

**CENTRAL MONITOR AND CONTROL SYSTEM FOR A VIDEO LOTTERY
TERMINAL PROGRAM
(#2009-11)**

**RESPONSES TO WRITTEN QUESTIONS
September 10, 2009**

This list of questions and responses #3 (Q&A#3) 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:

37. QUESTION: Section 3.10 Ownership of Material, Page 22: Will the Commission amend the RFP to provide that the Commission only has the right to use any and all ideas presented in the Proposal solely for evaluating the Proposal and that all underlying proprietary information or materials contained in the Proposal shall remain property of the Offeror?

ANSWER: No. It is not necessary to amend the RFP. This Section does not refer to Intellectual property rights. Rather, the Section refers to the opened proposal document which becomes the physical property of the Commission.

38. QUESTION: Section 4.1, Scope of the Contract, Pages 35-36: In the event of inconsistencies and/or ambiguities between the Contract, the RFP, the Amendments modifying the RFP, and the Contractor's Proposal, the Contractor's obligations for providing the requested services are defined in order of precedence by (1) the Contract; (2) the Amendments modifying the RFP; (3) the RFP; and (4) the Contractor's Proposal to the extent that the Proposal does not conflict with the Contract, the RFP, or the Amendments. In the event of a conflict between the RFP, as amended, and the Proposal, the RFP, as amended, will control; and in the event of a conflict between the RFP or the Proposal and the Contract, the Contract will control. Because this provision could create an unintended conflict based on the fact the Commission chooses the Proposal but that the Proposal contains specifications other than those in the RFP, it is requested that the Commission revise the RFP to provide that the Proposal of the Contractor will control over the RFP.

ANSWER: No, the order of precedence of documents as specified in the

RFP will not be changed. If the Lottery chooses an Offeror's proposal that contains specifications other than those in the RFP, provided that those specifications do not conflict with any of the documents of higher precedence, then those specifications are binding upon the Offeror. Potential Offerors are cautioned that provisions in an Offeror's Proposal that are inconsistent with the requirements set out in the RFP may be determined to be exceptions, which could result in the Proposal being deemed unacceptable or classified as not reasonably susceptible of being selected for award. (See Section 7.3.4)

39. **QUESTION:** Section 4.1 Scope of the Contract, Pages 35-36: Please confirm that the successful Offeror will have an opportunity to negotiate the Contract after the Contract is awarded.

ANSWER: No, the successful Offeror will not have an opportunity to substantively negotiate the Contract after a recommendation for award. Offerors must express any concerns they may have with specific contract provisions before submitting their proposals. Substantive changes to the Contract will not be permitted after a recommendation for contract award is made.

40. **QUESTION:** Section 4.2 Contract Term, Page 36: If the start date of the first VLT Facility does not occur until sometime after April 30, 2010 and if the reason for such delay is not due to any action or inaction by the Contractor, will the term of the contract be extended to 5 year after the first VLT Facility was, in fact, operational?

ANSWER: The Contract term of five years and five months, the commencement date and the Start-up Period as stated in the RFP are the Commission's best estimates at this time. It is the intention of the Commission that the Contract term be for a full five (5) year operational period after the first VLT Facility becomes operational. If the operational date for the first Facility does not occur until a date significantly later than May 1, 2009, the Commission will consider an adjustment of the Contract dates.

41. **QUESTION:** Section 4.13 Delays and Extensions of Time, Page 42: With regard to the prohibition that there will not be any charges or claims of damages made because of delays and hindrances, is it correct that this pertains to charges and claims against the Commission and not any possible charges or claims against third parties?

ANSWER: Yes. This provision is in regard to claims against the Commission, the State, the Lottery, their agents, or any individual member thereof, or any employee of the State.

42. **QUESTION:** Section 4.14 Suspension of Work, page 43: Will a unilateral suspension of work ordered by the Procurement Officer automatically result in an extension of time being given to the Contractor? If so, will the extension given be a

period of time equal to the length of the suspension of work?

ANSWER: No. A unilateral suspension of work ordered by the Procurement Officer will not automatically result in an extension of time being given to the Contractor. Conditions of the suspension of work, including an extension of time, if any, would be specified by the Procurement Officer as part of the notification of suspension of work.

