

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

**RESPONSES TO WRITTEN QUESTIONS  
November 17, 2009**

This list of questions and responses #1 (Q&A#1) 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:

1. **QUESTION:** This is a very complicated procurement and research of MBE alternatives, Licensing and Compliance issues, including submission of a full license application, are likely to take some considerable time and most likely cannot be fully completed by November 24th. Will the Commission consider extending the proposal due date? If not, can the licensing and MBE information be separated in time from the rest of the Proposal submittal?

**ANSWER:** The Due Date for Receipt of Proposals has been extended until December 9, 2009 by 2:00 p.m. (Local Time) and will be revised in a subsequent Amendment #1 to the RFP. All required licensing information and fees must be submitted by the Offeror with its proposal as stated in the RFP. The detailed MBE information is not required to be submitted with the proposal, but will be required at the time of response to an RFQ.

2. **QUESTION:** Would a company require a license in Maryland to sell chairs, bases, signs, etc. for VLTs?

**ANSWER:** Yes, the company will be required to file a license application as a supplier of gaming equipment.

3. **QUESTION:** Who is responsible for the cost and procurement of slot chairs and bases?

**ANSWER:** The Facilities are responsible for the cost and procurement of VLT chairs and bases, unless it is a specialty VLT with an attached base and/or chair. See RFP Appendix M – Maintenance Responsibilities which states that the Facility is responsible for "Chair Installation (unless specialty game with attached base/chair)" and "Base Installation (unless specialty game with attached base/chair)".

4. **QUESTION:** Does the Commission allow non-traditional multi-player games with a central RNG such as horse and greyhound racing as well as electronic versions of traditional table games such as blackjack, roulette, poker, craps and baccarat?

**ANSWER:** Yes

5. **QUESTION:** For electronic table games, does the Commission allow only situations where game play is accomplished with virtual cards and virtual chips on virtual layouts or are real chips (with virtual cards) allowed?

**ANSWER:** Only virtual cards and virtual chips are allowed.

6. **QUESTION:** For electronic table games, what kind of RNG is allowed – an automated mechanical RNG or a completely virtual RNG for games such as roulette?

**ANSWER:** Both types will be considered.

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.

8. **QUESTION:** Will games require coin trays and handles? Will games require hard meters?

**ANSWER:** Coin trays and handles are optional. Hard meters are not required.

9. **QUESTION:** Will the Commission allow the remote downloading of game

content from an offsite location to a VLT installed at a Facility?

**ANSWER: Yes, in theory, but the Commission must approve on a case by case basis.**

10. **QUESTION:** Will the Commission allow Automatic Funds Transfer (AFT), which enable the player to download credits to the VLT?

**ANSWER: Yes, from player cards, but not from credit cards.**

11. **QUESTION:** May contractors purchase equipment and or services from an affiliate in the ordinary course of business?

**ANSWER: Yes.**

12. **QUESTION:** Section 1.1.2 also states that the Commission will “work with each facility to identify the best mix of VLTs within its budgetary and fiduciary responsibility.” It was our understanding that the VLTs and associated equipment and services were being paid for by the Lottery, not the facility. Could you clarify the financial relationships between the parties? How much of a role will the operators play in game selection and ultimately will the Commission decide or will the operator decide on product and allocations?

**ANSWER: The Commission, not the Facilities, will pay for and own or lease the VLTs. The Facilities in a collaborative process with the Commission will select the VLTs and determine the floor mix. The Commission has the responsibility to maximize revenue to the State and will maintain active oversight in the selection and monitoring of performance of the VLTs**

13. **QUESTION:** Section 1.1.2 - Is success in this Proposal and being a recipient of a Master Contract a commitment by the Commission that a Contractor will get any fixed or minimum percentage of VLT orders in response to the subsequent RFQ processes?

**ANSWER: No. The Commission makes no guarantee of any minimum or maximum quantities of VLTs that will be acquired from a Master Contractor under this Contract. The Facilities in conjunction with the Commission will select the VLTs and determine the floor mix.**

14. **QUESTION:** Section 1.1.6 invites Offerors to use subcontractors. Are

“subcontractors” also required to be licensed? If so, what level of subcontractor?

**ANSWER:** Subcontractors may be required to be licensed, e.g. subcontractors used to maintain or repair VLTs or to write code. The Offeror need not submit license applications for subcontractors at the time it submits a proposal. The Commission will make a determination on a case by case basis and advise the Offeror if licensure is required.

