

## AMENDMENT #2 – November 24, 2009

### REQUEST FOR PROPOSALS (RFP)

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

This **Amendment #2** 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~~).

4. **REVISE: KEY INFORMATION SUMMARY SHEET.**

**Due Date for Receipt** **December 16** ~~November 24~~, 2009 by 2:00 p.m. (Local Time)  
**of Proposals:**

5. **REVISE: SECTION 1.1.5.**

The Offeror shall include with its proposal a completed Application for a VLT Manufacturer's License, related forms and Application and **License** ~~Background Investigation~~ Fees as described in Section 9.1 and 9.2. Application forms are available electronically on the Lottery's website: [www.mdlottery.com](http://www.mdlottery.com).

6. **REVISE: SECTION 1.3.4 LICENSE APPLICATION AND FEES.**

The Offeror shall include with its proposal a completed Application for a VLT Manufacturer's License, related forms and all required Application Fees and **License** ~~Background Investigation~~ Fees. Fees shall be in the form of a certified check payable to the Maryland State Lottery Agency or a wire/electronic transfer. (See RFP Sections 7.3.1, 9.1 and 9.2)

7. **REVISE: SECTION 1.4 GLOSSARY.**

**Progressive Jackpot** – A prize that increases as one or more VLTs ~~are~~ connected to a Progressive Jackpot System **are played**.

8. **REVISE: SECTION 3.4 SCHEDULE.**

The key Dates for this project stated below are for informational and planning purposes. The Commission reserves the right to change any of these dates.

<u>Event</u>	<u>Date</u>
Issue Date of RFP	October 26, 2009
Pre-Proposal Conference	November 10, 2009
Proposals Due	<del>November 24, 2009</del> <b><u>December 16</u></b>
Oral Presentations ( <b>Approximately</b> )	December <b><u>(TBD)</u></b> 7-11, 2009
Contract Start	December, 2009

9. **REVISE: SECTION 3.7 PROPOSAL SUBMISSION, sub-paragraph 3.7.1 Due Date for Receipt of Proposals.**

The submission of Proposals shall be conducted as described in Section VII.

**All proposals must be received by the Procurement Officer, at the address listed in Section 3.1.1 and the Key Information Summary Sheet, no later than 2:00 p.m. (Local Time) on December 16 ~~November 24~~, 2009, in order to be considered.**

10. **REVISE: SECTION 3.21 MINORITY BUSINESS ENTERPRISE ("MBE") SUBCONTRACT PARTICIPATION GOAL.**

**3.21.3** Forms required to be submitted are contained in Appendix D: Minority Business Enterprise ("MBE") Instructions/Forms.

**Each Offeror shall complete, sign and include with its Proposal submitted in response to this RFP Attachment D-1 (Master) – Offeror's Acknowledgement of RFQ/NTP MBE Requirements.** (Note: If the Offeror fails to submit Attachment D-1 (**Master**) at the time of submittal of its Proposal as required, the Procurement Officer shall determine that the proposal is not reasonably susceptible of being selected for award)

**Submission of Attachment D-1 (Master) is the only MBE requirement at the time of submission of a Proposal in response to this RFP. Other MBE requirements described in this Section 3.21 shall apply at the time of issuance of a RFQ/NTP.**

**Master Contractors responding to a RFQ containing an MBE goal shall complete, sign and include with its response to the RFQ Attachment D-1 - Certified MBE Utilization and Fair Solicitation Affidavit and Attachment D-2 - MBE Participation Schedule. (Note: If the Offeror fails to submit Attachments D-1 and D-2 at the time of submittal of its response to a RFQ as required, the Procurement Officer shall determine that the response is not reasonably susceptible of being selected for award)**

**A Master Contractor, once awarded a NTP, will be responsible for submitting the following forms to provide the State with ongoing monitoring of MBE Participation:**

**D-3 (Outreach Efforts Compliance Statement)**

**D-4 (Subcontractor Project Participation Statement)**

**D-5 (MBE Participation Prime Contract Paid/Unpaid MBE Invoice Report)**

**D-6 (MBE Subcontractor/Master Contractor Unpaid MBE Invoice Report)**

Note: Attachment D-1 (Master) is a new form and is attached to this Amendment.

**11. ADD: SECTION 4.3.2 Invoices for the Leasing of VLTs.**

**Invoices for the Leasing of VLTs**

**The Contractor shall submit invoices to the Commission in accordance with the Financial Proposal – Appendix F. Invoices shall itemize the charges for VLTs that are installed at the Facilities. No charges shall be due for VLTs that are not "on the floor" and operational. For VLTs installed/removed during the month, monthly charges shall be pro-rated based on the day of installation/removal. All invoices submitted to the Commission for payment shall list all VLTs being billed and include the Serial number, Facility and the number of days in service during the billing month for each VLT on the invoice.**

**12. REVISE: SECTION 4.30.3 RIGHTS IN PRODUCTS, first paragraph.**

All ideas, concepts, know-how and techniques and each invention, discovery and improvement thereof, exclusively made or conceived for the Commission by Contractor or its employees separately or jointly with Commission personnel in the course of performance under this Contract, whether reduced to practice or not ("New Innovations"), together with all Intellectual Property Rights relating thereto ("New Intellectual Property Rights"), shall be owned solely and exclusively by the Commission and may be used by the Contractor only upon written agreement with the Commission.

