this RFQ.

1.2 MASTER CONTRACT

In addition to the requirements of this supplemental RFQ, Master Contractors are subject to all terms and conditions contained in the Master Contract and the original RFQ/NTP. This RFQ incorporates all of the terms and conditions of the Master Contract and shall not amend, conflict with or supercede the Master Contract, unless specifically stated herein. All terms defined in Section 1.4 of the Master Contract have the same meanings in this RFQ.

1.3 RESPONSIBILITY FOR REQUEST FOR QUOTATION AND NOTICE TO PROCEED

The Procurement Officer has the sole responsibility for the management of the RFQ process, issuing of a Notice to Proceed ("NTP"), resolution of scope issues, and authorizing any changes.

The Contract Manager has the primary responsibility for the day-to-day management of the work performed under the NTP; administration functions, including issuing written directions; ensuring compliance with the terms and conditions of the Master Contract; and, in conjunction with the selected Master Contractor, achieving on budget/on time/on target completion of the Scope of Work.

1.4 QUESTIONS

The Procurement Officer will accept written questions from Master Contractors prior to the Due Date and Time. E-mail is the preferred method of written communication.

1.5 SUBMISSION OF RESPONSE TO RFQ

The submission of responses to this RFQ shall be in accordance with Section 3.

All responses must be received by the Procurement Officer at the address and no later than the Due Date and Time specified in the Key Information Summary. Requests for extension of the Due Date and Time will not be granted. Responses shall be sent by e-mail. Master Contractors should allow sufficient delivery time to ensure timely receipt by the Procurement Officer. The

time will be local time as determined by the Commission's e-mail system time stamp.

All written materials must be in English.

1.6 ORAL PRESENTATIONS

Master Contractors may be required to make an oral presentation to the Commission or its staff in order to clarify their responses. Significant representations made by a Master Contractor during the oral presentation shall be submitted in writing and will become binding upon the Master Contractor.

1.7 PUBLIC INFORMATION ACT NOTICE

A Master Contractor should give specific attention to the clear identification of those portions of its response that it deems to be confidential, proprietary commercial information or trade secrets, and provide justification of why such materials, upon request, should not be disclosed by the State pursuant to the Access to Public Records Act ("PIA"), Title 10, Subtitle 6, State Government Article, Annotated Code of Maryland. A blanket statement that its entire response is confidential, proprietary commercial information or a trade secret is unacceptable. Responses shall be open to public inspection only after a NTP is issued, to the extent permitted by the PIA. Upon request for this information from a third party, the Procurement Officer is required to make an independent determination whether the information may be disclosed. (See COMAR 21.05.08.01)

1.8 MINORITY BUSINESS ENTERPRISE (MBE)

A minimum certified Minority Business Enterprise ("MBE") participation goal as stated in the Key Information Summary has been established for this RFQ. Master Contractors have previously submitted the "Offeror's Acknowledgement of RFQ/NTP MBE Requirements" affidavit.

The Commission has identified the work areas below which may be as much as 100% subcontractable to certified MBEs. A Master Contractor may consider these identified work areas, as well as any others it may identify, for MBE participation.

- | | |
|---|----------------------|
| 1) VLT installation | 7) Software |
| 2) VLT maintenance, conversions, relocation | 8) Insurance/bonding |
| 3) Transportation/Freight Management | 9) Financing |
| 4) Security | 10) Consulting |
| 5) Office/Warehouse requirements | 11) Distributorships |
| 6) Vehicle service | |

No additional MBE submission is required with this supplemental RFQ. All MBE forms provided in compliance with and MBE requirements specified in the original RFQ/NTP shall continue in full force and effect and be applicable to this Supplemental RFQ.

1.9 BOND REQUIREMENTS

No additional bond submission is required with this supplemental RFQ. All bonds provided in compliance with and bond requirements specified in the original RFQ/NTP shall continue in full force and effect and be applicable to this Supplemental RFQ.

1.10 DURATION OF OFFER

Responses to this RFQ are irrevocable for ninety (90) days following the Due Date and Time or of Best and Final Offers (“BAFO”), if requested. This period may be extended only by written mutual agreement between the Master Contractor and Commission.

SECTION 2 – SCOPE OF WORK

2.1 GENERAL REQUIREMENTS

The Commission is issuing this RFQ to obtain the Video Lottery Terminals and related services as specified below. The Master Contractor is required to provide VLTs under the lease and purchase Methods of Acquisition, as well as the installation, implementation, and ongoing support and maintenance for the term of the contract of these VLTs at the specified Facility.