15. **QUESTION:** Section 1.3.1 states that VLTs will be connected thru “a universally accepted industry protocol (e.g. SAS 6.02, G2S, S2S).” Can we evaluate and bid assuming that if we are required to connect via SAS 6.02 only.

**ANSWER:** Yes.

16. **QUESTION:** Per section 1.3.1 we understand that VLTs which communicate with a system only with SAS 6.02 are acceptable. Is that correct?

- a. Does this also imply that any system used for the statewide monitoring must support machines and networking that support SAS AND G2S?
- b. Does this mean that any Central Monitoring System chosen to monitor Maryland VLTs cannot use a proprietary protocol?

**ANSWER:** a) Yes.

b) Yes

17. **QUESTION:** Section 1.4 Glossary;

a) "Gross Terminal Income" - Please clarify how promotional credits will impact the payments to VLT vendors if the payment is based on a percentage of proceeds.

b) "Master Contract" - states that it may include “indicated portions of the selected offeror’s proposal.” Who determines what portions of the proposal may be included and what is the basis?

c) "Progressive Jackpot" - Typically, progressive jackpots do not increase as VLTs are added but as VLTs connected to the jackpot system are played. Suggest amending this to read: “A prize that increases as one or more VLTs connected to a Progressive Jackpot System are played.”

**ANSWER:** a) Promotional credits are not included in the calculation of payments to the Contractor.

b) Generally a successful Offeror's entire proposal is incorporated into the

**Contract and any such determination would be made by the Commission at the time of Contract preparation. See RFP Section 4.1 (2)**

**c) Yes, agreed. This will be revised in a subsequent Amendment #2 to the RFP.**

**18. QUESTION: Section 2.3 – In the description of "Percentage of VLT Proceeds", out of which portion are the VLTs and Related Services being paid?**

**ANSWER: The VLT program, including payments to the Contractor(s) under the VLT and Related Services Contract, is being paid out of the Lottery (Administration) portion of the Proceeds which is "2% to the State Lottery for administrative costs, with other costs provided for in the annual State budget."**

**19. QUESTION: Section 3.8 - Are the expenses of the Evaluation Committee regarding any site visits paid for by the Lottery?**

**ANSWER: Offerors will have no responsibility for any expenses of the Evaluation Committee related to site visits.**

**20. QUESTION: Section 3.21.4 declares an MBE Participation goal of 25%. Given that the major cost items in this procurement are hardware devices whose configuration is under regulatory control from many jurisdictions, and consequently very difficult to change, it may be very difficult to meet that goal in a meaningful way. What are the implications of not achieving that goal? Should attempts be made to achieve that goal even if it adversely affects price to the state?**

**ANSWER: The Offeror must make an independent evaluation of all opportunities available for MBE subcontracting. Offerors must demonstrate their best efforts to meet the goal in the most meaningful and creative ways possible while still providing competitive costs to the State. If an Offeror believes a waiver of some or all of the MBE goal is necessary then the Offeror may request a waiver as described in RFP Section 3.21.4. An Offeror requesting a waiver must demonstrate that reasonable good faith efforts have been made to meet the goal and such request will be thoroughly evaluated by the Commission prior to approval. As stated in Section 3.21.4 (4)b, one of the justifications for requesting a waiver is that "certified MBE participation was ... unable to be obtained at a reasonable price...".**

21. **QUESTION:** Section 4.2: Contract Term. This provision fixes the prices for five years minimum and ten years at the state's option. It is not reasonable to fix prices over this long a term. This could do the state a disservice, because prices can come down, too.

**ANSWER:** The prices established by the RFP will be the maximum prices that the Commission will pay. Master Contractors will have the opportunity to offer prices which are more advantageous to the State at the time of the RFQ process, and are encouraged to do so.

22. **QUESTION:** Section 4.2: Can the Commission provide a definition of "unilateral" in regard to the Commission's right to extend the contract? Can a vendor opt out?

**ANSWER:** The Renewal Option may be exercised only by the Commission, at its sole discretion. If exercised by the Commission the Contractor is obligated to perform in accordance with the Renewal Option and may not "opt out". The Contractor's failure to perform in accordance with the Renewal Option would be deemed to be a breach of the Contract.