**13. REVISE: SECTION 4.39 LOTTERY AND VLT PLAY AND PRIZE PAYMENT RESTRICTIONS.**

**LOTTERY AND VLT PLAY AND PRIZE PAYMENT RESTRICTIONS**

~~In accordance with Section 9-123 of the Maryland State Government Article, Annotated Code, no officer or employee of the Lottery, their spouse, child, brother, sister, or parent residing in the household of such officer or employee shall purchase a Maryland Lottery ticket or be paid a prize in any Maryland Lottery game. During the term of this Contract, this restriction as well as a similar restriction on the playing of VLTs at any Facility within the State and receiving payment of a prize by any Maryland VLT Facility shall also apply to officers and employees of the Contractor or of any subcontractor whose use is subject to Commission approval who are directly involved~~

with the Commission's account, and their spouse, child, brother, sister, or parent residing in the household of such officer or employee. ~~This restriction also applies to the purchase of the multi-state game known as Mega Millions, which shall not be purchased in any participating state.~~ The Contractor shall ensure that this requirement is made known to each officer and employee of the Contractor and any subcontractor whose use is subject to Commission approval. The Commission shall have the sole discretion to determine the applicability of this restriction to any specific individual.

**14. REVISE: SECTION 4.43.5 DELIVERY AND INSTALLATION OF VLTS.**

**4.43.5.2 Damage**

In the event that the Contractor fails to deliver and install a VLT to a Facility within the schedule specified in the NTP, **unless the reason for the delay is outside of the Contractor's control or responsibility**, the Commission may impose liquidated damages in the amount of up to One Hundred Dollars (\$100.00) per VLT per day for each day or fraction thereof in excess of the specified delivery date that the VLT is not delivered and installed at the specified Facility.

**15. DELETE: SECTION 4.43.10 COUNTERFEIT ITEMS.**

**4.43.10.1 Condition**

~~Acceptance of counterfeit bills, tickets, coupons, coins, or tokens resulting in the wrongful award credits and any subsequent additional play or jackpot associated with such acceptance.~~

**4.43.10.2 Damages**

~~For any counterfeit bills, tickets, coupons, coins or tokens accepted by the VLT, the Commission may impose liquidated damages in the amount of up to the face amount of the counterfeit item(s) accepted plus \$1,000 for each occurrence.~~

**16. REVISE: SECTION 4.43.13 UNAUTHORIZED ACCESS.**

**4.43.13.2 Damage**

If the Contractor fails to prevent access by unauthorized personnel **to those areas of a VLT for which the Contractor has exclusive control and responsibility**, the Commission may impose liquidated damages in the amount of up to \$10,000 for each person, for each occurrence in violation. An occurrence shall be defined as each and every act that permits access by an unauthorized person.

**17. REVISE: SECTION 4.44.3 FIDELITY BOND, first paragraph.**

The Contractor shall submit to the Procurement Officer, within ten (10) business days after receipt of a Notice to Proceed ("NTP"), a Fidelity Bond in an amount ~~to not to~~

~~exceed One Million Dollars (\$1,000,000.00). The exact amount of the Fidelity Bond will be specified in the NTP, taking into consideration the dollar value and amount of VLTs covered by the NTP. **Master Contractors will be advised of the Fidelity Bond requirement at the time of issuance of a RFQ so that information will be available to be incorporated into their preparation of a response to the RFQ.**~~

18. **REVISE: SECTION 4.44.4 PERFORMANCE BOND**, first paragraph.

The Contractor shall submit to the Procurement Officer, within ten (10) business days after receipt of a Notice to Proceed ("NTP"), a Performance Bond in an amount ~~to not exceed Two Million Five Hundred Thousand Dollars (\$2,500,000.00). The exact amount of the Performance Bond will be specified in the NTP, taking into consideration the dollar value and amount of VLTs covered by the NTP. **Master Contractors will be advised of the Performance Bond requirement at the time of issuance of a RFQ so that information will be available to be incorporated into their preparation of a response to the RFQ.**~~

19. **REVISE: SECTION 4.45 INSURANCE REQUIREMENTS**, sixth paragraph.

The Contractor shall require that the policies of insurance name the Commission as an additional insured, **as allowable**, and that each insurer shall provide to the Commission sixty (60) days written notice of non-renewal, cancellation, or material modification of the insurance policy by either the insurance carrier or the Contractor. Upon notification of non-renewal or cancellation, the Contractor shall provide replacement coverage effective prior to the expiration of the sixty (60) day notice period, or Contractor may be deemed to be in default of this Contract.

20. **ADD: SECTION 5.2.1.33 Concatenated Binary Files**

**5.2.1.33 Concatenated Binary Files**

**The Contractor shall ship each VLT with the Concatenated Binary Files included and ready to be loaded on the Central System. The Contractor shall also provide a file for each VLT containing all VLT information such as, but not limited to, name, serial number, printer, bill validator, etc.**

21. **REVISE: SECTION 5.4.3.2 Minimum Probability.**

**5.4.3.2 Minimum Odds Probability.** Each VLT shall have **odds** a probability that shall not exceed 1 in fifty million (1:50,000,000) of obtaining the maximum payout for each play.

22. **REVISE: SECTION 5.4.5 Play Transaction Records.**

VLT shall not have any mechanism that allows or causes the electronic accounting meters to automatically clear.

Each VLT shall at all times maintain electronic accounting. In the event of a power interruption the VLT shall maintain accounting for a minimum period of ten (10) days. Each meter shall maintain a total of no fewer than ten (10) ~~eleven (11)~~ digits in length for each type of information required to be recorded. The electronic meters shall record, at a minimum where available, the following information:

**23. REVISE: SECTION 5.5.6 Signage.**

The Contractor shall be responsible for all signage as it relates to franchise, premium and theme VLTs. All other signage will be the responsibility of the Facility. **"Signage" shall mean anything not integral to a VLT that indicates and advertises the presence of a VLT.**

**24. REVISE: SECTION 5.6.3.7 Maintenance Logs.**

**The Contractor shall supply maintenance log forms with each VLT and a** A written maintenance log shall be kept within the main cabinet access area in each VLT. Every person, including Commission personnel, who gains entry into any internal space of a VLT shall sign the log, record the time and date of entry and list the areas inspected or repaired. The maintenance log forms will be retained by the Facility for a period of three (3) years from the date of the last entry and be available upon request for inspection by the Commission.