2.2 VLTS REQUIRED

2.2.1 The Master Contractor shall provide the quantities, models and types of VLTs stated in the Key Information Summary in accordance with this RFQ and the specifications contained in:

- (1) The Master Contract;
- (2) COMAR 14.01.15 - Video Lottery Technical Standards (which contains VLT machine standards and testing standards); and
- (3) Attachment 1 – Required VLTs/Price Proposal.

2.2.2 The Master Contractor shall:

- (1) Equip each VLT with:
 - The GTECH Connection Kit (fiber communication board and fiber jumper);
 - All necessary hardware and software to comply with the requirement to be "TITO enabled"; and
 - All necessary chips and software for configuration and operation based on the specific RFQ requirements.
- (2) Provide Concatenated binary files ("BIN Files") to the Commission at the address below a minimum of two (2) weeks prior to the required delivery of VLTs (See Key Information Summary for required Delivery Date and Naming Convention/BIN Files – Attachment 2 contained in original RFQ):

Maryland State Lottery Commission
Attn: Edward Gordon
Montgomery Park Business Center
1800 Washington Boulevard – Suite 330
Baltimore, MD 21230

- (3) Provide keys to the VLTs main processing unit in accordance with RFP Section 5.2.1.3 – Security Lock to the Commission at the Facility address specified on the Key Information Summary. All VLTs shall be keyed the same, and shall be keyed the same as VLTs acquired under the original RFQ/NTP.

2.2.3 For the purpose of clarity for this RFQ, the requirement of the RFP in Section 5.9.4 – Performance Replacement that "VLTs that have been purchased shall be subject to these provisions for a term of up to two years..." is clarified and revised to be "VLTs that have been purchased shall be subject to these provisions for a term of one (1) year from the first day of

operational sales for a newly installed VLT or upgraded VLT.

2.3 VLT MAINTENANCE AND SUPPORT

The Master Contractor shall be responsible for all maintenance and associated costs for its VLTs and shall implement and manage all maintenance in accordance with the Master Contract Section 5.6.3 and the Maintenance Plan submitted with its proposal and approved by the Commission.

2.4 DELIVERY AND INSTALLATION

The Master Contractor, in accordance with the information specified in the Key Information Summary, shall:

- Deliver VLTs to the specified Facility address in compliance with the specified Delivery Date and the schedule provided in its RFQ response and approved by the Commission;
- Install VLTs at the Facility in coordination with and on a schedule established by the Commission and Facility; and
- Deliver to GTECH and install at the following addresses for testing purposes up to two (2) additional VLTs of each model, as required:

GTECH Corporation
Attn: Jeff Patchen (cell: 443-220-3278)
Montgomery Park Business Center
1800 Washington Boulevard – Suite 320
Baltimore, MD 21230

If also required:
GTECH Corporation
Attn: Jordan McCabe
328 Urquhart Avenue
Moncton, New Brunswick, Canada E1H2R6

2.5 SHIPPING

The Master Contractor shall send by e-mail to the following address all written notifications to the Commission regarding shipping required for compliance with the Master Contract Section 5.8.1:

Maryland State Lottery Commission
Attn: Edward Gordon
egordon@msla.state.md.us

2.6 TESTING

The Master Contractor shall require its selected testing laboratory to send all written notifications to the Commission at the below address regarding testing, including testing certification letters from the testing laboratory, required for compliance with the Master Contract Section 5.7. Certification letters shall certify at a minimum, but not limited to, compliance with all Maryland

requirements to include the RFQ, RFP/Master Contract, Laws and Regulations.

Maryland State Lottery Commission
Attn: Edward Gordon
Montgomery Park Business Center
1800 Washington Boulevard – Suite 330
Baltimore, MD 21230

2.7 REPORTING

2.7.1 PROGRESS REPORTS

The Master Contractor shall periodically conduct progress meetings and submit progress reports to the Commission on a schedule as directed by the Commission.

Reports shall be submitted in Microsoft Excel or Project format, or other format as directed by the Commission.

2.7.2 MBE PARTICIPATION REPORTS

Monthly reporting of MBE participation is required in accordance with the terms and conditions of the Master Contract by the 15th day of each month.

All MBE reporting requirements specified in the original RFQ/NTP shall continue in full force and effect and be applicable to this Supplemental RFQ.