43. QUESTION: Section 4.22 Subcontract, Assignment and Prohibition on Affiliated Entity Relationships, Page 46: It is clear that a Contractor may subcontract any portion of the services provided under the Contract with the prior written approval of the Commission. As a Contractor may subcontract portions of the services provided under the Contract to non-affiliated entities provided Contractor has obtained the Commission's written approval, would the Commission confirm that, similarly, a Contractor may subcontract services to an affiliated entity with the prior written approval of the Commission?

ANSWER: In general, the Contractor may not subcontract services to an affiliated entity. The Contractor should submit any such proposed subcontracting arrangement to the Commission on a case-by-case basis for review.

44. QUESTION: Section 4.23 Indemnification and Responsibility for Claims and Liability, Pages 46-48: Is it correct that the purpose of this indemnification clause is to address claims made by third parties?

ANSWER: Yes.

45. QUESTION: Section 4.23 Indemnification and Responsibility for Claims and Liability, Pages 46-48: Would the Commission clarify that Contractor's obligations under this provision to indemnify the Lottery and related parties are not intended to apply to any suits, damages, expenses, losses, liabilities, or claims of any kind insofar as such suit, etc. resulted from Contractor's actions or omissions requested by or in compliance with the Commission's requirements?

ANSWER: No. The indemnification provisions are intended to include such situations.

46. QUESTION: Section 4.24 Obligations for Providing Services, Page 48: It would appear that a logical sequence of the priority of the documents involved in the RFP would be temporal, where the most recently constructed document would be the highest priority (the contract) and then ranking would occur as to the next most recent document and so forth. Will the Commission agree to this priority of the documents?

ANSWER: See Answer to Question #38.

47. QUESTION: Section 4.31 paragraph 2 Rights in Products, Pages 50-51: This RFP Section states that “the Commission has the right to use any preexisting intellectual property rights, free of any type of fees, of Contractor necessary to effectuate the purpose of this Contract.”

The requirement that this license be provided at no additional cost does not seem appropriate. Intellectual property will include patents, trade secrets, trademarks, and service marks all of which are of substantial value to a contractor and comprise the core of its business. In fact, this intellectual property is in large part what the Commission will be paying for under the contract. To grant the Commission the “right to use” this intellectual property can be interpreted to mean the Commission may sublicense to third parties, or compete directly with the contractor, with its proprietary property without any fee to it. Therefore, it is requested that any use of preexisting intellectual property rights will be done upon mutual agreement of the parties?

ANSWER: Except upon mutual agreement of the parties, the Commission will not extend its license to any third parties other than as necessary to implement the Central System as needed by the Commission and at any of the licensed VLT Facilities. The Commission cannot envision a situation under which it would be in direct competition with the Contractor.

48. QUESTION: Section 4.31 Rights in Products, Pages 5-51: It is requested that the Commission amend Section 1 to read as follows: “All original written material **based on information provided by the Commission** including, but not limited to, reports, software and/or other documentation originated and prepared exclusively for the Commission pursuant to this Contract shall belong exclusively to the Commission.”

It is requested that the Commission amend the last sentence in Section 2 to read as follows: “Furthermore, the Commission has the right, **for the Term of the Contract**, to use pre-existing intellectual property rights, free of any type of fees, of Contractor **with no right to sub-license to any other related or unrelated party**, necessary to effectuate the purpose of the Contract.”

It is requested that the Commission amend the first paragraph of Section 3 to read as follows: “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, **which is expressly based upon information provided by the Commission**, whether reduced to practice or not...”

ANSWER: No. This provision reflects the Lottery’s long range business requirements and is believed to be in the State’s best interest.

49. QUESTION: Section 4.33 Intellectual Property Protection, Pages 51-53: As this

is a facilities management contract and the development of new IP is unlikely, will the Commission strike the last sentence of the first paragraph of this section; or, in the alternative, will the Commission agree that the requested employee identification and assignment will be required only in the event that such new IP arises during the term of this Contract?

As to paragraphs five and six of this section, it is requested that the prefatory clause "Except as required or permitted by law," be inserted before the beginning of the sentence comprising these paragraphs; and it is further requested that, where any markings are required by law (e.g., patent markings), will the Commission agree to refrain from modifying, removing, obliterating or ignoring such markings.