**25. REVISE: SECTION 5.7 TESTING**

**5.7.1** The Commission shall require the Contractor to utilize the services of one or more independent certified testing laboratories ~~under contract with the Commission.~~ **The Contractor shall submit to the Commission for prior approval the name of the laboratory, or laboratories, that it intends to utilize.**

**5.7.2** All testing will be performed, approved and certified by ~~one or more independent testing laboratories under contract with the Commission.~~ **The Contractor shall ensure that all facets of each VLT are tested by an independent certified testing laboratory approved by the Commission in advance of installation on the gaming floor of a Facility. The Contractor shall be responsible for the submission and all associated costs of VLT required software to a recognized independent gaming laboratory. The Commission at its sole discretion shall have the right to require the Contractor to test any hardware or firmware at any time.**

**Before submission to the laboratory the Contractor will provide documentation to the Commission detailing the component to be tested, a full description of the change(s) and the script used for testing all features and functions of the component.**

**The Contractor shall provide an industry standard report from the laboratory certifying that the VLT or component tested conforms to all functional and technical testing standards.**

**26. REVISE: SECTION 5.8.1 Shipping of VLTs.**

**5.8.1.2** The Contractor shall submit written notice to the Commission a minimum of seven (7) days ~~two (2) weeks~~ prior to transporting a VLT.

**27. DELETE: SECTION 5.9 VLT PERFORMANCE, 5.9.1 Performance Reports.**

**~~5.9.1 Performance Reports~~**

~~The Central System will generate a series of reports to the Commission and the Contractor that define the performance of the VLTs. The reports will apply to the overall population of VLTs, to VLTs provided by the Contractor, and to defined groups within the total VLT population. Typical groups of “similar” VLTs to be compared using such performance data will include, for example, video VLTs against other video VLTs, and reel-type VLTs against other reel-type VLTs.~~

~~The Contractor shall provide to the Commission monthly performance data for its comparable VLTs as available from other geographical jurisdictions within 500 miles of the State. This shall include, but is not limited to, Win per day per VLT, the number of VLTs the Offeror has in the facility and the total number of VLTs in the facility.~~

**28. DELETE: SECTION 5.10 REPORTS, report #1 Jurisdictional Performance Report.**

~~1. **Jurisdictional Performance Report (see Section 5.9.1)** (provide daily or as requested) sorted by Facility and by VLT, that summarizes the last polled date by serial number, reason for error, and poll address.~~

~~a. Jurisdiction – State, Province~~

~~b. Facility Name~~

~~c. Facility Address~~

~~d. VLT Grouping by Type~~

~~e. Win Per Unit per Day~~

~~i. By Grouping~~

~~ii. By VLT~~

**29. REVISE: SECTION 5.11 VLT SELECTION AND ORDERING PROCESS.**

The Commission will not designate or require a specific percentage or quantity of VLTs or games per manufacturer to be allocated at a Facility, but will work with each Facility to identify the best mix of VLTs within its budgetary and fiduciary responsibility. VLTs may be selected and ordered from the Contractor in accordance with this section.

The Commission will issue a Request for Quotation (“RFQ”) as needed throughout the term of the Master Contract to acquire VLTs whereby eligible Contractors will be invited to participate in a secondary level of competition to provide a specific order of VLTs. At minimum, each RFQ will contain the following information:

- Type/Model of VLTs
- Number of VLTs
- Technical Requirements
- **Demonstrations/Presentations required, if any**
- **Method of Acquisition**
- **End of Life information**
- Delivery schedule, not to exceed ninety (90) days
- Facility
- MBE Participation Goal (\*)
- **Fidelity and Performance Bond requirements**
- Criteria to be used for making the selection
- Due date for submission of proposal in response to the RFQ

\* Master Contractors responding to a RFQ containing an MBE goal shall submit Attachments D-1 and D-2 at the time of submission of a response to the RFQ. **Notice of the RFQ will also be provided to the Governor's Office of Minority Affairs.**

The Contractor shall respond within the timeframe stated in the RFQ with either a response to the RFQ or a written notification that it does not intend to submit a response and the reasons why. RFQ responses shall be sent via e-mail to the Procurement Officer. Responses not received within the specified timeframe or not meeting the requirements of the RFQ will be disqualified.

The amounts stated on Attachment F-Financial Proposal Sheet are the maximum prices that the Commission will pay. The Contractor's price offered in the RFQ may reflect prices that are more favorable to the Commission.

Based on the evaluation of the responses to the RFQ, a Contractor will be selected and the Procurement Officer will issue a Notice to Proceed ("NTP") for any VLTs to be delivered under this Master Contract. All orders of VLTs shall occur only upon issuance by the Procurement Officer of a written NTP to the Contractor. At minimum, each NTP will contain the following information:

- Type/Model of VLTs
- Number of VLTs
- Technical Requirements
- Delivery schedule, not to exceed ninety (90) days
- Facility
- Price and Method of Acquisition
- **MBE Participation Goal**
- **Fidelity and Performance** Bond requirements, if any

An RFQ, response to an RFQ or NTP may not in any way conflict with or supersede the Master Contract. The Commission does not guarantee the amount and distribution of any orders of VLTs.