SECTION 3 – RFQ RESPONSE FORMAT AND SUBMISSION REQUIREMENTS

3.1 REQUIRED RESPONSE

Each Master Contractor receiving this RFQ must respond within the Due Date and Time designated in the Key Information Summary Sheet. Each Master Contractor is required to submit either 1) a response to the RFQ; or 2) a written notification that it does not intend to submit a RFQ response and stating the reasons why.

3.2 FORMAT

A Master Contractor shall submit its RFQ response in conformance with the requirements of the Master Contract. The RFQ response shall contain the following sections:

3.2.1 TECHNICAL RESPONSE

The Master Contractor should address all requirements and describe how it proposes to meet each requirement. Specifically, the RFQ response should address, but not be limited to, the following:

A) Proposed VLTs

- 1) Provide acknowledgement of the Master Contractor's ability to supply the required VLTs, meet all time and technical requirements (to include the RFQ, RFP/Master Contract, Laws, Regulations, and GTECH/Maryland Lottery-SAS Implementation Guide for Slots Vendors – Revision 2.5) and provide a description of the VLTs;
- 2) Detailed description of Maintenance Plan to include, but not limited to, staffing, spares, warranty and uniform policy for VLT technicians, based on an update and expansion of the Maintenance Plan submitted by the Master Contractor with its proposal and approved by the Commission;
- 3) Provide schedule for building, shipping, delivering and installing the VLTs at the Facility, in compliance with the specified Delivery and Operational Dates and subject to Commission approval. Include the timeline for submission of chips for testing, BIN files and certification letters. (Note: Only provide BIN files and certification letters for games actually ordered by the Commission) The finalized version of this schedule, when approved by the Commission, shall become binding upon the Master Contractor;
- 4) Provide End of Life Information for each VLT, as applicable; and
- 5) Identify the certified testing laboratory to be used and provide acknowledgement of the requirement to make submission to the testing laboratory in compliance with the regulations, including a copy of the submission cover letter sent to the laboratory.

B) Confidentiality

- 1) A Master Contractor should give specific attention to the identification of those portions of its proposal that it considers confidential, proprietary commercial information or trade secrets, and provide justification why such materials, upon request, should not be disclosed by the State under the Public Information Act, Title 10, Subtitle 6, of the State Government Article of the Annotated Code of Maryland. Contractors are advised that, upon request for this information from a third party, the Procurement Officer will be required to make an independent determination regarding whether the information may be disclosed.

3.2.2 FINANCIAL RESPONSE

- C) The Master Contractor shall complete Attachment 1 – Required VLTs/Price Proposal, for all types and models of VLTs, maintenance services and associated equipment that it is proposing under the RFQ.
- D) Master Contractor shall include in its Price Proposal for each VLT pricing for all Methods of Acquisition indicated. If a Method of Acquisition is not available for a specific VLT, so indicate on the Price Proposal.
- C) The prices proposed shall not exceed the maximum prices contained in the Master Contract and shall comply with all requirements of the Master Contract's Financial Proposal Sheet. Master Contractors may offer more favorable prices to the Commission in the RFQ response.
- D) The Offeror's proposed price shall be fully loaded and expressly include overhead expenses (e.g., fringe benefits, administrative costs, profits, etc.), and all related and incidental expenses (e.g., travel, legal services) associated with providing all goods and services and equipment required by this RFQ. No other amounts or costs will be paid to the Contractor. Specifically, no taxes or assessments or license fees or permits of any type will be paid in addition to the price(s) proposed on the Price Proposal.

SECTION 4 – RFQ/NTP AWARD PROCESS

4.1 OVERVIEW

The Master Contractor will be selected from among all eligible Master Contractors responding to the RFQ. In making the RFQ award determination, the Commission will consider all information submitted in accordance with Section 3.

4.2 TECHNICAL EVALUATION CRITERIA

The following technical criteria, in descending order of importance, will be used to evaluate a response to a RFQ:

- 1) Proposed VLTs and compliance with specifications
- 2) Maintenance Plan/Warranty
- 3) Delivery and Installation Schedule
- 4) Other services proposed

4.3 SELECTION PROCEDURE

4.3.1 The Commission reserves the right to accept or reject any or all responses, in whole or in part, received in response to this RFQ, to waive or permit cure of minor irregularities, and to conduct discussions with Master Contractors in any manner necessary to serve the best interests of the State. This may be followed by submission of revised responses and a BAFO. This request does not commit the Commission to award a NTP. The Commission also has the right, in its sole discretion, to award a NTP based upon the written responses received without prior discussions with respect to those responses.