23. **QUESTION:** Section 4.3.2. This provision, which says a supplier cannot submit an invoice until the State has furnished a written acceptance, and others like it can create revenue recognition issues for the vendors. Will the state modify this provision?

**ANSWER:** This is a common provision in State contracts and will not be modified or deleted.

24. **QUESTION:** Section 4.3.2 "For VLTs installed/removed during the month, monthly charges shall be pro-rated based on the day of installation/removal." How will we know when a VLT has been removed?

**ANSWER:** The Contractor is included in this process and will be notified of installation/removal of VLTs.

25. **QUESTION:** Section 4.3.2 identifies the "Acceptance Period" which is not a defined Glossary Term. A) What is the period?

b) How soon after the end of the 90 day acceptance period will the Contractor receive notice of acceptance?

**ANSWER:** a) As stated in Section 4.3.2 of the RFP the Acceptance

**Period is ninety (90) days, during which period each VLT must perform in accordance with the Technical Specifications.**

**b) The Contractor will be notified immediately upon expiration of the Acceptance Period.**

**26. QUESTION:** Section 4.3.2 - Invoices for the Purchase of VLTs; This section states that "each VLT must perform in accordance with the Technical Specifications set forth in the Contract" and notes the implications of "Unsatisfactory Performance". Is it correct that this performance is related only to the technical expectations and not to the revenue performance which is addressed elsewhere in the RFP?

**ANSWER: Yes, that is correct. This Section refers only to the technical performance of the VLT, not to the revenue performance. "Unsatisfactory Performance" relates to the failure of the VLT to meet the technical specifications contained in the RFP and Contract.**

**27. QUESTION:** Section 4.12 Termination for Convenience. This provision permits the state to walk away from the contract, which may mean that it's not a contract at all due to failure of consideration. This may cause vendors to not participate. Will the lottery negotiate changes to this provision?

**ANSWER: No. The Termination for Convenience provision is a mandatory requirement of State law and will not be changed.**

**28. QUESTION:** Section 4.19 – Retention of Records: Requires the retention of "all" records and documents for a period of three years. Is this requirement intended to extend solely to material records such as official correspondence, accounting records and submissions to the Commission?

**ANSWER: No, this Section applies to all records including electronic records.**

**29. QUESTION:** Section 4.22 "The Contractor may not subcontract any portion of the services provided under this Contract without obtaining the prior written approval of the Commission, nor may the Contractor assign this Contract or any of its rights or obligations hereunder without the prior written approval of the Commission." VLTs are assemblages of components manufactured by many suppliers who change frequently. Are they considered subcontractors for this purpose? If they are, this will create delays and increase costs (and prices).

**ANSWER: Suppliers of components used in the initial assembly and manufacture of a VLT or other items provided by the Contractor under this Contract are not considered to be subcontractors.**

30. **QUESTION:** Section 4.28 – Liability for Loss of Data or Records: Obligates the contractor to assume all costs associated with reconstructing all lost data. Does the Commission intend to apply this requirement to anything other than material data?

**ANSWER: This Section applies to all data and records including electronic data and records.**

31. **QUESTION:** Section 4.34 – Conflict of Interest: Please clarify what this provision means. Is it a conflict for the Contractor to do business with other lotteries that compete with Maryland?

**ANSWER: No, it is not a conflict of interest for the Contractor to do business with lotteries or VLT operators in other jurisdictions, whether or not they may be considered to compete with gaming activities in Maryland.**

32. **QUESTION:** Section 4.38 – Dissemination of Information: Is it correct that the restrictions in this Section are not applicable to information required to be released pursuant to law, regulation or court order?

**ANSWER: Yes, that is correct.**

33. **QUESTION:** Section 4.43.5.1 defines the time frame for delivery and testing of VLTs. It requires a 90 day period which includes installation by the facility and testing by the Commission. The installation time needs to be coordinated between the parties and is not exclusively under the control of the VLT supplier. Similarly we assume that the testing will require some resources not under control of the VLT supplier. Therefore, it is not possible for the supplier to commit to completion of the activities within the 90 day window without time frame commitments for the Facility installation and testing activity. Can the document be modified to specify time frames that will be adhered to for those activities or move them outside of the 90 day window?