**30. REVISE: SECTION 6.2 ACQUISITION OPTIONS AND CONTRACT PRICES.**

**ACQUISITION OPTIONS**

The Commission will utilize multiple options as described below to acquire VLTs, or a combination of options: Acquisition options shall consider all costs required to deliver, install, operate, convert, replace, maintain and remove each VLT.

- Purchase – VLTs will be purchased outright at a fixed price and paid in full to the Contractor;
- Daily Fixed Rates – VLTs will be leased at a daily fixed rate and paid to the Contractor on a monthly basis; and,
- Percentage of Proceeds – VLTs will be leased at a price based on a percentage of Proceeds and paid to the Contractor on a monthly basis.

In the case of the Purchase option, the Offeror shall provide a trade-in allowance and take back its VLTs at the direction of the Commission.

**In the fourth column of the Financial Proposal Sheet, the Offeror may propose "Other Pricing Options" that it would like the Commission to consider.**

**CONTRACT PRICES**

**6.2.1 PROPOSED PRICES - REQUIRED**

The Offeror shall state on the Financial Proposal Sheet-Appendix F its proposed price to provide all goods and services, equipment, hardware, software and personnel required by this RFP for providing VLTs. Specifically included in the price shall be all functions, features, services, solutions, and capabilities specified in the RFP. Optional features, upgrades, etc. that are available at extra cost should be provided in Section 6.2.1.

The price, for each of the three (3) Acquisition Options, **and any "Other Pricing Options"**, 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 and Player Tracking System Mounting Bracket
- 2) Maintenance
- 3) Purchase Conversion Allowance
- 4) Performance Conversion Allowance
- 5) Trade-in Allowance

**31. REVISE: SECTION 7.3.1 Transmittal Letter, second paragraph.**

Checks/Application and ~~License Background Investigation Fees~~: Attach to the Transmittal Letter a separate sealed envelope containing all checks submitted and

identify the envelope as “checks enclosed”. Submit a certified check for the required Application and ~~License Background Investigation Fees~~ payable to “Maryland State Lottery Agency”, or Applicants may make payment by wire/electronic transfer. Applicant making payment by wire/electronic transfer shall verify in the Transmittal Letter that it has made the payment by wire/electronic transfer. The instructions for wire/electronic transfer are as follows:

**32. REVISE: SECTION 7.3.6.2 Background and Experience, paragraphs 1. & 2.**

The Offeror shall describe its background and experience related to VLT programs and other gaming activities. This experience must be under the Offeror’s company name. Offerors shall describe how their organization can meet the requirements of this RFP and shall include:

1. Any relevant experience comparable to what is requested in Section V Technical Specifications:
  - Describe the Offeror's experience in developing, implementing and maintaining ~~Central Monitor and Control Systems for VLTs.~~
  - ~~Does the Offeror have any Central Systems currently in operation in support of VLTs, slot machines or other similar forms of gaming. If so, describe each system, the number and type of machines that it supports, how long the system has been in operation, etc. Compare the System being proposed for Maryland to these other systems.~~
  - The Offeror must describe its most recent three (3) engagements for other clients involving services similar to those requested by this RFP that were successfully performed by the Offeror;
2. Provide a list of current client accounts and billings **describe each major account including the number of VLTs provided.** Has your organization lost any client accounts within the last three (3) years? Why?

**33. REVISE: SECTION 7.3.10 Required Submissions, items #1 and 15.**

1. ~~The Certified MBE Utilization and Fair Solicitation Affidavit (Appendix D-1)~~ **Attachment D-1 (Master) – Offeror's Acknowledgement of RFQ/NTP MBE Requirements;**
15. Application Fees and ~~License Background Investigation Fees~~ as required (Section 7.3.1)

**34. REVISE: SECTION 8.1 QUALIFYING PROPOSAL.**

All proposals received by the Due Date For Receipt of Proposals will be first reviewed by the Procurement Officer to determine if the Offeror’s Minimum Requirements specified in Section 1.3, if any, have been met and to determine compliance with the submission requirements of the RFP and, in particular, with the requirement for submission of **Attachment D-1 (Master) – Offeror's Acknowledgement of RFQ/NTP MBE Requirements** ~~the MBE Forms contained in Appendix D-1 and D-2.~~ An Offeror

not meeting the Minimum Requirements will be determined to be “not responsible”. A proposal that does not include the completed D-1 (**Master**) and D-2 MBE Forms will be determined to be “not reasonably susceptible of being selected for award”. If either determination is made, the proposal shall not be further considered and the Offeror’s financial proposal shall be returned unopened.

**35. REVISE: SECTION 9.1 MANUFACTURER'S LICENSE APPLICATION AND DISCLOSURE FORMS.**

**9.1.2** All Applicants for a VLT Manufacturer's License who have not been previously licensed in a regulated jurisdiction within the United States shall submit the following:

**VLT #1002 – Manufacturer's License Application**

If the Applicant has been licensed in a regulated jurisdiction within the United States and would like the Commission to consider a waiver request, the Applicant shall also submit the following:

**VLT #1003 -Manufacturer's License Waiver Form**

**36. ADD: ATTACHMENT D-1 (MASTER) - Offeror's Acknowledgement of RFQ/NTP MBE Requirements:**

See attached new Attachment D-1 (Master) – Offeror's Acknowledgement of RFQ/NTP MBE Requirements.

**37. REVISE: APPENDIX F – FINANCIAL PROPOSAL SHEET:**

See attached revised Financial Proposal Sheet.

**38. REVISE: APPENDIX M – CENTRAL SYSTEM REQUIREMENTS CHECKLIST:**

See attached revised Central System Requirements Checklist form.

