

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

**RESPONSES TO WRITTEN QUESTIONS  
November 24, 2009**

This list of questions and responses #4 (**Q&A#4**) 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 questions 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 Lottery Commission's responses to those questions:

**181. QUESTION:** Can a company submit a proposal where they will support and provide maintenance for VLT's for a limited period of time, such as 3, 4 or 5 years?

**ANSWER:** The Commission requires that the Manufacturer support its VLTs for the term of the Contract. In its response to a RFQ for the acquisition of specific VLTs, the Contractor will be required to state its anticipated end of life for the VLTs. The Contractor will also be required to provide the Commission a minimum of 6 months notice when an end of life determination is made. This requirement will be clarified in a subsequent Amendment #2 to the RFP.

**182. QUESTION:** Section 5.2.1.24: Will all games require credit display only?

**ANSWER:** No. The credit display is one of a wide variety of displays on a VLT.

**183. QUESTION:** Section 5.3.1.2: the question appears to be an error. It describes how the Central System should behave when communications to the VLT are lost – the Central System will continue to poll the VLT until the issue is resolved. How should this item read?

**ANSWER: This was informational only and meant to describe the process of how the Central System will poll the VLTs.**

**184. QUESTION:** Section 5.5.3 Progressive Games. a) What if any restrictions will there be regarding the advent of WAP's and how they play into the local performance and bench mark guidelines. Also, what connection protocol restrictions or requirements go along with WAP's?

b) If a progressive game or link is deemed to be underperforming, will the Commission allow the jackpot to be moved to a higher performing game or link?

**ANSWER: a) Wide Area Progressives will have no bearing on the performance metrics of the VLT. Performance is based solely on the Win per Day of each VLT.**

**b) If a VLT as part of a progressive link is under performing (below established performance metrics) then "yes" the VLT can be moved to another location as a function of the Facility's recovery plan.**

**185. QUESTION:** Concerning Section 5.9.2-5.10 on Performance Metrics.

- a. What is a "group of similar VLTs"?
- b. Is total VLT population over the whole state – or Facility?
- c. Has the Commission consulted with other Lotteries in evaluating detailed and proven benchmarking techniques? Can the Commission entertain adopting the NYL benchmark process as a model?
- d. Is it the Commissions opinion that ultimately that all VLTs will perform within 15% of average?
- e. Can the Commission determine and disclose now the periods of evaluation? Without it, pricing models are guess work over a five year term.
- f. 5.9.4 does not state the timeframe in which the Commission will review the corrective action plan – can you please put a drop dead date to this provision due to lead times, shipping and coordination?
- g. If the Commission orders a VLT to be removed within 30 days, will the Contractor have first right in re-filling this machine? How will this process work?
- h. 5.10 states that the Contractor will provide daily reports sorted by facility as to "Jurisdiction" – "State" – "Province". Is it the Commissions intent that each Vendor will provide daily performance throughout the US and Canada? This is logistically and confidentially not possible. The Commission will have a Central System Provider that captures and disseminates performance data. Can the Commission waive, with the exception of monthly maintenance information, these reporting requirements and instead obtain such information from its system provider?

**ANSWER:** a) Typically denomination, type of VLT (video vs. reel), specialty game, position on floor.

b) The total VLT population could be reviewed both by Facility or for the entire State.

c) The Commission has discussed performance metrics with other jurisdictions and has provided requirements in section 5.9.

d) No that is not the Commission's opinion. The 15% is meant as a metric to assess performance so that those machines performing below a certain benchmark are included in any replacement analysis and discussion with the supplier/manufacturer and facility operator. Since averages will adjust based on installed base, customer preference, location and replacement of games, denomination, etc, there will always be a variation of performance on any floor. Therefore, there will always be games that fall below any computed average. It would be considered an statistical anomaly if all machines performed within such a narrow range on any metric.

e) After the initial benchmark period, the evaluation will be continuous and ongoing (monthly, 3 month, 6 month).

f) The first paragraph of Section 5.9.4 states that "the Contractor shall have ten (10) days to provide a corrective action plan to the Commission and the Commission will approve/disapprove said plan within ten (10) days."

g) Not necessarily. If the contractor is provided 30 days notice to remove a VLT, this would occur after the contractor having an opportunity to remedy the poor performance. At this point the floor space would be open for whatever would make the most money from whatever manufacturer.

h) Performance reports will be provided by the Central System Contractor on a frequency to be determined. The requirement for competitive jurisdictional reports will be removed in Amendment #2 to the RFP.