**ANSWER: It is not the intent of this Section to impose Liquidated Damages upon a Contractor in an arbitrary or automatic manner for events or conditions outside of its control. If the Commission or Facility is unable, unwilling or dilatory in providing necessary decisions, access or assistance for the Contractor to perform its work; such delay will be**



considered in assessing penalties. All of the Liquidated Damages provisions state that the Commission "may" impose damages and the Commission would review the Contractor's responsibility on a case by case basis before imposing damages. Section 4.43.5.2 will be revised/clarified in a subsequent Amendment #2 to the RFP.

34. **QUESTION:** Section 4.43.6.: Will the Commission consider a VLT in operational status providing it can accept money, print tickets, be playable and pay out?

**ANSWER:** Yes, provided it is in compliance with all other specifications.

35. **QUESTION:** Section 4.43.14.1 states that the Commission shall "make the determination for a delivery date" of a requested change. We assume that the date would have to be consistent with any dates and feasibility presented in the associated Proposal. Is that correct?

**ANSWER:** Yes, the date would be consistent with dates and feasibility presented in the associated Proposal submitted by the Contractor.

36. **QUESTION:** Section 4.44.3 Fidelity Bond. Will the Lottery accept evidence of Employee Dishonesty coverage under a Crime policy with an Insurance Carrier; as this coverage is broader than a Fidelity Bond.?

**ANSWER:** Yes, Employee Dishonesty coverage under a Crime policy of insurance is acceptable to fulfill the Fidelity Bond requirement.

37. **QUESTION:** Section 4.45 Insurance Requirements; An additional insured may not be added to such policies as a Workers' Compensation policy. Therefore will the Lottery amend the sixth paragraph in Section 4.45 to read as follows:

"The Contractor shall require that the policies of insurance name the Commission as an additional insured, **as allowable**, and that each...."

**ANSWER:** Yes, this Section will be revised in a subsequent Amendment #2 to the RFP.

38. **QUESTION:** Section 4.57 Product substitution. This provision seems to be inapplicable to our industry and products. If we stop making a particular model,

we should have no obligation to continue to furnish it or to furnish an equivalent product. Will the Commission delete this requirement?

**ANSWER: No, this Section will not be deleted. This Section provides a mechanism whereby a Contractor *may* substitute a product. It does not create an obligation whereby the Contractor *must* substitute a product.**

**39. QUESTION:** Section 4.57.2: If the Commission requests to incorporate new products or technologies would they acquire those via separate price negotiations?

**ANSWER: As indicated in Section 4.57.2, Master Contractors may add new items of equipment to the Master Contract by submitting the specifications and pricing to the Commission for review and approval.**

**40. QUESTION:** Section 5.1.5.4 states that "Each VLT shall pass Central System integration testing as defined by the Commission". Will the Vendor be involved in determining what that testing is?

**ANSWER: No, the Contractor will not be involved in determining the scope of the testing. However, the Contractor may observe and assist in the testing and will be involved in resolving any issues that arise during the testing.**

**41. QUESTION:** Section 5.2.1.2 Button Panel: States that, "Based on the game type, there shall be sufficient buttons or indicator functions on the VLT to provide the following functions..." Can the requirements for buttons be addressed by either physical buttons or touch-screen buttons?

**ANSWER: Yes, both physical buttons and touch screen buttons are acceptable.**

**42. QUESTION:** Section 5.2.1.10 addresses Activation Through Central System and requires that "Game play ability, bill validators and coin acceptors, as applicable, shall be totally inoperable until the VLT is activated from the Central System. Diagnostic functions shall be available at all times. In similar Racino environments the normal procedure is to bring a game live, then connect to the Central System, the Central System then disables and enables the game. Is this an acceptable method of operation?

**ANSWER: The Commission's requirement is that a VLT is unplayable until authenticated by the Central System.**

43. **QUESTION:** Section 5.2.1.15 defines a Facility choice to use coin or token based operation. Are these devices considered to be extra-price options in the pricing sections? Will it be acceptable for vendors to propose ticket-only (i.e., coinless, tokenless) solutions?

**ANSWER:** Coin or token operation is intended for limited and promotional capabilities and should be included by the Offeror whenever available and included in the Financial Proposal as optional priced items.

