

**State of Maryland**

**Maryland Lottery and Gaming Control Commission (MLGCC)**

**Request for Proposals (RFP)**

**Central Monitor and Control System for a Video Lottery Terminal Program**

**RFP Number MLGCA #2021-06**

**Issue date: October 1, 2020**

**NOTICE**

**A Prospective Offeror that has received this document from a source other than eMarylandMarketplace Advantage (eMMA)** [**https://procurement.maryland.gov**](https://procurement.maryland.gov) **should register on eMMA. See Section 4.2**

**Minority Business Enterprises Are Encouraged to Respond to this Solicitation.**

**VENDOR FEEDBACK FORM**

To help us improve the quality of State solicitations, and to make our procurement process more responsive and business friendly, please provide comments and suggestions regarding this RFP. Please return your comments with your response. If you have chosen not to respond to this RFP, please email this completed form to the attention of the Procurement Officer (see Key Information Summary Sheet below for contact information).

**Title: Central Monitor and Control System for a Video Lottery Terminal Program**

**RFP No: MLGCA #2021-06**

1. If you have chosen not to respond to this RFP, please indicate the reason(s) below:

* Other commitments preclude our participation at this time
* The subject of the solicitation is not something we ordinarily provide
* We are inexperienced in the work/commodities required
* Specifications are unclear, too restrictive, etc. (Explain in REMARKS section)
* The scope of work is beyond our present capacity
* Doing business with the State is simply too complicated. (Explain in REMARKS section)
* We cannot be competitive. (Explain in REMARKS section)
* Time allotted for completion of the Proposal is insufficient
* Start-up time is insufficient
* Bonding/Insurance requirements are restrictive (Explain in REMARKS section)
* Proposal requirements (other than specifications) are unreasonable or too risky (Explain in REMARKS section)
* MBE or VSBE requirements (Explain in REMARKS section)
* Prior State of Maryland contract experience was unprofitable or otherwise unsatisfactory. (Explain in REMARKS section)
* Payment schedule too slow
* Other: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

2. If you have submitted a response to this RFP, but wish to offer suggestions or express concerns, please use the REMARKS section below. (Attach additional pages as needed.)

REMARKS: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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Contact Person: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Phone (\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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**State of Maryland**

**Maryland Lottery and Gaming Control Agency (MLGCA)**

**Key Information Summary Sheet**

|  |  |
| --- | --- |
| **Request for Proposals** | Services - Central Monitor and Control System for a Video Lottery Terminal Program |
| **Solicitation Number:** | MLGCA #2021-06 |
| **RFP Issue Date:** | October 1, 2020 |
| **RFP Issuing Office:** | Maryland Lottery and Gaming Control Agency (MLGCA) on behalf of the Maryland Lottery and Gaming Control Commission (MLGCC) |
| **Procurement Officer:** | Robert Howells  Montgomery Park Business Center  1800 Washington Blvd., Suite 330  Baltimore, MD 21230 |
| **email:**  **Office Phone:** | Robert.Howells@Maryland.gov  410-230-8789 |
| **Proposals are to be sent to:** | Montgomery Park Business Center  1800 Washington Blvd., Suite 330  Baltimore, MD 21230  Attention: Robert Howells |
| **Pre-Proposal Conference:** | Wednesday, October 21, 2020; 11:00 AM Local Time  Montgomery Park Business Center  1800 Washington Blvd., Suite 330  Baltimore, MD 21230  Conference will be held by Video Teleconference  See Section 4.1 and **Attachment A** for directions and instructions. |
| **Questions Due Date and Time** | Monday, November 16, 2020; 4:00 PM Local Time |
| **Proposal Due (Closing) Date and Time:** | Wednesday, December 2, 2020; 2:00 PM Local Time  Offerors are reminded that a completed Vendor Feedback Form is requested if a no-bid decision is made (see **page 2**). |
| **MBE Subcontracting Goal:** | 25% |
| **VSBE Subcontracting Goal:** | 1% |
| **Contract Type:** | Combination Firm Fixed Price with an Indefinite Quantity-Firm Fixed Unit Price component in accordance with COMAR 21.06.03.02 & 21.06.03.06. |
| **Contract Duration:** | Seven (7) year operational Initial Term with two, 2-year renewal option periods.  The MLGCA’s existing contract for Central Monitor and Control System for a VLT Program (#2009-11) currently expires on September 26, 2021.  The Implementation Period shall be the period of time from the Effective Date of the Central Monitor and Control System Contract (#2021-06) that results from this RFP until the expiration date of the current Contract (#2009-11), during which time the Contractor shall install the system including all required components, and prepare to commence operations and assume responsibility for the statewide monitoring and control of the VLT program. The Contractor shall not be paid or accrue the right to any payments from the State during the Implementation Period. |
| **Primary Place of Performance:** | Montgomery Park Business Center  1800 Washington Boulevard, Suite 330  Baltimore, MD 21230 |
| **SBR Designation:** | No |
| **Federal Funding:** | No |

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# Minimum Qualifications

## Offeror Minimum Qualifications

To be considered reasonably susceptible of being selected for award, the Offeror must document in its Proposal that, within the last five (5) years, the following Minimum Qualifications have been met:

* + 1. The Offeror shall have experience in the implementation and operation of a central system that can control all brands and models of VLTs or slot machines and Electronic Table Games, both fully automatic and hybrid. The proposed system must be able to operate fully where different kinds of machines are taxed at different rates. The proposed system must be able to control all machines that are currently approved in Maryland and be able to expand to other kinds of machines when authorized by State law. The proposed system must:

#### be owned and operational by the Offeror for not less than three (3) years;

#### currently control not less than 10,000 VLTs in a single jurisdiction; and

#### be scalable to control not less than 20,000 VLTs across six or more gaming venues.

* + 1. The software and hardware proposed shall currently be in operation in a regulated jurisdiction, with the exception that equivalent or improved newer releases or models of the proposed products and their architectures are acceptable at time of installation as accepted by and agreed to in writing by the MLGCC. The MLGCC shall not accept configuration items that are at the specifications or concept stage only, early in development, or that are products announced but not yet engineered and ready for manufacture and delivery. The MLGCC acknowledges that the Central System may require adaptation to Maryland's requirements and that component parts may need to be ordered and assembled for delivery.
    2. The Offeror, if not currently licensed as a Manufacturer by the Maryland Lottery and Gaming Control Commission (MLGCC), shall include with its Proposal a completed Application for a Manufacturer's License, related forms and all required Application Fees and Background Investigation Fees as described in section 4.40. Fees shall be in the form of a check payable to the Maryland Lottery and Gaming Control Agency or a wire/electronic transfer. License Applications and fees received from Unsuccessful Offerors will be returned.

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# Contractor Requirements: Scope of Work

## Summary Statement

* + 1. The Maryland Lottery and Gaming Control Agency (“MLGCA”), on behalf of the Maryland Lottery and Gaming Control Commission (“MLGCC”), is issuing this Request for Proposals (“RFP”) to solicit proposals from qualified Offerors to provide the customization, development, implementation, operation, and maintenance of a complete turnkey Central Monitor and Control System for a Video Lottery Terminal Program (“Central System”).
    2. It is the State’s intention to obtain goods and services, as specified in this RFP, through a Contract between the selected Offeror and the State. The Commission intends to make a single contract award as a result of this RFP. See RFP **Section 4.9 Award Basis** for more Contract award information.
    3. Offerors may subcontract with other vendors to provide some of the requirements of the RFP, but Offerors must submit proposals encompassing all of the services required in the RFP and may not submit proposals for only a portion of the services specified in the RFP. An Offeror, either directly or through its subcontractor(s), must be able to provide all goods and services and meet all of the requirements specified in this RFP and the successful Offeror (Contractor) shall remain responsible for Contract performance regardless of subcontractor participation in the work.
    4. The State will not accept a software application that is still under development. The software utilized in the solution shall be operational (i.e., not under development) and in production in a United States jurisdiction at the time of Proposal submission (see Section 1.1.1)
    5. A Contract award does not ensure a Contractor will receive all or any State business under the Contract.

## Background and Purpose

The Maryland Video Lottery Terminal (VLT) Program has been in operation since September 2010. The enabling legislation specified that the Maryland Lottery and Gaming Control Commission (“MLGCC” or “Commission”) shall regulate the operation of VLTs, including licensing of gaming Facility operators and the operation of a central system. The MLGCA is tasked to provide assistance to the MLGCC in the performance of its duties. In 2012 a referendum passed allowing the introduction of Table Games at Maryland VLT Facilities. All six VLT Facilities (i.e. casinos) currently offer Table Games.