186. **QUESTION:** Section 5.6.1: Are Contractors required to have staff on-site as long as the 90 minute response is adhered to?

**ANSWER:** As stated in Section 5.6.1, "The Contractor shall provide on a 24 x 7 basis at least one on-site VLT Technician for a period of at least one (1) week after the opening or scheduled expansion of a Facility". Otherwise, the Contractor is not required to have on-site staff provided that the 90 minute response requirement is met. The Commission reserves the right to require the Contractor to provide on-site staff if it fails to meet the 90 minute response requirement.

187. **QUESTION:** Section 5.6.3.1: If the game is playable and the malfunction does not interfere with a transaction being generated, is the 90 minute response requirement still in effect?

**ANSWER:** This Section refers to VLTs that are not in an "operable" status. As stated in Section 5.6.3.1 "In all cases the Commission shall have the right to make the determination as to whether a VLT is operable and whether the Contractor responded within the required time period".

188. **QUESTION:** May a bidder contract with other manufacturers for the provision of such other manufacturers' VLTs to the bidder for provision to the Lottery before submitting a proposal in lieu of such other manufacturers submitting proposals in response to the RFP?

**ANSWER:** The Commission will contract with licensed Manufacturers for the lease or purchase of VLTs. If the Offeror in this proposed scenario meets the definition of "Manufacturer" as stated in Section 14, then it would be permitted.

189. **QUESTION:** Will the Lottery acquire all VLTs from all successful bidders under the same compensation structure (i.e., purchase, lease or participation)? If not, will the Lottery acquire all VLTs from each successful bidder under the same compensation structure?

**ANSWER:** Not necessarily, although that determination has not been made by the Commission at this time.

190. **QUESTION:** For a regulated North American jurisdiction to qualify under the RFP, is it true that as long as the jurisdiction is a state or province, licenses manufacturers and suppliers through a regulatory arm and requires a independent laboratory certification for all games, then the jurisdiction would qualify?

**ANSWER:** Yes

191. **QUESTION:** Usually products and software versions differ from market to market and we expect the same will be true for Maryland. Does the exact hardware and software specified in the bid submission have to be the same as is in play in the qualifying regulated jurisdiction(s), or must the game simply be in play in a regulated market regardless of it being a different version?

**ANSWER: Yes. Multiple versions of hardware/software are certified for each VLT. There may be a case where a new version of software with a Pay Table specific to Maryland may need to be developed.**

**REVISIONS/CLARIFICATIONS TO PREVIOUSLY ANSWERED QUESTIONS**

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~~).

**Q&A#1 (November 17, 2009)**

7. **QUESTION:** Does the Commission allow electronic table games where the outcome for each player is based on the skill of all of the players at the table, (i.e. where all players are dealt credit cards from the same virtual deck(s)) or does each player at the table receive cards from a separate virtual deck?

**ANSWER: ~~Yes, where all players are dealt cards from the same virtual deck.~~ This has not yet been determined by the Commission.**

**Q&A#2 (November 18, 2009)**

121. **QUESTION:** 5.2.1.32 VLT Schematics "The Contractor shall provide manuals, block diagrams, circuit analysis and other information as directed by the Commission." What do you mean by circuit analysis?

**ANSWER: Schematic drawings of the circuits. The Contractor is not required to submit this information until the time of its response to an RFQ.**

132. **QUESTION:** Section 5.6.3: If games are procured under a purchase model will the Contractor still be required to provide maintenance and support and if so for how long and who will be responsible for purchasing spare parts, etc.?

**ANSWER: Yes, the Contractor, for the term of the Contract.**

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