44. **QUESTION:** Section 5.2.1.16 states that VLTs shall have a separate bill validator compartment (drop box) which shall be identifiable to the VLT from which it was removed. Such functionality is normally external to the VLT. In many jurisdictions identification of the bill container is identified by physical markings on the bill container. Alternatively, systems are available which do provide electronic means of identification of the bill containers. These systems are not part of the VLT because they are common across many different supplier's VLTs and are part of the facility soft count system. Is the intent of this section to be that the VLT be compatible with such systems?

**ANSWER:** Yes, the VLT must be compatible with such systems.

45. **QUESTION:** Section 5.2.1.16: Bill validators have limited memory. Therefore, is there a maximum period of time that can be established, for example: bills not older than MM/YY?

**ANSWER:** Yes, that is acceptable.

46. **QUESTION:** Section 5.2.1.20 states that the VLT cabinet shall have a switch with alarm to detect tampering. At the time the alarm is tripped the VLT should also send a transaction to the Central System. We assume that the term "tampering" in this context means the opening of VLT doors. Is that correct?

**ANSWER:** Yes, that is correct.

47. **QUESTION:** Section 5.2.1.20 – Tampering Alarm: Are vendors allowed to propose options or alternatives to the required tampering alarms?

**ANSWER:** Yes, options or alternatives may be proposed, for the Commissions review and approval, provided they meet the intent of this requirement.

48. **QUESTION:** Regarding Section 5.2.1.25 – Printing Mechanism, Is the facility responsible for providing ticket stock as in DE or is the Vendor responsible as in NY?

**ANSWER:** The Facilities are responsible for providing the ticket stock. See RFP Appendix M – Maintenance Responsibilities which states that the Facility is responsible for "Paper Jams and Replacement".

49. **QUESTION:** Section 5.2.1.26 of the RFP references the potential use of used machines. Are there any restrictions on the proposal of such machines, other than the stated stipulation that they must be warranted as new? For example, must they be a model of current manufacture or technology? What are the criteria of "warranted as new"?

**ANSWER:** Used VLTs shall meet all requirements of the RFP, including having the same warranty terms, sparing matrix, service, etc that are provided by the Offeror for its new VLTs.

50. **QUESTION:** a) Section 5.2.1.30 – Peripheral Hardware: A Contractor may use its own approved vendor lists for the various manufacture elements of its VLTs. Will the Commission agree to limiting requested peripheral hardware to that which may be obtained from the approved vendors?

b) Player tracking brackets are generally procured by the vendor of that product, using bracket design co-developed by the provider and machine manufacturers. Please clarify if the Commission intends to require Offerors to provide player tracking brackets.

**ANSWER:** a) The Offeror should submit this information with its proposal for the Commission's review.

b) No, the Facility is required to provide the Player Tracking System. Contractors are required to coordinate the installation of the player tracking brackets in the VLTs at the time of manufacture, as required. (See RFP Section 5.2.1.28)

51. **QUESTION:** Section 5.3.1 states that VLTs should "be positioned to implement required certified GSA protocols".

a) Does that mean have the necessary hardware in place (presumably an Ethernet port)?

b) Is it correct that any protocol upgrades will be subject to the process defined in section 4.43.14.1 including any associated costs?

**ANSWER: a) No, the hardware does not need to be in place but the VLT must be capable and ready to upgrade.**

b) Yes, the process defined in Section 4.43.14.1 would apply to the upgrade.

52. **QUESTION:** Section 5.3.1.3: in most lottery systems, the reporting is in cents, instead of credits, insuring accuracy for all denominations. Please confirm that cents will be used for reporting to the Central System.

**ANSWER: Yes, that is correct, cents will be used for reporting.**

53. **QUESTION:** Section 5.4.3.1 – Payout Limits: a) Please confirm that the requirement refers to theoretical payout percentage?

b) The RFP states a maximum payback percentage of 95%. Poker and certain other table games are more attractive to players at payback percentages greater than 95%. Will the Commission consider raising the payback percentage for these games?

**ANSWER: a) Yes, this Section refers to the theoretical payout.**

b) The VLT Law allows the Commission to approve a higher payback percentage.

54. **QUESTION:** Section 5.4.3.2 – Minimum Probability: Please confirm that this question refers to the odds of obtaining the maximum payout and not the probability, since the two terms are quite different.