The MLGCC, by and through the MLGCA, is issuing this RFP to invite qualified Offerors to submit proposals to provide the customization, development, installation, implementation, operation, and maintenance of a complete turnkey Central Monitor and Control System for a Video Lottery Terminal Program (“Central System”) which includes, but is not limited to, a primary operations center co-located with the MLGCC's headquarters, a primary Data Center, a remote hot back-up system, all operating and reporting software, and a Telecommunications Network that will connect each VLT Facility and all VLTs to the Central System as described more fully in this RFP. The MLGCC will retain ownership of the network wiring from the communications closets to the VLT, ETG and dealer controlled ETG banks within each Facility at the end of the current contract and the contract awarded as a result of this RFP. Nonetheless, it will be the Contractor’s responsibility to maintain and replace the cabling as needed over the life of the Contract.

There are currently six VLT Facilities in operation in Maryland. The locations, number of active VLTs (which includes ETGs and dealer controlled ETGs) and the number of table games at each as of February 2020 are provided in the below table. The current number of VLTs and table games operational as of the date of issuance for this RFP is significantly reduced due to the COVID-19 pandemic. The MLGCA can provide no estimates about if or when counts will return to the previous levels.These numbers are subject to further change as market conditions dictate and the Contractor shall modify its systems and network as needed to accommodate changes and expansion within the current Facilities.

The VLT Facility License renewal criteria and process has not yet been established.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Facility  Name | City / County | VLT Count (Feb. 2020) | Banking Table Games (Feb. 2020) | Nonbanking Table Games (Feb. 2020) |
| Hollywood | Perryville / Cecil | 816 | 13 | 8 |
| Ocean Downs | Berlin / Worcester | 858 | 18 | 0 |
| Live! | Hanover / Anne Arundel | 3,848 | 143 | 50 |
| Rocky Gap | Flintstone / Allegany | 664 | 16 | 0 |
| Horseshoe | Baltimore | 2,084 | 131 | 23 |
| MGM Nat’l Harbor | Oxon Hill / Prince George’s | 3,111 | 160 | 46 |
| Total |  | 11,381 | 481 | 127 |

This RFP requires the Contractor to provide a Central System capable of supporting not less than 20,000 VLTs at the above six Facilities. The system should be upgradeable to permit the addition of more VLTs and/or Facilities should they be constitutionally authorized. The Central System shall be capable of controlling all brands and models of VLTs and Electronic Table Games (ETGs) currently approved for use in any United States jurisdiction and shall operate on a current, universally accepted industry protocol (e.g., Gaming Standards Association SAS, G2S).

If not currently licensed by the MLGCC at the time of Proposal submission, the Offeror shall include with its proposal a completed Application for a Manufacturer's License, related forms and Application and Background Investigation Fees as described in **Section 4.40 - 4.42**. Application forms are available electronically on the MLGCC’s website: [www.mdgaming.com](http://www.mdgaming.com/). Applicants and Licensees shall reimburse the MLGCC for all costs related to Background Investigations and licensing, to include but not limited to, Background Investigations conducted by a contractor for the MLGCC, in-house costs for MLGCC staff based on the hourly rates of the MLGCC employees, and all reasonable expenses such as travel, lodging, meals, etc.

### Project Goals

1. To replace the entire existing VLT Central System and all associated system infrastructure (servers, site controllers, PCs, intersite communications networks, intrasite communications networks connecting all VLTs to the Central System) as well as a full suite of reporting tools for MLGCA’s use.
2. It is anticipated that all VLTs in each VLT Facility will be disconnected from the current system and connected to the new system in a phased approach based upon banks and sections within each VLT Facility. An alternative implementation plan may be proposed by an Offeror. To the extent possible, the MLGCC wants to minimize downtime and potential revenue losses resulting from implementation.
3. The incoming Contractor will be required to work with the current Contractor to import data to the new system.

### Current Environment

INTELLIGENTM Central Management System by International Game Technology, PLC (“IGT”) is a redundant central system consisting of two hosts at the primary data center (PDC) and two hosts at the backup data center (BDC). The systems are configured in a quadplex configuration with a primary, a backup, and two spares. The systems comprise servers hosting relational databases and are configured with Red Hat® (Linux) operating systems (OSs). The communications infrastructure is redundant Enterprise Series servers (ES Connect) used for Multi-Terminal Site Controller (MTSC) management and an ES INTELLIGEN Management Terminal to host the ES INTELLIGEN Management Application. The network infrastructure and security comprise redundant routers, switches, and firewalls.

Each VLT Facility houses one or more MTSCs, which are connected to all VLTs. The MTSC is a server, or group of servers, that manages the VLT machines on the Facility floor. A MTSC manages up to 300 VLTs and contains Redundant Array of Independent Disks (RAID) disk subsystems and are part of the Facility built-in uninterrupted power supply (UPS) system. Ocean Downs Casino and MGM National Harbor utilize a singlemode fiber solution. Hollywood Casino Perryville, Live! Casino, Horseshoe Casino Baltimore, and Rocky Gap Casino utilize a Cat 6 solution.

### Existing Reporting

The existing Central System produces a suite of reports used by MLGCC staff on a daily basis. All necessary data will be available in a new system and the MLGCC reserves the right to request specific formats for both file transfers and hard copy reports.

### State Staff and Roles

In addition to the Procurement Officer and Contract Monitor, the Contractor will interact with the VLT Operations Department, Finance Department, Compliance, Internal Audit, and other stakeholders. The State will also provide a State Project Manager who will be responsible for overall coordination of the conversion from the incumbent provider to the successful Offeror.

### Other State Responsibilities

1. All changes to the gaming floors must be completed based upon approved Change Requests. The State will conduct coin testing using staff and/or third parties for new game deployments.
2. The State is responsible for providing required information, data, documentation, and test data to facilitate the Contractor’s performance of the work, and will provide such additional assistance and services as is specifically set forth.

## Responsibilities and Tasks

The following sections describe the **SCOPE OF WORK** for the providing of a Central Monitor and Control System for a Video Lottery Terminal Program. The Contractor shall deliver all requirements and shall be responsible for all technical functionality and business support.

The Procurement Officer will issue a Notice to Proceed (NTP) for any work required by the Contract, to include but not be limited to:

1. Installation and initial start-up of the Central System located at the MLGCC's headquarters, a hot back-up located off site, software, and all other Central System components, Telecommunications Network and equipment installed at a Facility;
2. Installation of all equipment related to the Central System that is required to be located at each Facility to support the existing VLTs and the Telecommunications Network connecting each Facility to the Central System; and
3. The support of additional VLTs, ETGs and dealer controlled ETGs that may be installed at any VLT Facility.

It is anticipated that the MLGCC will issue multiple NTPs over the Contract term, or any extension thereof. The Contractor shall not perform any such work unless a written NTP is issued by the Commission.

### General

1. The Contractor shall provide the customization, development, implementation, operation, and maintenance of a complete turnkey Central Monitor and Control System for a Video Lottery Terminal Program (“Central System”) which includes, but is not limited to, a primary operations center located at the MLGCC's headquarters, a primary data center either located at the MLGCC’s headquarters or remotely, a hot back-up system located separately from the primary data center, software, and a Telecommunications Network that will connect each VLT Facility and all VLTs to the Central System as described more fully in this RFP.
2. The VLT Facilities will separately procure VLTs, games and software from multiple manufacturers that will connect to and work with the Central System.
3. The Contractor shall coordinate the implementation of the Central System and Telecommunications Network with each of the VLT Facilities to ensure the smooth and timely installation of all components at the Facilities.
4. The Contractor shall coordinate the interoperability testing required by the MLGCC prior to the introduction of any new or upgraded VLT devices which will be selected by the VLT Facilities with the VLT Manufacturers to assist with the smooth and timely installation at the Facilities.
5. The Contractor shall be responsible for all costs, coordination and maintenance as they relate to the customization, installation, training, testing, operations and support of a turnkey Central System environment. Areas of the Contractor's responsibility specifically include, but are not limited to:
   1. All Primary and Back-up Site communication lines, computer system components and peripheral equipment, including data center environmental equipment, mainframes/servers, front-end communications processor(s), printers, and storage media.
   2. All communication lines and equipment to each VLT Facility.
   3. All equipment at the VLT Facility necessary for communicating with the Primary Operations Site, Primary Data Center, Back-up Operations Site, Back-up Data center, the VLT floor, and each VLT within each VLT Facility.
   4. All cabling infrastructure within each Facility (installation, termination and testing):

##### From the Point of Entry in a Facility to the Central System Wiring Closets

##### From the Central System Wiring Closet to each VLT Bank

##### From the VLT Bank to each VLT

##### From Central System Primary and Back-up Data Centers to the Commission

* 1. As needed, provide support to Facility staff for connectivity to each VLT including connection from the wiring closet to the VLT bank, within the VLT bank and to each VLT. Connectivity includes all hardware, software, cable runs, cable terminations, and cable testing.
  2. All VLTs currently operational in Maryland VLT Facilities are equipped with an interface board, which is provided by the Facilities, as part of the incumbent contractor’s central system communications. If additional components within the VLTs, ETGs or the banks are required to operate the Contractor’s system, the Contractor is responsible for all costs to acquire and install the components.