ANSWER: With respect to the first component of this question, this provision reflects the Commission's long range business requirements and is believed to be in the State's best interest and will not be changed. With respect to the second component of this question (it is believed the question relates only to the fifth paragraph), the Commission will amend this paragraph. (See Amendment #1)

50. **QUESTION:** Section 4.34 Right to Reject or Substitute Persons Proposed for Project, Page 53: a) Please confirm that in the event a member of the Key personnel need no longer be actively involved in relation to the performance of the services under the Contract, such Key personnel shall not be required to perform continuously for the duration of the Contract? For example, Key personnel required during the implementation process should not be required to perform continuously for the duration of the Contract as their services will not be required once the implementation process is complete. Similarly, the services of Key personnel required with respect to operations are not needed during the implementation process and thus should not be required to perform continuously for the duration of the Contract.

b) This Section provides that the Contractor may not substitute Key personnel, other than by reason of an individual's death, sudden illness or termination of employment, without the prior written approval of the Commission. This section does not take into account unforeseen circumstances that may require substitute Key personnel during the term of the Contract. We respectfully request that the Commission amend this section to permit substitution of Key personnel upon reasonable request from the Contractor provided that all proposed substitute personnel shall have qualifications at least equal to those of the replaced personnel, subject to approval by the Commission.

ANSWER: a) Section 5.9 specifies the requirements for the Implementation Staff and the On-Going Support Staff. Any deviation from those staffing requirements by the Contractor would fall under the provisions of Section 4.34.

b) No. This provision reflects the Lottery's long range business requirements and is believed to be in the State's best interest. The Contractor is required to submit all changes in Key Personnel for Commission approval as stated in Section 4.34.

51. **QUESTION:** Section 4.44 Liquidated Damages, Page 58:

- Does the Lottery agree that any liquidated damages amounts should comport to actual damages and not constitute a penalty?
- Does the Lottery agree that liquidated damages are not to be assessed in order to be duplicative?
- Does the Lottery agree to have a dispute resolution process involving an impartial tribunal if the Contractor does not agree with any assessment of liquidated damages?

ANSWER: These liquidated damages amounts are the Commission's best estimate of the actual costs to the State associated with the various losses described and are therefore not a penalty. The purpose of the liquidated damages provisions is to forgo the need to appraise actual damages on an individual basis in the event of a breach by the Contractor. The sole dispute resolution process available is that articulated in Title 15 of the State Government Article and the regulations promulgated under that statutory scheme.

52. **QUESTION:** Section 4.44 Liquidated Damages, Pages 58-59: For this section to be commercially fair and consistent with the law regarding liquidated damages, would the Commission amend the RFP to provide:

- (i) that Offeror may furnish, and the Commission will consider, factual evidence where available to establish that the Commission's actual damages were less than the liquidated sum; and
- (ii) that the Commission will not assess more than its actual damages for any incident where the evidence establishes the Commission's actual damages were less than the liquidated amount; and
- (iii) that the Commission will not assess liquidated damages in multiple categories for the same incident if to do so would amount to an unenforceable penalty under Maryland law?

ANSWER: See Answer to Question #51

53. **QUESTION:** Section 4.44.5.2 Damage, Page 60: a) Please confirm that liquidated damages for delay in completion of Central System testing or acceptance testing may only be imposed if the reason for such delay is solely caused by Contractor?

b) Similarly, would the Commission confirm that liquidated damages may not be assessed with respect to Facilities that have not commenced operations at the time of such delay?

ANSWER: a) For any situation that is the responsibility of the Central System Contractor and results in a loss of revenue to the State, liquidated

damages may be imposed.

b) Yes, except for a delay in opening or scheduled expansion of a Facility as described in Section 4.44.5. (See Amendment #1)

54. QUESTION: Section 4.44.6 Central System Outage, Page 60; and 5.2.4 paragraph 12 (page 82). Please clarify whether the liquidated damages in Section 4.44.6 is for the Central System and VLTs down together or a situation where the Central System is down but VLTs still wagering because this appears to contradict Section 5.2.4 paragraph 12, which states that “The Central System shall provide the capability for VLTs to operate for up to twenty-four (24) hours without connection to the Central System....”?