**ANSWER: Yes, this Section refers to the "odds" and will be revised in a subsequent Amendment #2 to the RFP.**

55. **QUESTION:** Section 5.4.5 on Play Transaction Records requires 11-digit electronic meters. Is there any reason why 11-digit meters are required? The industry standard for electronic meters is 10-digits. SAS 6.01 also supports 10-digit meters. Requirement of 11-digit meters could eliminate some VLT suppliers and limit competition or significantly increase the cost of VLTs. Could the requirement be changed to 10-digit meters?

**ANSWER: Yes, the requirement will be changed to 10 digits for**

**meters and will be revised in a subsequent Amendment #2 to the RFP.**

**56. QUESTION:** Section 5.5.3 begins a discussion of Progressive Games. With the exception of stand-alone progressive games, progressive games will operate in conjunction with a progressive controller or progressive system. In the case of participation games an appropriate controller may be bundled with the VLTs themselves. In the case of non-premium progressive games the controllers are normally procured by the facility. Is the Commission envisioning that such controllers in this program will be purchased as system equipment by the Facility along with the Player Tracking System, and that the cost of such controllers are outside the scope of this procurement?

**ANSWER: No, the cost of such equipment is not outside the scope of this RFP. The Commission will procure all equipment necessary to operate a VLT and the Offeror/Manufacturer shall include such equipment in its price.**

**57. QUESTION:** Section 5.5.3 – Progressive Games: Will the Commission allow vendors to propose different types of progressives based on the games we have available?

**ANSWER: Yes, Offerors may propose such games for the Commission's review.**

**58. QUESTION:** Section 5.5.5 states that VLTs shall have the ability to support Tournament Play. Is tournament play support a requirement in ALL VLTs, or is it an option?

**ANSWER: It is desired but not required on all VLTs if it is not already offered in other jurisdictions on a particular VLT. If tournament play is offered anywhere on a particular model, it must be available to the Commission. Pricing may be expressed as an option, with or without tournament play available.**

**59. QUESTION:** Section 5.6.2: Who would pay for ongoing training that is requested by an operator?

**ANSWER: As stated in Section 5.6.2, the Contractor is responsible to provide training to Facility and Commission staff.**

**60. QUESTION:** Section 5.5.6 - Signage: Please define what is meant by “signage” and “theme VLTs”?

**ANSWER:** Anything not integral to the VLT that indicates and advertises the presence of the VLT. This Section will be revised/clarified in a subsequent Amendment #2 to the RFP.

61. **QUESTION:** Section 5.6.3.7 addresses Maintenance Logs. Will the Facility supply the Log as in DE or the VLT manufacturer as in NY?

**ANSWER:** The Contractor (i.e. VLT Manufacturer) shall supply the maintenance logs, will be revised/clarified in a subsequent Amendment #2 to the RFP.

62. **QUESTION:** Section 5.6.4 - Meetings: Please define the vendor personnel that will be required to attend the four meetings per year.

**ANSWER:** The Commission cannot specify at this time, but key management, supervisory and sales personnel would be typical.

63. **QUESTION:** Section 5.7.5: Will one operational unit of each model suffice for testing? Can the Commission expand on how and why would the unit be damaged for testing?

**ANSWER:** Yes. The Commission cannot at this time define how or why a VLT may be damaged in testing, but the Contractor should be aware of that possibility.

64. **QUESTION:** Section 5.7.6: Since the dismantling of a game may require UL testing and certification after it has been reassembled, does MD require UL certification on any games that have been reconditioned?

**ANSWER:** Yes

65. **QUESTION:** Section 5.8.1 states that the Contractor and Facility shall be jointly responsible for the movement of VLTs within a Facility and outside of the Facility. Who is responsible when there are multiple moves and Contractor equipment is involved? Will the Facility cover half the manpower for movements?

**ANSWER:** The Facility is responsible to move VLT bases and chairs, unless they are an integral part of the VLT. The Contractor is responsible to move the VLTs.

66. **QUESTION:** Section 5.8.1.3: This section addresses requirements related to trucking companies or common carriers shipping VLTs. Does this preclude the use of the Contractor's personnel and vehicles for movement of VLTs within the state, e.g. from a storage facility to a VLT facility?

**ANSWER:** No, it does not preclude the use of Contractor's personnel and vehicles, but they must comply with all requirements specified in the Contract.

67. **QUESTION:** Section 5.9 – VLT Performance: Will poker and electronic table games be in a separate category for the purpose of performance measurement?