1. Dispute Resolution – The Contract Monitor shall have the final authority to resolve any disputes between the Contractor and the VLT Facilities, VLT manufacturers, etc. Failure to meet performance requirements may result in the assessment of Liquidated Damages by the State in accordance with Section 3.4 of this Contract or in damages to other entities such as a Facility or VLT manufacturer.
2. Player Tracking Systems and Ticket-In/Ticket-out – The Facilities have installed their own player tracking systems and cashless technology (ticket-in/ticket-out). The Central System shall be totally independent of any such player tracking system and cashless technology and the Contractor shall have no responsibility for the installation, management or support of these Facility systems. The Contractor and Central System shall be responsible for the polling and reporting of VLT Ticket-in/Ticket-out meters. The VLT Facilities currently provide gaming data to the Agency in a format approved by the Commission. In the event a new casino management system is introduced at a VLT Facility, the Facility will be required to match the current reporting format.
3. The Contractor will be required to coordinate with VLT Facility slot departments and IT staff to manage ongoing changes to the gaming floors.

### Central Monitor and Control System ("Central System")

1. General Requirements

The Contractor shall provide a Central System with comprehensive functionality which shall include, but not be limited to, recording all gaming activities, Gross Terminal Revenue (GTR), inventory management, and information management reporting. The Contractor shall provide the following to the MLGCC for the duration of this Contract and any extension thereof:

* 1. Computer hardware and software, with full redundancy, and Telecommunications Network to support VLT operations.
  2. A Central System which shall meet all performance requirements specified in this RFP.
  3. A Central System which shall be operational daily, 24 hours per Day, 7 days per week providing implementation, maintenance, day to day operation and resolution of outages on the Telecommunications Network which links the VLT Facilities, devices and systems within the Facilities and any associated communication/networking equipment involved in the operation of the VLT network. There shall be no cost to the MLGCC or to the Facilities in resolving Telecommunication Network problems and/or repairs, including problems, which involve wiring or devices used to connect the VLTs to the Central System.
  4. Any other item, equipment or service deemed necessary by the MLGCC for the efficient operation of the Central System.

1. Operations Procedures

The Contractor shall:

* 1. Create and document the procedures for computer operations staff, especially regarding failure situations, in a straightforward manner.
  2. Provide to the Contract Monitor documentation on how the Central System will maintain the required availability and how upgrades will be performed throughout the term of the Contract, and any Contract extensions.
  3. Create documentation on how the Central System shall be compatible with all VLTs using open industry protocols (such as: SAS, G2S and S2S).
  4. Document the procedures and processes on how the MLGCC shall be able to activate, de-activate and re-activate an individual VLT, a bank of VLTs or a whole Facility.
  5. Provide to the Contract Monitor a site implementation guide detailing what the Facilities must make available to the Contractor to assure successful deployment of the new VLT system equipment at each Facility.

1. Redundancy

The Contractor shall provide and operate Primary and Back-up Sites including, but not limited to, facilities, equipment and staff. The Contractor shall provide a telecommunication transport path between its Primary and Back-up Data Centers. The intent is to assure Central System survival in the event of a major outage. Each of these transport paths shall be capable of supporting all of the gaming traffic, the traffic needed between the Data Centers, and the traffic between the Data Centers and the MLGCC.

The Central System computer shall be a state-of-the-art, fault-tolerant, redundant, high availability system. The Central System may be configured in a variety of ways to achieve the desired results. If an Offeror chooses to utilize virtual machines for any portion of the Central System, there shall be no shared hardware; the environment must be entirely dedicated to the MLGCC. All computer system components and peripheral equipment, including front-end communications processor(s), system printers and storage media must be similarly fault-tolerant and redundant and maintain high availability. No performance degradation or loss of system functionality shall occur with the failure of a single system component. The Central System’s storage management solution shall provide fault tolerance and scalability. The remaining system(s) shall immediately assume the load in case of a failure in one system without loss or corruption of any data and transactions received prior to the time of the failure, with minimal service disruption and no loss of processing continuity.

Primary System recovery from a one-system failure shall be accomplished immediately while still maintaining current transactions. This includes the ability to fully service the communications network supporting the VLTs and management terminals.

Back-up System recovery from a Primary Data Center failure shall be accomplished immediately without loss of any transactions. This includes the ability to fully service the communications network supporting the VLTs and supplying management terminals.

1. Central System Requirements
   1. The Central System shall have the capability to support not less than twenty-thousand (20,000) VLTs and six (6) Facilities. The Central System, as delivered and installed, shall be capable of supporting a network of 15,000 VLTs and associated controllers during peak transaction volume. The proposed system must be able to operate fully where different kinds of machines are taxed at different rates. The proposed system must be able to control all machines that are currently approved in Maryland and be able to expand to other kinds of machines when authorized by State law.
   2. The Central System shall operate on a universally accepted gaming industry open protocol (e.g., Gaming Standards Association SAS, G2S, S2S) to facilitate the ability of the maximum number of VLT manufacturers to communicate with the Central System and shall be capable of controlling all brands and models of VLTs currently approved in a regulated United States jurisdiction.
   3. The Central System shall provide the capacity for at least an eleven (11) digit dollar amount ($99,999,999,999.99) for VLT sales.
   4. The Central System shall be configurable and capable of future scaling and expansion of transactions, storage, Facility locations, and number of VLTs.
   5. Alarms and monitoring devices shall be in place and shall automatically notify the MLGCC if the Central System goes down. All levels of sensing such as environmental and system/network availability shall be considered and captured. The Contractor shall notify the MLGCC based upon notice and escalation procedures as approved by the MLGCC.
   6. At the direction of the MLGCC, the Central System shall be able to immediately start or cease gaming functions by disabling or enabling any individual VLT, any group of VLTs, or all VLTs. The Contractor shall provide for a process of executing a shutdown command from the Central System that causes VLTs to cease functioning and a process of executing a startup command from the Central System. Both automatic and manual shutdown capabilities shall be available from the Central System. The Central System shall have the functionality to disable and enable VLTs at a VLT Facility and system wide with a single command for each type.
   7. When communication between the Central System and a VLT is disrupted, the components shall automatically resume processing as soon as communication is restored without any loss of data.
   8. The Central System shall provide a warning for each VLT when polled meters are outside of expected parameters which will allow the Contractor and Facility to proactively react to inaccurate or suspected inaccurate meter readings. The Central System shall provide the setting and monitoring of thresholds that provide an alert to the MLGCC in the event any and all meters fall outside of the established threshold values.
   9. The Central System shall provide a single point of entry for all management functions from Management Terminals on the MLGCC's Local Area Network (LAN).
   10. The Management Terminal software and emulators shall be compatible with the current version of Microsoft Windows (Windows 10 or higher).
   11. The Central System shall be capable of accepting and processing adjustments to include specification of a dollar amount and explanation for the adjustment. Posting of adjustments shall be allowed from either Management Terminals or in bulk using computer files. The Central System shall provide a single screen for meter adjustments which will allow all adjustments to key meters to be made on a single screen.
   12. The Central System shall provide the capability for VLTs to operate for up to twenty-four (24) hours without connection to the Central System, with all data being collected and stored without loss by the site controllers.
   13. The functions of the Central System shall not be obtrusive to players or to employees who require real-time monitoring of security events and financial transactions, or for servicing of the VLTs. The performance of the Central System shall not degrade during its normal functionality. In addition, the Central System shall provide capacity to accommodate VLT populations, play volumes, and event recording consistent with all specifications.
   14. Time Synchronizing:

##### Multiple systems in the configuration, such as a clustering of processors, shall have a time synchronizing mechanism to ensure consistent time recording and reporting for events and transactions.

b) The Primary and Back-up Systems shall be time-synchronized, to ensure that both Systems have all transaction data at all times.