ANSWER: For any situation that is the responsibility of the Central System Contractor and results in a loss of revenue to the State, liquidated damages may be imposed.

55. QUESTION: Section 4.44.6.2 Damage, Page 60: Would the Commission amend Section 4.44.6.2 to provide that liquidated damages for Central System outages shall be based on the average amount of win (rather than the average amount of revenue)? Doing so will align this Section with Section 4.47.7.2 (should be 4.44.7.2).

ANSWER: Section 4.44.6.2 will be amended to be based on the average amount of win in lieu of the average amount of revenue. (See Amendment #1)

56. QUESTION: Sections 4.44.6.2 Damage; Section 4.47.7.2 Damage, Page 60 Sections 4.44.6.2 and 4.47.7.2 (should be 4.44.7.2) contemplate that the Contractor will pay the Commission liquidated damages based on 100% of the average amount of win but the VLT Law does not allocate 100% of the win to the Commission and therefore the Commission's actual damages must always be less than 100% of the average amount of win. Would the Commission amend Sections 4.44.6.2 and 4.47.7.2 (should be 4.44.7.2) to provide that the formulas in such sections reflect the percentage of win allocated to the Education Trust Fund (i.e., 48.5% - 51.0%)?

ANSWER: No. This Section of the RFP will not be amended. This provision reflects the Lottery's long range business requirements and is believed to be in the State's best interest.

57. QUESTION: Section 4.44.8 Timely and Accurate Reports, Page 61; and 4.44.9 Timely and Accurate Files, Page 61: Will the Commission add the phrase “once notified of an error or omission” to Section 4.44.8 and 4.44.9?

ANSWER: No. It is the Contractor's responsibility to deliver timely and accurate reports and files as required.

58. **QUESTION:** Section 4.44.11.2 Damage, Page 62: Please clarify whether this requirement is related specifically to gaming software? Will the Commission consider having separate amounts for gaming specific software and for reporting software changes?

ANSWER: No. This requirement applies to anything that is within the responsibility of the Contractor.

59. **QUESTION:** Section 4.44.13 Other Breaches of Contract, Page 63: Will the Commission please provide an example of what would constitute a “material provision”?

ANSWER: Section 4.44.13 is being revised. (See Amendment #1)

60. **QUESTION:** Section 4.45.4, Performance Bond, Pages 65-66: In the fifth paragraph of this Section it states that “the Surety will have the option within thirty (30) days of notice of default to cure the default.” In Appendix J it is stated that “the Surety may, within 19 days after notice of default...notify the Administration of its election to either promptly process to remedy the default...” Will the Commission amend the Bond form to reflect the wording in the RFP and change the number of days from 19 to 30?

ANSWER: Yes. Section 4.45.4 is correct. Appendix J will be amended. (See Amendment #1)

61. **QUESTION:** Section 5.1.1, Page 77: In order to compete on a level playing field and provide the State with the best System materials and components, will the Commission require that all proposed transaction processing computers, front-end processors, telecommunication networking equipment, terminals, cabling infrastructure, diagnostic equipment, etc. for the Central System be new and unused?

ANSWER: This provision is covered in RFP Section 5.2.6.2. (See Amendment #1)

62. **QUESTION:** Section 5.1.8 Player Tracking Systems and Ticket-In/Ticket-Out, Page 78; Section 5.2.1 General Requirements, Page 79: Is the Central System responsible for validation of tickets and TITO or is the venue system responsible?

ANSWER: The Facility's player tracking system is responsible for validation.

63. **QUESTION:** Section 5.2.1 paragraph 5, Page 79: This RFP requirement includes “any other item, equipment or facilities deemed necessary by the Commission for the efficient operations of the Central System.” Will the Commission limit the cost exposure, define the requirement further as it pertains to contractor costing, or provide method for the contractor to recoup unreasonable costs?

ANSWER: The Commission has no specific equipment in mind at this time. If the Commission requires additional equipment at some future time for which the Contractor deems additional compensation is due, the sole dispute resolution process available is that articulated in Title 15 of the State Government Article and the regulations promulgated under that statutory scheme. (See RFP Section 4.6)

64. **QUESTION:** Section 5.2.4 paragraph 12, Page 82: This RFP section requires that “The Central System shall provide the capability for VLTs to operate for up to twenty-four (24) hours without connection to the Central System” Does this requirement apply to VLTs running local area (intra-facility) progressive games? Does it apply to VLTs running in wide area or multi-state progressives?