**ANSWER:** Yes, they will be in separate categories but will be aggregated into the overall win per day for measurement of compliance with the VLT Law.

68. **QUESTION:** Sections 5.9.3 and 5.9.4: Will comparisons be made by denomination, location on the floor and hold percentages and how will floor locations be determined? Since vendors will have very little control on where and how the product will be deployed on the floor, this needs to be considered.

**ANSWER:** Yes, these factors will be considered by the Commission.

69. **QUESTION:** Concerning Section 5.11, can a Contractor submit into the secondary RFQ competition a new product that was not market-ready at the time of the RFP? What about product that becomes developed and available in years 2, 3, 4 and beyond. During the course of a 5 year contract new VLT models will certainly be introduced by all suppliers. Will Master Contracts have to be modified to accommodate the latest models, or can they be procured within the scope of the ongoing RFQ process? How does the Commission advise a Contractor to handle this?

**ANSWER:** As indicated in Section 4.57.2 - Addition of the RFP, Master Contractors may add new items of equipment to the Master Contract with new pricing, as approved by the Commission. However, no new Master Contractors may be added to the Master Contract after the initial award.

70. **QUESTION:** Concerning Section 6.

a. Can a Contractor bid less than the three "Acquisition Options"? If so will



this score against the Contractor in the secondary competition?

- b. Can the Commission please provide its thoughts on “trade-in allowance”? Can they vary by time? Is this trade-in through the life of the Term, qualified in the first two years, or other?
- c. Does the Commission intend to replace a “trade-in” with another machine only from that Contractor?

**ANSWER:** a) An Offeror may propose one, some or all of the Methods of Acquisition. Proposing less than all of the Methods of Acquisition will not negatively impact the Offerors proposal. However, at the time of a secondary competition the desirability of the Contractor's VLT may be limited if some of the Methods of Acquisition are not available.

b) Yes, for the "Purchase" Method of Acquisition a trade-in allowance that varies over time based on a schedule provided by the Offeror is an acceptable scheme.

c) Yes, that is the Commission's intent.

71. **QUESTION:** Section 6.2 discusses various acquisition options. For any of these options the actual cost per VLT will vary according to the number of VLTs supplied by a supplier. In order for the pricing to reflect the costing more accurately can the pricing be dependent on minimum and/or quantity pricing?

**ANSWER:** The prices established by the RFP will be the maximum prices that the Commission will pay. At this time it is unknown what quantities of VLTs, if any, will be acquired from an Offeror by the Commission, but Offerors may propose discount tiers or volume pricing. Master Contractors will also have the opportunity to offer prices which reflect volume discounts at the time of the RFQ process, and are encouraged to do so.

72. **QUESTION:** Section 6.2.1: Please define “purchase conversion allowance” and “performance conversion allowance”.

**ANSWER:** Purchase Conversion Allowance refers to converting a Leased VLT from a Lease to a purchase Method of Acquisition. Performance Conversion Allowance refers to converting a Purchased VLT to a different game due to poor performance of the original game.

73. **QUESTION:** Section 6.2.1 Please provide specifics as to when the

Commission would consider trading in VLTs.

**ANSWER:** When the Commission would consider trading VLTs is undetermined at this time.

74. **QUESTION:** Section 7.2 refers to an “unbound” original. Does a 3 ring binder qualify as “unbound”? If not, please define what is intended?

**ANSWER:** Yes, a 3-ring binder is acceptable for the unbound original. Any method of binding that is not permanent and that allows the document to be easily disassembled for copying is acceptable.

75. **QUESTION:** Section 7.3.5.5 references “franchise games”. What qualifies as a “franchise game”? What is the Lottery’s definition of such games?

**ANSWER:** A game which requires special licensing, e.g. "Wheel of Fortune".

76. **QUESTION:** Section 7.3.5.5 requires information on “each of the game themes being offered”.

a) Is it correct to assume that high level descriptions are appropriate in this document, with more detailed information being reserved for subsequent RFQ responses?

b) As all suppliers have a constantly changing set of game theme offering, frequently changing on a monthly basis, with older games being deleted and new ones being added, sometimes with specialized hardware components, and considering the fact that there may be considerable time elapsed between the preparation of this Proposal and any response to an RFQ, what is the mechanism that will be provided to update this information, including pricing, over time?