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

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**ATTACHMENT D-1 (Master)**

**Offeror's Acknowledgement of RFQ/NTP MBE Requirements**

**This document shall be completed and included with the Offeror's Proposal submitted in response to the RFP. If the Offeror fails to submit this form with its Proposal as required, the Procurement Officer shall determine that the offer is not reasonably susceptible of being selected for award.**

In conjunction with the offer submitted in response to Solicitation No. 2009-12, I affirm the following:

1. I understand that if I am awarded a Master Contract under the Solicitation noted above, I will have the opportunity to compete for and win RFQ/NTP contracts that may contain MBE participation requirements.
2. If I am awarded a Master Contract under the Solicitation noted above, and I respond to a RFQ that contains MBE requirements, I understand that if I fail to comply with any of the MBE requirements outlined in the RFQ, my response may be eliminated from further consideration.
3. If I am awarded a NTP, I commit to making a good faith effort to achieve the MBE goal established for the RFQ and NTP.

I solemnly affirm under the penalties of perjury that the contents of this Affidavit are true to the best of my knowledge, information, and belief.

\_\_\_\_\_  
Offeror Name

\_\_\_\_\_  
Signature of Affiant

\_\_\_\_\_

\_\_\_\_\_  
Printed Name, Title

\_\_\_\_\_

Address

\_\_\_\_\_

Date

## **APPENDIX F - FINANCIAL PROPOSAL SHEET**

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

**This form must be completed in its entirety and submitted by the Offeror with its Financial Proposal.**

**Do Not change or alter this form.**

All Prices proposed shall be firm fixed prices for the entire term of the Contract to include the Renewal Option period, if exercised, and any other extensions. Offerors are reminded that the number of Facilities, number of VLTs and startup dates indicated in this RFP are estimates based on presently available information. There is no guarantee of any minimum or maximum amount under the Contract anticipated to result from this RFP, and thus no earnings are guaranteed to the Offeror.

#### **I. – PROPOSED PRICES - REQUIRED**

The Offeror shall state its proposed price to provide all goods and services, equipment, hardware, software and personnel required by this RFP for providing VLTs. Specifically included in the price shall be all functions, features, services, solutions, and capabilities specified in the RFP. Optional features, upgrades, etc. that are available at extra cost should be provided in Section B. The price, for each of the three (3) Acquisition Options, **or "Other Pricing Options" that the Offeror 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 and Player Tracking System Mounting Bracket
- 2) Maintenance
- 3) Purchase Conversion Allowance
- 4) Performance Conversion Allowance
- 5) Trade-in Allowance

#### **II. – PROPOSED PRICES - OPTIONAL**

Offerors 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 Technical Proposal 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).

**I. PROPOSED PRICES – REQUIRED (Section 6.2.1)**

	METHOD OF ACQUISITION			<u>Other Pricing Options</u>
	Purchase	Fixed Daily Amount	Percentage of Proceeds	
VLT – Standard Configuration includes: Bill Validator/Cash Box Ticket Printer Video Monitor Player Tracking Bracket				
Maintenance				
Purchase Conversion Allowance				
Performance Conversion Allowance				
Trade-in Allowance				



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Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
                    Primary Offeror/Contractor

Name: \_\_\_\_\_ Title: \_\_\_\_\_  
                    (Printed or Typed)

Company: \_\_\_\_\_ Federal Tax ID#. \_\_\_\_\_

Address: \_\_\_\_\_

**APPENDIX N**  
**(Revised Amendment #2)**

**VLT REQUIREMENTS CHECKLIST**

Requirements below are minimum requirements. Offeror may propose a VLT that exceeds any of these requirements

<b>Section</b>	<b>Description</b>	<b><u>Meets Requirement (Y/N)</u></b>	<b><u>If "No", Explain</u></b>
5.1.5.1	Each VLT and all associated equipment meets the minimum, Commission specifications before being approved for use in Maryland.		
5.1.5.2	Each VLT approved by the Commission for placement at a Facility conforms to the exact specifications of the VLT tested and approved by the Commission.		
5.2.1.1	All form factors and types of VLTs may be provided, including bar top, slant top, casino style, or other configurations, but in all cases VLTs shall be of a size and design that ensures player acceptance.		
5.2.1.2	Based on game type, there are sufficient buttons or indicator functions on the VLT to provide for the following functions		
	Game selection (one or more for video display unit; one for mechanical reel device).		
	HELP function with context sensitive assistance.		
	Cash-out or Ticket-out is provided to allow the dispensing of a ticket.		
	Service Button indicates "Service"		
5.2.1.3	The VLT's main processing unit is placed in a locked enclosure which is the responsibility of the Contractor		
5.2.1.3	All other locks and associated costs are the responsibility of the Facility but Contractor will install locks provided by Facility during the manufacture of VLTs.		

Section	Description	<u>Meets Requirement (Y/N)</u>	<u>If "No", Explain</u>
5.2.1.4	<p>The VLT is equipped with self-diagnostics and indicators or lights that enable the technician or attendant to monitor the operating status of the VLT. The functions monitored include, but are not limited to, the following:</p>		
	When the terminal is ready to accept a transaction		
	An out-of-order condition		
	Power on		
	Local diagnostic test		
5.2.1.5	<p>VLTs and all Contractor supplied equipment is suitable for operation in the conditions at the Facility locations to include appropriate electrical power and designed for difficult environmental conditions such as temperature, humidity, dust, grease, spilled liquids, player abuse.</p>		
5.2.1.6	<p>VLTs have adequate memory size to support various gaming options.</p>		
5.2.1.7	<p>For downloads, the VLT incorporates mechanisms that ensure security and verify that the correct version has been received.</p>		
5.2.1.8	<p>VLTs have transaction based messaging capable of operating in an on-line communications mode with the Commission's Central System.</p>		
5.2.1.8	<p>The VLT hardware configuration for communications consists of an industry standard connection to a VLT communications controller (or equivalent) for on-line communications over an approved network topology</p>		
5.2.1.9	<p>Each VLT will be assigned a unique internal number that identifies the VLT to the Central System. The VLT number is stored in non-volatile memory on the main logic board and loaded by Central System Contractor.</p>		