##### The Central System shall provide Synchronization with an external time standard.

1. Power-up and Power Failure Recovery

During a Central System power-up or power recovery, the Contractor shall monitor the Central System and all VLTs to ensure the proper response and functioning of all VLTs. The Contractor shall respond to any VLT request to reestablish connectivity with the Central System within five (5) minutes. The Contractor shall establish and follow a manual intervention process for corrective action for any VLT that does not respond or fails to function properly, including communications and coordination with the Facility.

1. Hardware
   1. The Contractor shall obtain prior approval in writing from the MLGCC before making any enhancement or modification to the hardware configuration or procedures.
   2. All hardware and ancillary peripherals making up the Central System shall be new equipment that has not previously been used or refurbished, with the exception of data lines between site controllers and the VLT banks.
2. Software

##### Unauthorized Changes to Software

The Contractor shall obtain prior written approval from the MLGCC before making any enhancement or modification to the operating software, configuration or procedures. The Contractor shall run a software utility on a daily basis that checks to ensure software libraries have not been modified in order to prevent unexpected and non-approved software changes. The Central System shall automatically generate and send daily to the MLGCC a report of the results of the software utility check.

##### Software Licenses and Escrow

All software installed by the Contractor, as well as any maintenance or enhancements to that software, and all program documentation supplied by the Contractor for the duration of the Contract, shall be licensed to the MLGCC for the duration of the Contract and any extensions at no additional cost.

The Contractor shall provide to the MLGCC, or place in escrow with an escrow agent, in a form acceptable to the MLGCC, up to date copies of all software source code and related documentation developed (or modified) by the Contractor to operate the Central System and games. If the Contractor supplies existing software for which it or others have copyright/ownership rights, the Contractor shall either provide the source code directly to the MLGCC, in a form acceptable to the MLGCC, or shall place the source code in escrow with an escrow agent. Two copies of all source code shall be provided in a format approved by the MLGCC. The Contractor shall require the escrow agent to provide written notification to the MLGCC upon receipt of the source code. See **Section 3.15.1** – Source Code Escrow for escrow requirements.

##### Protocol Simulation

##### The Contractor shall furnish specifications, protocols and formats of messages to/from the Central System. This also includes communication between Central System devices.

##### Protocol Simulator

The simulator shall adequately support and exercise all of the transactions and message types that are to be used by the communications protocol.

The simulator shall be capable of generating common communication errors to confirm that the VLT software is properly handling the event (i.e., malformed messages, no acknowledgement, incorrect cyclic redundancy checking ("CRC"), incorrect data, etc.).

The simulator shall provide for performance/volume testing.

An operations manual or other suitable documentation shall be supplied with the simulator.

The simulator shall run on standard, freely available equipment such as a PC or the equivalent. Alternatively, the supplier may loan suitable simulator hardware to all users approved by the Contract Monitor.

##### Software Validation

##### The Central System shall initiate a signature validation command whenever any VLT is enrolled.

##### If a VLT fails the signature validation test, it shall not be possible to enable that VLT into normal mode without manual intervention at the level of the Central System, which shall generate a report for both validated and failed VLTs and which the Contractor shall submit daily to the MLGCC.

##### One of the following two methods of signature check reference storage shall be implemented:

Game software image storage: All game software images that exist in the VLT shall also be stored in the Central System. The game software images stored in the Central System are used for signature calculations and are subsequently used to validate the signature calculation results reported from the VLT.

Pre-calculated signature results storage: The table of signature results shall have at a minimum of five (5) entries. These entries shall be generated from randomly selected seed values for each game and repopulated on a daily basis. The utility program used to generate the signature check result table shall be approved by the MLGCC.

##### Both the game software image and pre-calculated signature results are sensitive data files that shall have appropriate security such as password protection and file encryption.

##### If the image used for validating the VLT software is comprised of more than one program or device (for example, a VLT may have one main program and one game program) the Central System shall have the functionality to allow the operator to load each component individually and the Central System shall combine the individual images based upon the scheme supplied by the VLT manufacturer to create the combined image.

1. Accounting Requirements

##### The Central System shall monitor the operation of each VLT and create reports using, at a minimum, the following information:

##### Number of cents wagered;

##### Number of cents won;

##### Number of cents paid out by a printed ticket;

##### Number of cents accepted via a printed ticket;

##### Number of cents accepted via coin, bill, ticket or other instrument of value;

##### Number of cents transferred to the VLT electronically;

##### Number of cents transferred from the VLT electronically;

##### Number of cents paid out via hand pay or canceled credit;

##### Number of cents paid out via jackpot;

##### Number of cumulative credits representing money inserted by a player;

##### Number of cents on the credit meter;

##### Number of games played;

##### Number of games won;

##### Number of times the logic area was accessed;

##### Number of times the cash door was accessed;

##### Each person who accessed the logic area and the date and time it was accessed;

##### Each person who accessed the cash door and the date and time it was accessed;

##### The number of all promotional credits (cashable and non-cashable) received at the game;

##### The value of all promotional credits (cashable and non-cashable) received at the game;

##### The number of all promotional credits (cashable and non-cashable) sent from the game;

##### The value of all promotional credits (cashable and non-cashable) sent from the game;

##### The number and value of other electronic credits including, but not limited to, Debit Cards, Gift Cards and Smart Cards; and

* + 1. For Progressive Games the Central System shall account for and report progressive jackpots.

##### The Central System shall receive all meter-reading data in real time in an on-line, automated fashion. At a minimum, the Central System shall poll all VLTs on an hourly basis. Manual reading of meter values may not be substituted for automated requirements.

##### The Central System shall acquire and report the VLT game meter readings directly from the VLTs. An external or Central System meter incrementation process shall not be used. The Central System shall read and report using the full set of actual VLT meters.

##### The Central System shall be able to process all VLT game meter sizes and record lengths with scalability for future growth or enhancement.

##### The Central System shall provide support for promotional credits and provide a breakout of promotional credits by VLT Facility, which shall include both cashable and non-cashable promotional credits. In addition, the MLGCC has established a threshold of non-taxable promotional credits on an annual basis. The current threshold is 20% of the prior year’s net win. The Central System shall report on the status of promotional credits within that threshold. In the event the threshold is surpassed, the Central System shall continue to separately report the promotional credits but include the value of credits redeemed over the threshold as taxable win.

##### The Central System shall be configured to properly account for RAM clear, or other scenarios where all or part of a VLT’s master meter is reset to zero. RAM clear logic is intended to significantly reduce inaccurate accounting data and reporting during the invoice process.

##### The Central System shall be able to to produce invoices for all of the Facilities, or to produce invoices for some Facilities while postponing the invoicing of one or more.

##### The system shall be able to account for a loss carryforward.  Currently, loss carryforwards are limited to 7 calendar days for any loss occurrence.  The application of the loss carryforward should be reflected in both the GTR and the daily invoices.  On the day that the loss occurs, the invoice should be produced with a zero balance, the daily GTR should be the amount of the loss ( a negative value) and the cumulative YTD GTR should be the total net year to date including any losses).  On the days subsequent to the loss, the invoice should be the total of the daily GTR less any remaining loss balance, the daily GTR should remain the same, and the cumulative YTD GTR should be the net amount year to date.  The system shall also be able to account for include additional losses occurring before an initial loss is settled.

##### The Central System shall be configured to properly account for and report on early and late VLT meters as per MLGCA requirements.