**ANSWER:** a) Yes

b) The Offeror should propose what it presently has in its inventory. As indicated in Section 4.57.2 - Addition of the RFP, Master Contractors may add new items of equipment to the Master Contract with new pricing, as approved by the Commission.

77. **QUESTION:** Section 7.3.6.2 asks for a list of current clients and billings. Are we correct in assuming that the Commission is only interested in relevant

large accounts since vendors are likely to have a large number of accounts. It may also be inappropriate to reveal specific billing data on clients. Could the Commission please clarify what data it is requesting?

**ANSWER:** The Offeror may list its largest relevant accounts and indicate its approximate number of smaller accounts. The term "billing" in the context of this requirement refers to information relating to the magnitude of the account, such as the number of Facilities supported, VLTs supported, etc. It is not necessary to provide specific billing amounts for clients.

78. **QUESTION:** Section 7.3.6.2 The first two bullets in item #1 request relevant experience in Central Monitor and Control System implementation. Since this is a VLT procurement that would seem to be out of place. Could this be deleted?

**ANSWER:** Yes, the reference in this Section to Central Monitor and Control System is incorrect and the Section will be revised in a subsequent Amendment #2 to the RFP.

79. **QUESTION:** Section 7.3.8 requests detailed information on staff assignments. This would seem to be premature since the number and level of staff will depend on the size and timing of actual VLT orders, which will not be known until schedules are established for Facility start ups and the second round of quotations and Notifications to Proceed are generated. Key staff cannot be assigned until the timing and scope of business is defined. Can this section be deleted?

**ANSWER:** No, this Section will not be deleted. The Offeror should provide its best estimate at this time based on the requirements of the RFP and its knowledge of market conditions and projected share. Master Contractors will have an opportunity at the time of the RFQ process to provide additional detailed information as necessary.

80. **QUESTION:** Section 7.3.10; Attachment D-2 - MBE Participation Schedule - is not listed as a required submission in Section 7.3.10, yet the attachment on page 152 states that it is to be completed and included with the submittal of the offer. Please clarify?

**ANSWER:** Attachment D-2 would normally be submitted with an Offeror's proposal. However, since in this case a Master Contract will be awarded with a secondary level of competition through the RFQ process, Attachment D-2 need not be submitted with the proposal but will be

required to be submitted with the Master Contractor's response to an RFQ. The MBE process and documents required to be submitted will be clarified/revised in a subsequent Amendment #2 to the RFP.

81. **QUESTION:** Appendix F contains the Pricing matrix. Are Offerors permitted to submit multiple pricing sheets - one such sheet for each model of proposed VLT and other proposed associate equipment - to accommodate differences in the types of games/VLTs being proposed?

**ANSWER:** Yes, a price sheet should be included for each pricing category that the Offeror is proposing.

82. **QUESTION:** Appendix F requires a Performance Conversion Allowance. Can that be expressed as a formula which relates to the time that the VLT being replaced has been in place, or reflect other material factors?

**ANSWER:** Yes, that would be an acceptable method for the "Purchase" Method of Acquisition.

83. **QUESTION:** Section 8.2 Evaluation Committee: States that it “may request additional assistance from any other sources, and may obtain information from any source regarding verification of an Offeror’s qualifications”. This covers anyone the EC asks. Does this include other Vendor applicants? The public? Private casino executives? The concern is that the confidential information tendered in the RFP will be shared with “any other sources” and what will be protected as confidential?

**ANSWER:** This Section states the Evaluation Committees right to obtain information about an Offeror from any source. During the evaluation process, nothing contained in an Offeror's proposal would be disclosed to anyone except the Evaluation Committee or other State personnel or consultants hired by the State who are directly involved in the evaluation process. Any entity engaged by the State to assist in the review would be subject to appropriate non-disclosure agreements and to civil and criminal penalties if violated. After Contract award, the contents of an Offeror's proposal could be disclosed in accordance with the Public Information Act, which provides for certain confidential information, trade secrets, etc. to be withheld.

84. **QUESTION:** Section 9.2.2 – License Fees: What is the license fee for a technician and how long of a term will the license be good for?

**ANSWER: The license fee and term for a VLT technician has not yet been established by the Commission.**

**85. QUESTION: Section 9.6. – License Reciprocity: Which states qualify for license reciprocity?**

**ANSWER: This has not yet been determined.**

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