Section	Description	<u>Meets Requirement (Y/N)</u>	<u>If "No", Explain</u>
5.2.1.10	Game play ability, Bill Validators and coin acceptors are totally inoperable until the VLT is activated from the Central System.		
5.2.1.10	Diagnostic functions are available at all times.		
5.2.1.11	Electrical and mechanical parts and design principles do not subject a player to physical hazard or injury		
5.2.1.11	VLTs are inspected and approved for customer safety by a reputable testing laboratory, such as Underwriters Laboratories.		
5.2.1.11	VLTs are in compliance with all applicable FCC rules and regulations. Certification under equivalent Canadian or European standards is acceptable.		
5.2.1.12	Battery backup, or an equivalent, for the electronic meters is capable of maintaining accuracy of all accounting records and VLT status reports for a period of 10 days after power is discontinued to the VLT.		
5.2.1.12	The backup device is kept within the locked logic board compartment in the VLT.		
5.2.1.13	An on/off switch that controls the electrical current used in the operation of the VLT and any associated equipment is located in an accessible place within the interior of the VLT.		
5.2.1.14	The operation of each VLT is not adversely affected by any static discharge or other electromagnetic interference		
5.2.1.15	Token acceptors are designed to accept only designated tokens and to reject all others.		
5.2.1.15	Token acceptors are designed to prevent the use of cheating methods.		

Section	Description	<u>Meets Requirement (Y/N)</u>	<u>If "No", Explain</u>
5.2.1.15	Tokens which are accepted but not credited to the current game are returned to the player by activation of the hopper or credited toward the next play of the VLT.		
5.2.1.15	The VLT control program can handle rapidly fed tokens so that frequent occurrences of this type are prevented.		
5.2.1.15	Circuit boards and other components interior to the VLT are shielded such that coins or tokens cannot electrically or mechanically disrupt operation.		
5.2.1.16	VLTs have Bill Validators installed into which a player may insert currency in exchange for an equal value of VLT credits.		
5.2.1.16	Bill Validator accepts up to six (6) denominations specified below and no denomination over \$100 is accepted by the Bill Validator. The bill acceptor may accept the following:		
	One Dollar (\$1) Bills		
	Five Dollar (\$5) Bills		
	Ten Dollar (\$10) Bills		
	Twenty Dollar (\$20) Bills		
	Fifty Dollar (\$50) Bills		
	One Hundred Dollar (\$100) Bills		
	Tickets		
	Coupons		
	Cash Equivalent		
5.2.1.16	The Bill Validator accepts both old and new style U.S. currencies that exist now and may exist in the future.		
5.2.1.16	Bills are accepted in all four directions that they may be inserted.		

Section	Description	<u>Meets Requirement (Y/N)</u>	<u>If "No", Explain</u>
5.2.1.16	Bill Validator has counterfeit screening capability including but not limited to checking of ink colors, security stripes, thickness, and character placement		
5.2.1.16	VLT has a separate Bill Validator compartment (drop box) which:		
	is contained in a separate locked area within the VLT separate from any other compartment.		
	accessible by a key that has access only the Bill Validator drop box and no other area of the VLT.		
	has a slot opening through which currency is accepted.		
	Is identifiable to the VLT from which it was removed.		
	has a separate lock to access the contents of the Bill Validator drop box. This key does not access any other area of the VLT		
5.2.1.17	The internal space of a VLT is not readily accessible when the VLT's front door is closed and all components are accessible via the front door.		
5.2.1.18	Access to the interior of the VLT is controlled through a series of locks.		
5.2.1.19	VLTs have a security system that temporarily disables the gaming function of the VLT while door is opened, and communication remains on-line.		
5.2.1.20	The cabinet has a switch with alarm to detect tampering and when alarm is tripped the VLT sends a transaction to the Central System.		
5.2.1.21	Logic boards and all erasable programmable read-only memory chips (EPROMs) are in a separate, locked area within the VLT.		

Section	Description	<u>Meets Requirement (Y/N)</u>	<u>If "No", Explain</u>
5.2.1.22	No hardware switches, jumpers or any other means of manipulation are installed that alter the pay tables, payout percentages, counters or other areas containing critical data in the operation of a game. (Hardware switches, with prior approval of the Commission, may be installed on a VLT to control the graphic routines, speed of play, sound and other purely cosmetic features)		
5.2.1.23	An identification plate is permanently installed on the exterior of each VLT and displays the manufacturer's name, serial number and model number.		
5.2.1.24	The rules of play for each game are displayed on the VLT face, glass or screen.		
5.2.1.24	Each game displays the credits awarded for the occurrence of each possible winning combination of numbers or symbols.		
5.2.1.24	VLT provides for a maximum wager limit on a single game for a single outcome, as established by the Commission in Regulations.		
5.2.1.24	All information required is displayed under glass or another transparent surface. Stickers or other removable devices are not placed on the VLT screen or face without prior Commission approval.		
5.2.1.25	Each VLT contains a single standard printing mechanism capable of printing an original ticket, containing the following information:		
	Value of credits in dollars and cents displayed in both numeric and written form.		
	Time of day and date		
	Validation number		