ANSWER: Yes, possibly both. However, the Central System Contractor is only responsible for the financial reporting of progressives. (See RFP Section 5.2.9 and Amendment #1)

65. **QUESTION:** Section 5.2.7.3 Protocol Simulation, Pages 83-84: a) Is it correct that the Protocol Simulators will support transactions and message types to and from the Central System, Site Controllers and VLTs?

b) Is the Contractor required to provide a simulator for host communications?

ANSWER: a) Yes.

b) No.

66. **QUESTION:** Section 5.2.7.4 Software Validation, Pages 84-85: a) Does the Commission have a preference between the two methods of signature check references: Game Software Image Storage or Pre-Calculated Signature Results Storage?

b) Is concatenation of the manufacturer binary images sufficient to handle all the validation of game software?

ANSWER: a) The Offeror should indicate in its proposal which (or both) of the signature check methods it is capable of providing, describe its capabilities, discuss pros/cons, etc.

b) The Offeror should discuss in its proposal concatenation of the manufacturer's binary images and its capabilities for validation of games software.

67. **QUESTION:** Section 5.2.9 Local and Wide Area Progressive VLTs, Pages 86-87: Can the Commission explain its future use of multi-state progressives? Without knowing which state(s) Maryland intends to link to, it is impossible to accurately estimate the cost of including the ability to report upon multi-state linked games within the price to be quoted to the Commission and may result in the Commission overpaying for this specification. Will the Commission remove "multi-state" from this baseline requirement and agree if this capability is added in the future that it will be separately priced as allowed by Section 4.42?

ANSWER: No. The Commission requires this capability. The Central System Contractor is only responsible for the financial reporting of progressives for data relative to the State of Maryland. (See Amendment #1)

68. **QUESTION:** Section 5.2.10 Asset Tracking, Page 87-88: a) This Section states that "the Contractor shall provide state-wide asset management for all VLTs" Please clarify if the Central System is required to maintain machine inventory at each VLT Facility?

b) Information regarding VLT maintenance history, spare parts, and individual asset number tagging are the responsibility of the VLT provider since the Central System Contractor does not have this information. Will the Commission amend the RFP to remove these requirements (VLT maintenance history, spare parts, and individual asset number tagging)?

ANSWER: a) Yes. The Central System Contractor must provide this capability either as part of the Central System or separately. (RFP Section 5.2.10.3)

b) No, the Commission requires this capability. The Central System Contractor must provide this capability either as part of the Central System or separately. (RFP Section 5.2.10.3)

69. **QUESTION:** Section 5.4 Primary and Back-up Site Requirements, Page 92: Why is communications test and monitor capability required at the Back-Up Site?

ANSWER: Communication monitoring is required at the Back-up Site in the event it becomes the Primary Site, and communications connectivity to all Facilities is also required.

70. **QUESTION:** Section 5.4.1, Page 92: In order to provide a level playing field in

terms of costing and implementation, will the Commission consider having Offerors eliminate from their pricing formulas (Appendix F) any costs associated to the acquisition, build-out, maintenance, utilities, cleaning, etc of the Primary Site (and Testing Lab)? Realizing that one Offeror may already be leasing space in the Commission's headquarters building, there may be economies of scale that might provide a competitive cost advantage?

ANSWER: No, the pricing formula will not be revised. All Offerors, whether presently leasing space in the Commission's headquarters building or not, are required to provide new and separate space for this Central System Contract.

71. **QUESTION:** Section 5.4.2 Back-Up Site, Pages 93-95: What hardware and software will the Commission be providing? How does this relate to the Central System?

ANSWER: Servers, routers, back office equipment, etc. to support VLT operations.

72. **QUESTION:** Section 5.7 Security, Page 98: This Section requires encryption at the Central System. Is this from the Central System to the Facilities through the network equipment? Is that sufficient?

ANSWER: Yes. Encryption is required throughout the Wide Area Network. Refer to RFP Section 5.7 Security for all requirements for secure connections.