##### The Central System’s accounting day must be configurable to meet the MLGCA’s desired timeframe.

##### The Central Systems’ accounting day and reporting day may be based on different timeframes.

11) The table below reflects the tax rates for each Facility in effect as of 7/1/202019. The Contractor shall be required to account for these tax categories and rates and to quickly adjust these rates if they are modified during the term of the Contract.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Facility Tax Rates and Revenue Splits | | | | | | |
|  |  |  |  |  |  | Effective 7/1/2020 |
|  | **Hollywood** | **Ocean Downs** | **Live!** | **Rocky Gap** | **Horseshoe** | **MGM** |
| **VLT Proceeds Distribution** |  |  |  |  |  |  |
| Casino Share | 33.00% | 43.00% | 41.00% | 50.00% | 40.00% | 38.00% |
| Game Ownership | 6.00% | 10.00% | 8.00% | 10.00% | 6.00% | 6.00% |
| **Casino Proceeds** | **39.00%** | **53.00%** | **49.00%** | **60.00%** | **46.00%** | **44.00%** |
|  |  |  |  |  |  |  |
| Administrative Costs | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% |
| Purse Dedication Account | 6.00% | 6.00% | 6.00% | 2.50% | 6.00% | 6.00% |
| Small Minority & Women-Owned Bus. | 1.50% | 1.50% | 1.50% | 0.75% | 1.50% | 1.50% |
| Local Impact Grants | 5.50% | 5.50% | 5.50% | 3.75% | 5.50% | 5.50% |
| Racetrack Facility Renewal Account | 1.00% | 1.00% | 1.00% | 0.00% | 1.00% | 1.00% |
| Education Trust Fund | 46.00% | 32.00% | 36.00% | 32.00% | 39.00% | 41.00% |
| **Tax Rate** | **61.00%** | **47.00%** | **51.00%** | **40.00%** | **54.00%** | **56.00%** |
|  |  |  |  |  |  |  |
| **Table Game Proceeds Distribution** | |  |  |  |  |  |
| Casino Share | 80.00% | 80.00% | 80.00% | 80.00% | 80.00% | 80.00% |
| Local Jurisdictions | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% |
| Education Trust Fund | 15.00% | 15.00% | 15.00% | 15.00% | 15.00% | 15.00% |
|  | | | | | | |

1. Local and Wide Area Progressive VLTs

##### The Central System shall be able to report progressive jackpot games, including linked games at a single, multiple, or multi-state licensed Facility. The Central System Contractor is responsible only for the financial reporting of progressives for data relative to the State of Maryland.

##### The Central System shall produce documentation of credits contributed from the beginning of the polling cycle (including those from the time period immediately following the previous jackpot) and all credits contributed up to and including the polling cycle that includes the jackpot signal. Credits contributed to the system after the jackpot win occurs, in real-time but during the same polling cycle, shall be considered to have been contributed to the progressive jackpot amount prior to the win.

1. Asset Tracking

##### The Contractor shall provide state-wide asset management for all VLTs, including asset tracking, hardware status, location, maintenance history, inventory status, spare parts. For all VLTs the asset management system shall include the following fields: State identification number, serial number, VLT Manufacturer name, game name, and location. The Contractor shall provide designated MLGCC employees with update and report capability to the asset tracking system.

##### The Contractor shall provide the ability for the MLGCC to track all VLTs statewide, including both VLTs that are operational on a VLT Facility floor and VLTs that are not currently active. Each VLT shall be tagged and tracked based on an overall designation (serial number, individual asset number) for the entire life of the VLT while within the State.

##### Asset tracking may be a part of the Central System or a separate system.

1. Reporting

##### General Requirements

All data shall be extractable/exportable to such tools as Excel, Access, Rich text Format, etc. All reports shall be exportable with and without headings in CSV format and shall be printable in PDF format.

##### The Central System shall provide a chronological report of any or all transactions by date, time, transaction type, Facility number, transaction number and any other sort option as required by the MLGCC. The data to produce these transaction reports shall be available in accordance with **Section** **24** Retention of Records of the Contract.

##### The Central System shall provide two types of reporting tools: Scheduled Reports and Ad Hoc Report capability. The Contractor shall create new standard Scheduled Reports and Ad Hoc reports, within agreed upon schedules, throughout the term of the Contract as required by the MLGCC.

##### The MLGCC requires maximum flexibility in utilizing the information that is contained on the System.

* 1. The Contractor shall maintain a model (such as a relational database) specifically for the MLGCC containing data elements and relationships to be agreed upon by the MLGCC and the Contractor.
  2. Data items shall be made current in real time or as close to real-time as possible.
  3. Database information shall include all information collected by the System.
  4. Management users shall be able to develop, modify, save and schedule individual reports using the relational database architecture.
  5. All information retrieved from the relational database architecture in user-developed reports shall be able to be indexed and sorted.

##### The Central System shall provide the ability for management users to inquire into a Facility’s account history for a specified range of dates. The information provided in response to such an inquiry shall detail all financial activity for the selected time period. The ability to select specific transaction types for a time period is also required. This account history shall be available to management users in accordance with **Section 24** of the Contract.

##### Types of Reports

##### Central System Daily Report Requests - Pre-designed reports requested by the MLGCC from the Central System shall be accurate and readily available to be generated by the MLGCC on demand. These reports shall include, but not be limited to, the following general types of reports which shall be based upon criteria and format as approved by the MLGCC:

Performance Reports

Financial Summary Reports

VLT Facility Invoice Reports

Transaction Reports

Error and Alert Reports

Ad hoc Query and On-Demand Reports

##### Summary of Required Reports

|  |
| --- |
| 1. **Software Utility Check** – Provides the validation status of game authorization during the startup, normal operation and shutdown of each VLT. (RFP Section 2.3.2.G.1) |
| 1. **Signature Validation -** A Central System generated report indicating both validated VLTs and VLTs that failed the signature validation test. (daily – Section 2.3.2.G.4.b) |
| 1. **Non-Reporting VLTs (due to non-communications)** - A report by Facility, by VLT that summarizes the last polled date, by VLT Manufacturer and serial number, reason for error, and poll address. |
| 1. **Non-Reporting VLTs (communicating but no data reported)** – A report by Facility, by VLT Manufacturer’s VLT that summarizes the last polled date, by VLT Manufacturer and serial number, reason for error, and poll address. |
| 1. **Accounting Detail –** Provide detailed accounting data by VLT (daily – Section 2.3.2.H.1) |
| 1. **Financial Summary Report** - A report by VLT Manufacturer that summarizes by date the amount played, amount won, net revenue, number of VLTs and average net revenue by VLT. |
| 1. **Prize Payout Report** - Calculates the prize payout percentage of each game on the basis of cents won divided by cents played. |
| 1. **Facility Report** - Contains the following information:    1. Facility License Number    2. Facility Name    3. Facility e License Number    4. Facility Address    5. Machine Serial Number    6. Cents Played    7. Cents Won    8. Gross Terminal Income    9. Gross Profits    10. Sweep Amount |
| 1. **Transaction Report -** A report by Facility, VLT Manufacturer and serial number that summarizes the cash in, cash out, promotional credits, net revenue, amount played, amount won, progressive jackpot contribution, win frequency, payback percentage, net jackpot won, games played and games won. |
| 1. **Hourly Game Play Report -** Tracks hourly game play data. The report lists the number of VLTs actively reporting, cash in amount, cash won amount, average cash played amount per terminal and validations. |
| 1. **Accounting/Promotional Credits –** Provides a breakdown of all gaming and promotional credits meters in relation to the each VLT meters and overall usage by VLT Manufacturer, serial number, or other parameters approved by the MLGCC. (daily – Section 2.3.2.H.5) |
| 1. **Progressive VLTs –** Provides a breakdown of game, local and wide area progressive meters and jackpots. In addition, it reports the reinvestment (escrow) and payment values. (daily – Section 2.3.2.I.2) |
| 1. **Asset Tracking Report –** Provides a status by VLT of key asset management parameters (as required – Section 2.3.2.J):    1. Serial Number    2. Current Location (Manufacturer, Shipped, Facility, Warehouse, or other)    3. VLT Installation Date    4. Regulatory Status and Approvals by Component and VLT    5. VLT Removal Date |
| 1. **Security/User Access Report –** Provides detailed audit trail of all user access at all levels including, but not limited to, applications, data and system level access. (bi-weekly – Section 2.3.7.F) |
| 1. **Security Violation Report –** Provides all alerts and violations to the Central System for both external events (Facility violations) or internal events (Central System access or events). (as required – Section 2.3.7.G.2) |
| 1. **Security Update Report –** Provides all changes (adds, deletes and changes) to the Central System security schema, including new users, authorization levels, application and data access and Central System configuration changes. (within 7 days of an event – Section 2.3.7.G.1.e) |
| 1. **Daily Sweep Invoice –** Creates an invoice to be sent to each Facility stating the amount “swept” at the end of each gaming day. |
| 1. **Hotline Report –** Provides information regarding service calls, dispatches and resolutions. (weekly – Section 2.3.9.E.1) |
| 1. **Active Pay Table / Return to Player Report –** Creates a report that polls VLTs for payout percentage and includes the following data points: Manufacturer, Device Description, Game Theme, Game ID (the software ID), State Asset, Serial Number, and Games Played (Handle Pulls). |

1. Off-site Data Storage Requirements

The Contractor shall keep back-up copies of all software and data required to support a full Central System recovery without loss or corruption of data by maintaining said information in a secure location remote from both the Primary and Back-up Data Centers. Data transport shall be via secure and reliable methods and all back-up data shall be encrypted or otherwise secure from unauthorized access. A complete audit trail of the generation, transport, retention and destruction of the back-up data shall be maintained in accordance with **Section 24** of this Contract and shall be available for review by the MLGCC.