4.3.2 RFQ responses will be assessed for the quality of responses to Section 3.2.1 of the RFQ. RFQ responses deemed technically qualified will have their price proposal considered. All others will be deemed not reasonably susceptible to award and will receive e-mail notice from the Procurement Officer of not being selected to perform the work.

4.3.3 Qualified RFQ price responses will be reviewed in consideration of the maximum prices set by the Master Contract and the preferred VLTs as specified by the VLT Facility operator.

4.3.4 Upon completion of all Discussions and Best and Final Offers, if any, the most advantageous RFQ response considering the technical and financial submission shall be selected. In making this selection, technical merit has greater weight than price.

4.4 COMMENCEMENT OF WORK PURSUANT TO AN RFQ/NTP

When the Procurement Officer issues a NTP, the selected Master Contractor will be bound by the Master Contract to the contents of the RFQ and its response to the RFQ, including the Price Proposal. Commencement of work in response to an RFQ may occur only upon issuance by the Procurement Officer of a written NTP to the Master Contractor.

**VIDEO LOTTERY TERMINALS
AND RELATED SERVICES (#2009-12)**

This form must be completed in its entirety and submitted by the Master Contractor with its RFQ response

Do Not change or alter this form.

All Prices proposed shall be firm fixed prices for each year of the Contract, to include the Renewal Option period, if exercised, as specified below. Master Contractors are reminded that the prices contained in the Master Contract are the maximum prices that the State will pay and Master Contractors may offer more favorable prices to the State in its response to this RFQ.

Purchase and Fixed Daily Amount Methods of Acquisition: The Master Contractor shall state its proposed prices for all of the required items in Section I and II below, stated as dollar amounts, for the first year of the Contract.

Percentage of Proceeds Method of Acquisition: The Master Contractor shall state its proposed prices for all of the required items in Section I and II below, stated as a percentage of Proceeds, for the various defined ranges of Win Per Unit Per Day. The proposed prices shall be valid for the entire Contract term including the Renewal Option period.

I. – PROPOSED PRICES - REQUIRED

The Master Contractor shall state its proposed price to provide all goods and services, equipment, hardware, software and personnel required by this RFQ for providing VLTs. Specifically included in the price shall be all functions, features, services, solutions, and capabilities specified in the Master Contract and this RFQ. Optional features, upgrades, etc. that are available at extra cost should be provided in Section II. The price, for each of the three (3) Acquisition Options, or "Other Pricing Options" that the Master Contractor may desire to propose, shall be expressed as a Firm Fixed Unit Price for each of the following:

- 1) VLT – Standard Configuration to include Bill Validator/Cash Box, Ticket Printer, Video Monitor, Player Tracking System Mounting Bracket, GTECH Connection Kit (fiber communication board and fiber jumper), and TITO enabled.
- 2) Maintenance
- 3) Purchase Conversion Allowance
- 4) Performance Conversion Allowance
- 5) Trade-in Allowance
- 6) Machine Conversion Kit

Master Contractors shall record all proposed prices on the attached file: EXCEL RFQ-Attach 1-VLTs Required-Price.

Any game titles or denominations not specified on the attachment will be specified in the NTP.

Notes for Excel attachment:

(*) See Section III for Yearly % Adjustment to be applied to Year #1 Price

(**) Win Per Day ("WPD") is average WPD for the month.

II. – PROPOSED PRICES - OPTIONAL

Master Contractors are encouraged but not required to propose additional functions, innovative features, services, and solutions. Such options that are available at additional cost shall be clearly described in the RFQ response and their corresponding prices listed as separate line items.

Any optional item for which there is no additional cost can be shown as No Charge (N/C).

Master Contractors shall record all proposed prices on the attached file: EXCEL RFQ-Attach 1-VLTs Required-Price.

III. – % ADJUSTMENT FOR CONTRACT YEARS #2 AND SUBSEQUENT

For the Purchase and Fixed Daily Amount Methods of Acquisition, the Master Contractor shall state its proposed price adjustment, stated as a single percentage which shall be applicable to all required items, for each of the Contract years #2 through 5 and a single percentage adjustment to be applied to all of the Renewal Option years #6 through 10.

Contract Year 1	Contract Year 2	Contract Year 3	Contract Year 4	Contract Year 5	Renewal Option Years 6 - 10
\$ Amount	% Adjustment	% Adjustment	% Adjustment	% Adjustment	% Adjustment
N/A Specified in Section I					

Signature: _____ Date: _____
 Primary Offeror/Contractor

Name: _____ Title: _____
 (Printed or Typed)

Company: _____ Federal Tax ID#. _____

Address: _____