73. **QUESTION:** Section 5.9.2.2 Network Specialist, Page 107: This Section appears to be describing multiple positions, one of which appears to be full-time in Commission spaces. Please clarify this requirement and define the number of individuals that are required?

ANSWER: This Section refers to the Implementation Staff. There is no requirement for a Network Specialist to be assigned to or located at the Commission. A Network Specialist shall be assigned to each new Facility as described in this Section so, dependent upon the schedule for opening of new Facilities, more than one Network Specialist could be required at any given time.

74. **QUESTION:** Section 5.10.2, paragraph 1, Page 111: Is it correct that the only "Facility equipment" the Contractor is responsible for maintaining/repairing is the equipment procured by the Contractor?

ANSWER: Yes. The Central System Contractor is responsible only for equipment that is provided by the Central System Contractor. This would include all equipment needed to make all connections from the Central System

Primary and Back-up Sites to the VLTs on the floor.

75. QUESTION: Section 5.10.2, Page 111: a) Please clarify, this requirement appears to be open ended and does not clearly define what the requirement of the Contractor is? b) Will the Commission allot more time to arrive at remote Facilities (i.e., Rocky Gap and Ocean Downs)?

ANSWER: a) **The CS provider is responsible for the communications infrastructure and is therefore responsible for resolving all communications issues.**

b) No. The two (2) hour response and repair time is required for all Facilities.

76. QUESTION: Section 5.11 Acceptance Testing, Pages 111-113: What organization will be certifying Acceptance Testing?

ANSWER: **The Commission is responsible to certify Acceptance testing based on information collected from any and all sources.**

77. QUESTION: Section 5.13.3.2, Page 119: Since all wiring and data infrastructure installed by the Contractor for the gaming floor network shall be owned by the Commission:

- a) Will the Commission pay the costs of property insurance for the wiring and data infrastructure?
- b) Since the Contractor does not own the equipment, the Contractor will NOT be responsible for personal property taxes for the wiring and data infrastructure, correct?

ANSWER: **The Central System Contractor will not be responsible for insurance or personal property taxes for the wiring and data infrastructure.**

78. QUESTION: Section 5.14 Server Based Downloadable Gaming, Pages 119-120: a) Since SAS based systems (serial communications schema) and GSA-G2S based systems (XML schema) are completely different and since the hardware necessary in either solution is different and since most Game Machine Manufacturers don't have a complete and robust G2S library of games, is it acceptable to provide a SAS based schema system with the ability to migrate to a GSA-G2S schema in the future?

b) Please clarify if the Offeror is responsible for providing the server-based gaming functionality

c) Please define what is meant by a combination of thin, thick and hybrid clients?

ANSWER: a) Yes.

b) No. (See RFP Section 5.14, second paragraph)

c) Thin, Thick and Hybrid clients represent various degrees of Server Based connectivity and follow a client/server relationship. Thin client VLTs are managed by the server and do not have any game themes residing on the VLT itself. Thick clients receive, authenticate and operate game software from the server and hybrid clients offer a combination of all client/server communication.

79. **QUESTION:** Section 9.1.3, Page 144; and Section 9.2.1 Application Fees, Page 145: Is it correct that only key employees (as defined Section 1.4), the Proposer, and any 5% Owner of the Proposer need to include payment of an Application Fee with the proposal? Therefore, is it correct that officers, directors, and partners (RFP Section 9.1.3) do NOT need to submit an Application Fee?

ANSWER: The question makes reference to the definition in Section 1.4 regarding “key employees.” The actual definition in the RFP in Section 1.4, page 7 is for “Key Personnel (Key Person).” For licensing application purposes this definition is not the same as a “key employee.” Refer to VLT Form – 1002, Page 8, D.13 for the definition of Key Employee. To the second part of the question officers, directors, et al, must file an application and pay the applicable fees as a “Principal” which is defined in VLT form – 1002, Page 9, D.18 for Principal. Provisions are made in VLT Form – 1007 for a waiver should a Principal or Key Employee meet those qualifications.

80. **QUESTION:** Section 9.2.2 License Fees, Page 145: Are license fees only paid by the winning bidder?

ANSWER: Yes. The VLT Law states that the Commission shall charge a License Fee for a qualified Applicant which shall be paid at the time the License is issued.