1. Transaction Inquiry

The MLGCC shall have the ability to research transaction history files (search and view all transaction data) to verify the existence of any and all transactions. The purpose of this requirement is to answer customer questions, to investigate fraud allegations, to gather information for presentation to courts as evidence, and similar such actions. The Central System shall provide the ability to search in real time and view all transaction data.

### Network Monitoring

The Contractor shall maintain a separate industry standard Network Monitoring System which shall be directly accessible in real time by the MLGCC. This system shall provide a single screen graphical display of the status of all WAN and LAN equipment on the network. Communications test and monitor capability shall be available at both the Primary and Back-up Sites. Network monitoring tools shall be able to interface and analyze protocols, view transaction data for performance and capacity analysis, and create visual and/or audible alarms to provide warning of problems. The capability shall be included to determine whether failure has occurred in the equipment at the Primary or Back-up Site, within the wide area communications network or at the Facilities down to the VLT bank level.

The Contractor shall provide to the MLGCC a real time display of network and equipment status, which will provide view and report capabilities. The system shall advise the MLGCC of any Facility where service has been disrupted and shall attempt to determine whether the equipment is at fault or the Telecommunication Network is responsible for the service disruption. The System shall display the down time of any and all equipment and/or telecommunications circuit in the network over a period of time selectable by the operator or as specified by the MLGCC.

The Contractor shall be responsible for network monitoring and management. The Contractor’s network administrative services shall include configuration processes, including escalation procedures.

### Primary and Back-up Site Requirements

1. Primary Site

The Contractor shall provide and operate a Primary Data Center and Operations Site including but not limited to facilities, equipment and staff (24/7/365) which shall be used exclusively to support the Contract. Operations staff shall be co-located in the MLGCC's headquarters building at Montgomery Park Business Center, 1800 Washington Boulevard, Baltimore, MD 21230. Data center(s) may be remotely located. Information concerning the cost per square foot and the layout of available space at Montgomery Park can be obtained from the building owner. The contact information is as follows:

Todd Bakalyar 410-365-2004

Property Manager

Himmelrich Associates, Inc

1800 Washington Blvd.

Baltimore, Maryland 21230

Todd Bakalyar (tbakalyar@himmelrichassociates.com)

The Contractor shall be responsible for all of its costs related to the acquisition, build-out, furnishings, maintenance, utilities, cleaning, etc. for the Operations site located at Montgomery Park. All tenant improvements shall be done at the expense of the Contractor. The design and layout of this site shall be pre-approved by the MLGCC, and it shall not be identified externally as being the premises of the Contractor. At minimum, the following shall be included in this site:

##### Dedicated Testing Lab: The Contractor shall provide a dedicated space with adequate room to house its test system, VLTs from multiple manufacturers, printers and reports, and other equipment the MLGCC requires to be tested. The Testing Lab shall be large enough to conduct testing in a comfortable, user-friendly environment.

##### The Contractor shall provide the Testing Lab with its own independent system that is a complete set of computer systems and software consisting of the exact duplicate configuration of the Primary System and have all combinations of equipment and system capabilities including all communication channels to allow any and all testing of Central System and related hardware and software. The Contractor shall provide a test environment for the VLTs, including controllers (or technical equivalent approved by the MLGCC) and Central Control System emulation for VLTs provided by each of the approved VLT manufacturers.

##### This space shall be fully finished and furnished at the Contractor’s expense. The layout and design shall be approved by the MLGCC.

##### The Testing Lab shall be available at all times to authorized MLGCC personnel.

##### As operational configurations, processes or devices change or upgrade, the testing and development systems shall mirror those changes.

##### The physical area shall comply with all State and local building codes, laws and rules for facilities of its type. The Contractor shall obtain proper permits and inspections.

##### The Contractor shall be solely responsible for the costs of Testing Lab design, construction, utilities and building services expenses. Contractor shall supply electrical and network connections sufficient to support all equipment to be tested. The Testing Lab shall have a separate climate control.

##### The Contractor shall supply all Central System supported equipment required for testing to include hardware and/or software.

##### The Testing Lab shall be a secured area with limited access and shall be under video surveillance at all times.

1. Back-up Site

The Contractor shall provide and operate a fully redundant hot Back-up Data Center and Operations Site including but not limited to facilities, equipment and staff (24/7/365) which shall be located in a different power substation and LATA than the Primary Data Center and at least twenty five (25) miles from the Primary Data Center. The Back-up Site may reside outside of the State and may, with the MLGCC's prior approval, be located at a shared site with other business of the Contractor provided it is a separate secured video monitored area with live signal feed to the MLGCC's headquarters.

A hot Back-up Site is defined as operating a system which receives a mirror image of all transactions on a real-time basis from the active system with the capability to automatically take over processing in the event of a failure at the Primary Data Center with minimal service disruption to the Central System and with no loss or corruption of data. The Contractor shall employ a minimum of two computer systems, (i.e. a Master System and a Duplex System) with no shared peripherals, at the Back-up Site.

The Contractor shall provide a data circuit and associated equipment at the MLGCC’s data center. The circuit will support MLGCC connectivity to the Central System as a back-up to the primary connection at its headquarters.

##### The Back-up System(s) shall be of the same processing capacity and architecture as the Primary Data Center System(s).

##### The latest technology Redundant Array of Independent Disk ("RAID") shall be used to protect key data at the Back-up Site. Data transferred to and recorded at the Back-up Site shall always contain all most recent transactions, allowing a rapid Failover. The MLGCC and VLT Facility networks must be routed so as to permit transaction processing at the Back-up Site. The Telecommunications Networ

##### as the Primary System.

##### The operational procedures for failure, transferring control to the Back-up Site and recovery shall be clear and concise. The Contractor shall provide and maintain an up to date disaster recovery plan with scheduled test dates included. The MLGCC shall have the right to review and approve all of the Contractor’s procedures.

##### Any access including dial-back systems shall be capable of logging remote logins. These logins shall be provided to the MLGCC upon request for audit purposes.

##### All Contractor's hardware and software, both Primary and Back-up Systems, shall be designed and operate such that there is no possible corruption of data or loss of transaction integrity.

##### The Contractor shall include in the Back-up Site selection criteria a consideration of the sensitivity to potential adverse conditions such as earthquake, flood or local communications failure.

1. Fire Protection and Structural Requirements

Both Primary and Back-up Sites shall meet the following minimum structural requirements:

##### Computer rooms and telecommunication rooms shall be separated from other areas by non-combustible construction having at least a two (2) hour fire resistance.

##### Walls shall be extended from structural floor to structural floor (or roof) above.

##### Fire doors shall be provided on all entrances into the computer room with a fire resistance rating at least equal to the wall in which the door is located.

##### Fire and smoke dampers shall be provided in ducts that pass through the computer room walls, floor or ceiling.

##### The physical area shall comply with all state and local building codes, laws and rules for facilities of its type. The Contractor shall obtain proper permits and inspections.

##### The physical facility shall be constructed in accordance with the standards specified in the current edition of National Fire Protection Association (NFPA) publication No. 75, “Protection of Electronic Computing/Data Processing Equipment.”

##### The Contractor shall install and maintain in good operating condition fire detection, fire suppression, and automatic fire extinguishing systems of sufficient capacities to protect the computer rooms based on FM-200 or another Commission approved method. These systems shall be installed and maintained as specified by applicable National Fire Protection Association (NFPA) and State Fire Marshal Standards. Any under floor areas shall also be protected by the automatic extinguishing systems.

##### An air conditioning failure detection mechanism shall be provided. The environmental controls (air conditioning system(s)) shall be interlocked to shut down upon activation of the fire extinguishing system or the automatic fire extinguishing system shall be installed with sufficient capacity to compensate for loss of extinguishing system through operation of the air conditioning systems.

##### All penetrations through the computer room(s), wall(s) or ceiling(s) shall be sealed tightly with material equivalent to existing floor, wall or ceiling construction to prevent passage of heat, smoke and water.

##### There shall be a water detection system covering all under floor areas of computer and media storage areas.

##### Fire proof storage for back-up media shall be able to withstand a minimum two (2) hour fire with no damage to the stored media.