Section	Description	<u>Meets Requirement (Y/N)</u>	<u>If "No", Explain</u>
	Property Information, and		
	Any other information required by the Commission.		
5.2.1.26	VLTs, processing hardware, networking connections, diagnostic equipment and all Contractor supplied equipment are new or warranted as new.		
5.2.1.26	Refurbished equipment is modern and of current manufacture, and notification of equipment status is made to the Commission.		
5.2.1.27	VLTs have the ability to operate without coins and/or currency and support cashable and non-cashable electronic credits, tickets, coupons, and cash equivalents (i.e. cashless systems).		
5.2.1.28	VLTs are capable of supporting and interfacing with each Facility's player and employee tracking system. (Facility will notify Contractor of system selected and coordinate installation during manufacture of VLT)		
5.2.1.29	Each VLT is equipped with a tower light, if required, and conform to GSA standards for a minimum of a 2-stack light.		
5.2.1.30	Flexibility to include requested peripheral hardware with each VLT is provided (Cabinet Laminate, Video Monitors, Bill Validators, Ticket Printers, Locks, Player Tracking system brackets, etc.)		
5.2.1.31	PAR sheets detailing all minimum game information is provided (Theoretical hold percentage, top award odds, progressive information, volatility information and, when available, standard deviation)		
5.2.1.32	Manuals, block diagrams, circuit analysis and other information is provided, at the request of the Commission		

Section	Description	<u>Meets Requirement (Y/N)</u>	<u>If "No", Explain</u>
<b><u>5.2.1.33</u></b>	<b><u>VLTs ship with Concatenated Binary Files and file containing VLT information (name, serial #, etc.)</u></b>		
5.3.1	VLTs operate in an on-line communications mode with the Commission's Central System		
5.3.1	VLTs support, at minimum the SAS 6.01 protocol and are positioned to implement required certified GSA protocols.		
5.3.1.1	VLTs provide the necessary connection (port) to connect with the Central System.		
5.3.1.1	VLT provides the interface board required to connect to the Central System network.		
5.3.1.1	The Central System interface board maintains power through all activities except a VLT power down.		
5.3.1.3	VLTs can configure the VLT accounting to report at the lowest denomination for Central System reporting.		
5.3.2.1	There is no capacity to dial into, or otherwise remotely access or control, any VLT from a remote device without the Commission's prior approval		
5.3.3	VLTs provide sufficient ports, serial or otherwise, to support the Central System and a Player Tracking system.		
5.3.3	VLTs are positioned to support connectivity for Server Based Gaming or additional connectivity as appropriate or required by the Commission.		
5.3.3.1	VLTs provide a connection for transmission of data to and from the Commission's Central System through hardware and network for monitoring VLT activity.		
5.3.3.2	VLTs provide a connection for the purpose of player tracking by each Facility and the security of the Central System is not undermined.		

Section	Description	<u>Meets Requirement (Y/N)</u>	<u>If "No", Explain</u>
5.3.3.3	VLTs provide a connection for the purpose of supporting Server Based (Downloadable) Gaming.		
5.3.3.4	In the event of progressive controller connectivity or other required connections, the VLT is capable of the required port availability.		
5.4.1	All game software on the VLT's EPROM, or downloaded to the VLT, is approved and certified by one or more independent testing laboratories under contract with the Commission.		
5.4.2	Each VLT has a random number generator that randomly determines the occurrence of a specific card, number, symbol or stop.		
5.4.3	Each VLT maintains its own pay-tables and meets the following percentage payout specifications:		
5.4.3.1	Payouts from VLTs are not be less than 87% and not greater than 95%, on an average annual basis, unless a greater payout is approved by the Commission		
5.4.3.2	Each VLT has <del>odds</del> <u>odds</u> a probability that shall not exceed 1 in fifty million (1:50,000,000) of obtaining the maximum payout for each play.		
5.4.3.3	The theoretical payout percentage is determined using standard methods of the probability theory and the percentage is calculated using the highest level of skill where player skill impacts the payback percentage.		
5.4.4	Each VLT is capable of continuing the current game with all current game features after a VLT malfunction is cleared.		
5.4.4	The current wager and all credits appearing on the VLT screen prior to the malfunction are returned to the player.		

Section	Description	<u>Meets Requirement (Y/N)</u>	<u>If "No", Explain</u>
5.4.5	VLT has no mechanism that allows or causes the electronic accounting meters to automatically clear.		
5.4.5	Each VLT at all times maintains electronic accounting. In the event of a power interruption, the VLT maintains accounting for a minimum of ten (10) days..		
5.4.5	Each meter is capable of maintaining a total of no fewer than <b>ten (10)</b> <del>eleven (11)</del> digits in length for each type of information required to be recorded.		
5.4.5	The electronic meters record, at minimum, the following:		
5.4.5.1	Total number of coins inserted by the player, or the coin equivalent if a bill acceptor is used		
5.4.5.2	Number of credits wagered		
5.4.5.3	Number of credits won		
5.4.5.4	Number of coins or credits wagered in the current game		
5.4.5.5	Play history of the last four complete valid games		
5.4.5.6	Number of cumulative credits representing money inserted by a player		
5.4.5.7	Number of coins or tokens dispensed via the hopper		
5.4.5.8	Number and value of Tickets issued		
5.4.5.9	Number and value of Tickets accepted		
5.4.5.10	Number and value of promotional credits wagered		
5.4.5.11	Number and value of credits download to the game		
5.4.5.12	Number and value of credits uploaded from the game		
5.4.5.13	Cumulative Number and Value of Progressive and Non-Progressive Jackpot Meters		
5.4.5.14	Total Number of bills that were accepted		