81. **QUESTION:** Section 9.2.3 Background Investigation Fees, Page 146: In light of the various bonding requirements at the Proposal stage (Proposal Bond = \$250,000; Litigation/Protest Bond = \$250,000) and the Commission’s requirement that Offerors submit a \$10,000 Application Fee to be used to process and investigate the Applicants, along with Key Employee Application Fees (in the amount of \$2,500 per applicant), would the Commission waive the \$100,000 Background Investigation Fee until the notice of intent to award? Considering the internal costs involved not only to prepare the proposal response, secure the various bonds, as well as the opportunity costs in preparing such a detailed and comprehensive response, a fee of \$100,000 at the proposal stage seems excessive?

ANSWER: No. The Commission will not waive the \$100,000 Background Investigation Fee. Background Investigations will commence upon submission of the proposals in response to the RFP and some investigation will cease at the time of award. This initial fee is to cover the estimated initial costs during the period from the time proposals are submitted until the time of award of the contract. Further costs maybe incurred by the potential contractors that respond to the RFP.

82. QUESTION: Appendix-F - Financial Proposal Sheet, Pages 184-188: Estimated Start-up Dates are presented for the four of the five VLT Facilities as shown below:

Worcester County Facility – Estimated Start-up Date:	June 2010
Cecil County Facility – Estimated Start-up Date:	November 2010
Anne Arundel County Facility – Estimated Start-up Date:	June 2011
Baltimore City Facility – Estimated Start-up Date:	December 2010

a) On each of the B1 through the B5 tables pricing is requested for the start-up/each additional 100 VLTs. However, the corresponding monthly maintenance/support cost per the additional 100 VLTs is missing. Could the Commission amend the tables to include the provision of Monthly maintenance/support costs per each additional 100 VLTs?

b) It seems that the Anne Arundel County Facility is estimated to commence quite late, June 2011, almost 1½ year after the Contract commencement. Could the Commission confirm that the date is correct?

c) For the Allegany County Facility where the Start-up date is still to be determined, pricing is requested for maintenance/support to be provided only for 24 months. Is it a safe assumption that this Facility will operate only during the last two years of the Contract period?

d) Because the Commission will own all of the wiring of the VLT Facilities, we believe it is important for Financial and Accounting records that the pricing for the cabling/wiring be shown separately in the Financial Proposal Sheet. Will the Commission amend the Financial Proposal Sheet to have separate line items for cabling/wiring for each of the VLT Facility Fees?

ANSWER: a) The Financial Proposal Sheet will be revised to include a provision for monthly maintenance/support costs per each additional 100 VLTs. (See Amendment #1)

b & c) The dates are estimates only based on information available to the Commission at this time and subject to change at any time. As stated in Section 6.4, the Financial Proposal Sheet-Appendix F is based on estimated dates for the start up of each Facility and estimated quantities for the number of VLTs to be in operation at the VLT Facilities and will be used solely for price evaluation, comparison and selection for recommendation for award. The quantities

indicated are not a guarantee of any minimum or maximum amounts under this contract and may change at any time during the term of the contract, or renewal option period if exercised.

d) No. The provision presently included in the Financial Proposal Sheet for Start-up equipment and cabling is adequate for the Commission's needs. This information is only for the purpose of the price proposal and if further detail should be needed at a later date it will be requested.

83. **QUESTION:** Appendix J Performance Bond, Page 192: The language at the start of page 2 of the performance bond form in Appendix J appears to state that the bond is in effect for the entire term of the contract:

"NOW, THEREFORE, during the original term of said Contract, during any extensions thereto that may be granted by the Administration, and during the guarantee and warranty period, if any, required under the Contract, unless otherwise stated therein, this Performance Bond shall remain in full force and effect" (emphasis added)

Please confirm that the performance bond may be annually renewable as per RFP section 4.45.4?

ANSWER: Section 4.45.4 is correct. Renewal of the bond on an annual basis is acceptable.

84. **QUESTION:** General Question: Does Facility staff require management terminal access to the Central System in order to monitor, configure, report on, and/or control the operation of VLTs operating at that specific Facility?

ANSWER: Facility staff shall not have access to the Central System, however, the ability to view reports may be required. Commission staff including Commission staff at the Facilities shall require access to the Central System.

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