Section	Description	<u>Meets Requirement (Y/N)</u>	<u>If "No", Explain</u>
5.4.5.15	Total Dollar amount of bills that were accepted		
5.4.5.16	A breakdown of each denomination of bill accepted		
5.4.5.17	Number of times the logic area was accessed		
5.4.5.18	Number of times the cash door was accessed		
5.4.6	If the VLT is using coins or tokens, the VLT is programmed so that credits will accumulate up to the credit limit.		
5.4.6	If any specific award plus credits exceed the hopper limit set point, the VLT delivers coins or tokens to the tray for that specific award.		
5.4.6	If any specific award (without credits) exceeds the hopper limit set point, the result is a hand pay.		
5.4.7	VLT has the ability to set the "lock-up" amount at the discretion of the Facility, not to exceed \$1200, based upon regulation and approved internal controls.		
5.4.7	VLT provides the ability to "key" (transfer) the lock-up amount to the VLT credit meter.		
5.4.8.1	All game processing activities, including play, winning events, other play related transactions, other VLT commands, error conditions and operating system messages are recorded immediately and available for transmission to the Central System and player tracking system		
5.4.8.2	It is not possible to duplicate VLT polling addresses such that an unknown and/or unauthorized VLT could assume the identity of an approved VLT.		
5.4.8.3	All non-routine access to data and programs used on, or by, a VLT is logged and all unauthorized attempts are reported immediately to the Commission.		

Section	Description	<u>Meets Requirement (Y/N)</u>	<u>If "No", Explain</u>
5.4.8.4	A mechanism is provided to ensure that versions of software are approved and are the versions intended, without unauthorized modifications.		
5.5.1	Games offered may be based on bills, coins, tokens or credits based on minimums or maximums as set by the Commission.		
5.5.2	Each game displays the amount wagered and the amount awarded for each possible winning occurrence based on the number of bills, coins, tokens or credits wagered.		
5.5.2	Each game provides a method for players to view payout tables		
5.5.3	VLTs are able to support progressive games whereby the jackpot is influenced by the play at other VLTs.		
5.5.3	A progressive jackpot may be won where a certain pre-established criteria, which does not have to be a winning combination, is satisfied		
5.5.3	VLT is linked to a progressive meter or meters showing the current payoff to all players who are playing a VLT which may potentially win the progressive amount		
5.5.3	Each VLT on the link has the same probability of hitting the combination that will award the progressive jackpot or jackpots.		
5.5.3.1	The controller continuously monitors each VLT attached to the controller to detect inserted tokens or credits wagered		
5.5.3.1	The controller must continuously multiply the accepted tokens/credits by the programmed rate of progression and denomination in order to determine the correct amounts to apply to the progressive jackpot.		

Section	Description	<u>Meets Requirement (Y/N)</u>	<u>If "No", Explain</u>
5.5.3.1	The progressive display must be constantly updated as play on the link is continued.		
5.5.3.1	At least one (1) progressive display to which a group of progressive VLTs is linked continuously displays the amount of the progressive jackpot that a player may win		
5.5.3.2	The progressive controller allows for the displaying of the winning amount.		
5.5.3.2	The progressive controller allows for the displaying of the VLT identification that caused the progressive meter to activate if more than one VLT is attached to the controller.		
5.5.3.2	The progressive controller sends to the VLT the amount that was won.		
5.5.3.2	The progressive controller must allow for the VLT is required to update its electronic meters to reflect the winning jackpot amount consistent with this rule		
5.5.3.2	The progressive controller automatically resets to the reset amount and continues normal play		
5.5.3.2	The progressive meter displays the identity of the VLT that caused the progressive meter to activate.		
5.5.3.2	The progressive meter displays the winning progressive amount.		
5.5.3.2	The progressive meter displays the new normal mode amount that is current on the link		
5.5.3.3	Each progressive controller linking two (2) or more progressive VLTs within the State is housed in a double keyed compartment in a location approved by the Commission.		

Section	Description	<u>Meets Requirement (Y/N)</u>	<u>If "No", Explain</u>
5.5.3.4	The progressive controller displays the number of progressive jackpots won on each progressive level if the progressive display has more than one (1) winning amount		
5.5.3.4	The progressive controller displays the cumulative amounts paid on each progressive level if the progressive display has more than one (1) winning amount		
5.5.3.4	The progressive controller displays the maximum amount of the progressive payout for each level displayed		
5.5.3.4	The progressive controller displays the minimum amount or reset amount of the progressive payout for each level displayed.		
5.5.3.4	The progressive controller displays the rate of progression for each level displayed		
5.5.4	VLTs may be capable of supporting bonus games. . If a bonus game is awarded immediately prior to closing time, then the VLT operates as follows:		
5.5.4.1	If the bonus round is fully automatic and player intervention is not required, the VLT finishes all of the free bonus games and then the player is required to cash out.		
5.5.4.2	If the bonus round requires player intervention but does not require an additional wager, the VLT allows the player to make decisions regarding free bonus games. At the end of the bonus round the player is required to cash out.		
5.5.4.3	If the bonus round requires an additional wager, and that would not exceed the maximum allowable wager amount, then player is allowed to make all decisions and wagers associated with the bonus games.		

Section	Description	<u>Meets Requirement (Y/N)</u>	<u>If "No", Explain</u>
5.5.5	VLTs have ability to support Tournament Play.		
5.5.5	All tournament play is on VLTs which have been tested and approved in accordance with the rules for which the tournament feature has been enabled.		
5.5.5	All VLTs used in a single tournament utilize the same electronics and machine settings.		
5.5.5	VLTs enabled for tournament play do not accept tokens or pay out tokens, but utilize credit points only.		
5.5.5	Tournament credits have no cash value.		
5.5.5	Tournament play is not credited to electromechanical meters of the VLT.		