1. Power and Power Back-up Equipment

Both Primary and Back-up Sites shall comply, at minimum, with the following requirements:

##### The Contractor shall provide and maintain in good operating condition, an uninterruptible power supply with batteries and electrical generating capabilities of, at a minimum, one hundred fifty (150) percent of the capacity needed to sustain all hardware, environments, equipment, communications equipment and necessary lighting to conduct full capacity business until primary power is restored if a failure occur.

##### If a raised floor is not used in computer areas, then the Contractor shall ensure that the designs and procedures utilized provide protection against electrical shocks and accidents.

### Telecommunications Network

All wiring shall have at least two (2) disparate paths into the data center or VLT Facility with separate points of entry, disparate paths inside the building into the site controller closets, and redundancy inside the closets.

1. OUTSIDE wire

All outside telecommunications circuits shall follow disparate paths from both the Central System Primary and Backup Sites to the separate disparate entry points at each Facility.

1. INSIDE wire

All inside wiring at each Facility shall follow disparate paths from the central computer room to the site controller closets and have redundancy within these closets.

Wiring within each Facility shall be a minimum of CAT6 cabling.

### Disaster Recovery

1. Disaster Recovery Plan

The Contractor shall develop an operational recovery and business continuity plan and submit it to the MLGCC for approval no later than sixty (60) Days after the date of the initial NTP. The plan shall be updated at least annually for the MLGCC’s approval to ensure minimal interruption to service in case of an emergency, and shall include, but not be limited to, the following sections:

1. Business Impact Analysis
2. Risk, Threat and Vulnerability Analysis
3. Recovery Strategy
4. Emergency Response
5. Problem Escalation
6. Plan Activation
7. Recovery Operations
8. Plan Validation, Testing and Maintenance schedules
9. Key personnel contact list to include Commission personnel
10. Central System Failover Testing and Demonstration
11. As directed by the MLGCC, the Contractor shall execute controlled Failover tests twice per year in coordination with the MLGCC and each VLT Facility. Failover tests shall focus on three key redundancy areas: Primary to Back-up Site, Dual Points of Entry, and Dual paths to the Central System Wiring Closet. Contractor shall submit its test plan to the MLGCC for approval at least thirty (30) Days (Calendar Days) prior to the test.
12. A remote method to monitor equipment at the Back-up Site shall be provided. The Contractor shall demonstrate that the Back-up Site is fully functional by operating in production from the Back-up Site at least twice a year for at least twenty-four (24) hours as directed by the MLGCC. The Primary Data Center shall serve as the hot Back-up in this scenario.
13. The Contractor shall conduct operational recovery and business continuity (Disaster Recovery) testing/exercises twice a year, to include full performance and end to end testing of all business processes and procedures, Central System and component functionality. The MLGCC shall be allowed to observe the testing/exercises. All results of the exercises shall be reported in writing to the MLGCC within five (5) Days.
14. The Contractor shall participate in the Commission's operational recovery and business continuity exercises twice per year.
15. The Contractor shall correct and retest any deficiencies discovered by audit findings or operational recovery testing within ten (10) Days.
16. The Contractor shall automatically permit all gaming traffic to flow to the appropriate Network Host Center when the Back-up Site is invoked.
17. Destruction of Site

In the event of irreparable damage at the Primary or Back-up Site or of an unplanned, extended abandonment of the Site, the Contractor shall provide at no additional cost to the State those host processors, facilities, and other components necessary to resume VLT sales under a two-Site operational scenario. Such host processors, facilities, and other components shall be furnished, installed and operational within thirty (30) Days after the MLGCC declaring a disaster. Until a permanent Primary or Back-up Site can be re-established, substitute Sites shall meet MLGCC-approved environmental and security measures as specified herein for the Primary and Back-up Sites.

### Security

The MLGCC is concerned that a third party might eavesdrop on a circuit and gain access to data that might compromise the integrity of the Central System. The Central System shall provide encryption techniques that eliminate or discourage attempts of this type. The MLGCC is also concerned that individuals may attempt to disrupt the service by tampering with the Telecommunications Network in a way that will not compromise the data but will interfere with the ability of the Network to transmit data in a timely manner. The Network shall be made secure by the Contractor, and shall be designed to protect against a disruption of service and corruption of data.

1. Security Plan

The Contractor shall submit a detailed security plan to the MLGCC for approval no later than ninety (90) Days after the date of the initial NTP or ninety (90) Days prior to commencement of Central System operations, as directed by the MLGCC. The Contractor shall comply with and adhere to the State of Maryland Information Technology Security Policy and Standards, the most current version of which is available at: <https://doit.maryland.gov/policies/Pages/default.aspx>

At a minimum, the Contractor shall review the Security Plan annually, update as necessary and submit to the MLGCC for approval. The Plan shall include the following sections:

1. Business Impact Analysis
2. Risks, Threat and Vulnerability Analysis
3. Security Strategy
4. Personnel Security Practices
5. Physical Security
6. Data Security
7. Telecommunications Operational and Physical Security
8. Telecommunications Access Security
9. Protection of Software and Other Copyrighted Material
10. Plan Evaluation
11. Security Awareness/Training
12. Plan Maintenance
13. Physical Security
14. The purpose of the physical security component of the security program is to reduce the risk of data compromise due to physical break-ins or unauthorized access to equipment and data. The Contractor shall ensure that adequate protective measures are implemented for all computing resources.
15. All Contractor's offices, the Primary and Back-up Sites, and secure areas at the VLT Facilities shall be secured 24 hours per Day so that only authorized persons designated by the MLGCC are permitted to gain entry into the sites and that such persons are restricted to authorized areas.
16. Access control requirements at the Primary and Back-up Sites and secure areas at VLT Facilities shall include, but not be limited to:
    1. The placement of computer room walls and windows shall limit access by unauthorized individuals.
    2. The general structure of interior walls shall be secured and constructed from the floor to the structural ceiling.
    3. The computer room and each Central System wiring closet shall have secured access (i.e., proxy card, keypad, or keyed lock).
    4. The computer room and entrance to each Central System wiring closet shall have surveillance camera coverage.
    5. The Contractor shall provide a log of all visitor access into the computer room and each wiring closet. All non Central System related access shall be requested in writing and approved in advance by the MLGCC.
    6. Site entry and control points shall be guarded.
    7. All key access doors shall be self-closing and self-locking with locks being changed periodically.
    8. Recording-type closed circuit television shall monitor all vulnerable and sensitive areas. The Contractor shall provide video monitoring systems, back-up and recovery for the computer rooms at the Primary and Back-up Sites and for all secure areas at the Facilities so activities can be monitored by the MLGCC and recorded (video tape, DVD, or other digital on-line media) for security purposes remotely from the MLGCC's headquarters. Media (tapes, DVD, etc.) shall be kept for a minimum of three (3) months.
    9. All visitors and messengers shall be logged in and out of the secure areas and all visitors shall be escorted at all times while inside. Logs shall be kept for the life of the Contract and shall identify who allowed the access.
    10. Access authority shall be removed immediately upon change of assignment or termination.
    11. A complete listing generated by the Central System of the Contractor's staff and access levels shall be furnished to the MLGCC monthly.
    12. The Contractor shall keep a current listing and/or memorandum authorizing access to MLGCC or other State staff and their access levels to the secure areas. Sensitive areas shall include, at a minimum, host systems and the communications equipment/workstations used to access host systems.
    13. All Contractor employees shall receive, use and be easily recognized by a photo identification badge.
    14. The MLGCC shall approve the user access list.
    15. The Contractor shall use positive identification using pass, key lock, badge system, cipher lock or other controls for employees, suppliers and visitors to access the computer room.
    16. The Contractor shall establish and follow a control system to ensure identification of the individuals having possession of the keys, cards and badges at any given time.
    17. The Contractor shall review, on at least a monthly basis, the list of assigned key cards or access rights and ensure that all persons on the list are still authorized employees.
    18. The Contractor shall use logs or special badges for visitors to the computer room.
    19. The Contractor shall control the computer room access of maintenance and other personnel.
    20. Contractor shall install and maintain Physical Intrusion Detection Devices at all entrances/exits at its secure areas, which shall be operational 24x7x365/366.
    21. Contractor shall notify the MLGCC at least 72 hours in advance of any planned visitor being granted access to any Contractor secured areas at any Facility.
17. At any time, personnel authorized by the MLGCC may inspect all premises of the Contractor or its subcontractors involved in the Contract to determine the degree of security and operational compliance. In addition, authorized MLGCC personnel or other party designated by the MLGCC shall also have access to interview any Contractor or subcontractor employee or authorized agent in conjunction with any audit, review or investigation deemed necessary by the MLGCC.
18. Central System Security
19. User account files shall be encrypted and may not be in plain text format. The Central System shall write to a log file and report on all successful and unsuccessful sign on and log off attempts made to the Central System. The Central System shall have the following security features:
    1. It shall capture the user ID, user name, sign-on date/time and indicator that signifies a successful/unsuccessful sign-on.
    2. It shall log and report all changes to the Central System by all users logged on to the Central System (including administrators).
    3. All security log files shall be directly accessible by the MLGCC on a daily basis.
    4. It shall lock out all users after three (3) unsuccessful log-on attempts.
    5. It shall have the ability to assign users to groups and must have the ability to assign privileges to each group.
    6. It shall expire a user's password at forty-five (45) Days. Once an administrator has reset a user's password, the Central System shall force the user to change his/her password upon the next login. Password expiration shall comply with MLGCC and State Data Security Policies. (<https://doit.maryland.gov/policies/Pages/default.aspx> )
20. The Contractor shall comply with all MLGCC and State Security and Access Policies for both physical security and data security. (<https://doit.maryland.gov/policies/Pages/default.aspx> )
21. All components of the Central System shall meet or exceed the ISO 15408 Common Criteria for Information Technology Security (www.isosecuritysolutions.com/ISOIEC-15408.html or csrc.nist.gov/cc/).
22. The Contractor's System Administrator shall have the ability to delete users from the system.
23. Secure Connections
    1. There shall be no connectivity to the Central System from outside the Central System network without prior MLGCC approval.
    2. Any such capability, such as for remote monitoring or diagnosis of equipment or software, shall employ stringent security mechanisms such as message encryption, logging of sessions, Secure Tokens, etc.
    3. Connections to other remote systems and terminals shall be protected by firewalls, encryption, secure shell (SSH), Virtual Private Network (VPN) or other means. Any routers shall route traffic only to addresses defined in their routing tables as valid.
    4. The acceptability of any such security approach will be subject to MLGCC pre-approval.
24. Data Security
25. After the MLGCC has accepted the Central System in writing, the Contractor shall be prohibited from modifying the software or databases of the Central System without the prior written approval of the MLGCC.
26. The MLGCC shall have the right to require at any time such further and additional security measures as deemed necessary or appropriate to ensure the integrity of the Central System or the VLTs.
27. Only persons authorized by the MLGCC may access:
    * 1. Sensitive or confidential data
      2. Software programs and Central System documentation
      3. Computer rooms
      4. Disk, tape, and other media (DVD, CD) libraries and vaults
      5. Any other area deemed by the MLGCC to warrant such authorization
28. Data that is determined to be sensitive enough to warrant encryption while in storage shall be encrypted using an encryption level no less than 128bit Triple DES or other comparable method.
29. The Data Security Plan shall follow MLGCC-approved documentation standards and be available in hard copy and data format and shall, at a minimum, include the following:
    * 1. Shared user accounts shall not be permitted.
      2. The applications and servers requiring authentication shall support the ability to enforce complex passwords, minimum life of password, maximum life of password and maximum iterations of passwords.
      3. The Contractor shall develop, document and implement a security program component that is appropriate for the level of sensitivity/confidentiality of the information being processed. The purpose of the data security component of the IT security program is to reduce the risk associated with the compromise or destruction of Contractor-controlled data. Content shall include rules for the storage and dissemination of data shared with other organizations. The data security program component shall include:

Contractor Security Policy Statements

Software version control and its currency

Access control techniques

Data entry processes

Processing accuracy

Distribution of output reports and introduction or release of data

Data and program back-up

Controls to prevent unauthorized use or removal of tape files, diskettes, and other media

Data encryption standards for storage and secure management

Processing audit trails

Application testing

Central System access violations

Intrusion detection notification and response procedures

Virus prevention, detection and removal

Appropriate disposal of hardcopy data which may contain sensitive information or information which may allow compromise of information systems security

1. Problem Notification

All incidents or anomalies shall be reported verbally to the MLGCC immediately and shall be reported in writing to the MLGCC within twelve (12) hours of the event. At a minimum, incident and anomaly reporting shall include a description of the incident, its cause, impact on the operation and corrective action taken for each occurrence of Central System failure, operator error, deviation from established procedures and those items where liquidated damages may be applicable. The status of ongoing incidents shall be reported to the MLGCC not less than every two (2) hours.

1. Security Reports

The Central System shall provide read-only access to its security access table or reports automatically generated from the Central System without human intervention showing Central System user privileges and authorities on a bi-weekly basis. These reports shall also include a copy of the user group/class assignments, authority levels and active user names.

The Central System shall initiate email notification without human intervention of report generation and certain file accessing as specified by the MLGCC. The Contractor shall establish and follow a procedure for reporting and notification of key alerts to the MLGCC. Changes to object code, key files, system value or options, security reports or network parameters shall be prioritized and reported/emailed based on severity and alert escalation process approved by the MLGCC.

1. Security Programs under the Contract

All computer systems provided by the Contractor shall meet or exceed the National Institute of Standards and Technology guidelines. All agencies, employees and contractors of the State are responsible for protecting information from unauthorized access, modification, disclosure and destruction.

1. Personnel Security
2. The MLGCC may initiate investigations into the background of any officers, principals, investors, owners, subcontractors, employees, or any other associates of the Contractor it deems appropriate. Background investigations may include fingerprint identification as authorized by law.
3. Principals and Key Personnel who shall be performing services under the Contract and as determined by the MLGCC may be required to undergo a background investigation by the MLGCC.
4. The Contractor shall cooperate with such investigations and instruct its employees and sub-contractors to cooperate. The MLGCC may terminate the Contract based upon adverse results of these background checks if it determines that its integrity, security or goodwill may be in jeopardy.
5. The ability to conduct such investigations shall be a continuing right of the MLGCC throughout the Contract.
6. The Contractor shall report any change in, addition to, or deletions from, the information disclosed to the MLGCC. The report shall be in writing and delivered to the MLGCC within seven (7) Days of the effective date of the change, addition, or deletion. The Contractor shall report the involvement of any of the Contractor's employees, owners, or agents in any known criminal arrest (exclusive of minor traffic violations) or investigation.
7. Security Violation Reporting

The Contractor shall immediately report any security procedural violation, violation of law (e.g., theft), of equipment, software or material used or to be used in the performance of this Contract. The report shall be delivered personally or by telephone within one (1) hour of the discovery of the incident, followed by a written report within twenty-four (24) hours to the MLGCC.

1. Penetration Testing

The Contractor shall provide for independent, professional and credible security firms offering penetration testing and security review services to conduct annual testing, subject to Contractor guidance and a test plan and schedule approved by the MLGCC, resulting in an annual security review. Upon conclusion of the testing, the security firm must present and provide a comprehensive report to the MLGCC’s security department along with any further explanations if necessary. If security weaknesses are found, the Contractor shall immediately remedy such weaknesses.

The Contractor shall utilize alternating or different suppliers of such services each year. All such firms shall sign a comprehensive Non-Disclosure-Agreement with the Contractor and the MLGCC prior to conducting any test.

### Manuals and Documentation

The Contractor shall provide to the Contract Monitor at the time of delivery of the Central System, electronically to the extent possible, all associated operation manuals, service manuals, and relevant schematic diagrams, such as Printed Circuit Board (PCB) schematics and other circuit diagrams. Operation manuals and service manuals shall be expressed in broad terms that are directly relevant to the complete Central System.

1. Service manuals shall:
2. Accurately depict the Central System which the manual is intended to cover;
3. Provide adequate detail and be sufficiently clear in their wording and diagrams to enable a qualified repair-person to perform repair and maintenance in a manner which is conducive to the long-term reliability of the Central System.
4. Circuit schematic diagrams shall:
5. Accurately depict the Primary and Back-up Sites, Telecommunications Network and wiring at each Facility;
6. Provide adequate detail and be clear in their wording and diagrams to enable qualified technical staff to perform an evaluation on the design of the component;
7. Be professionally drafted and satisfy the above requirements; and
8. Be kept up to date at all times with updates being delivered within five (5) Days of any changes.
9. All manuals and documentation shall be delivered to the Commission and copies shall be maintained at both the Primary and Back-up Sites.

### Hotline (Central Trouble Reporting System)

1. The Contractor shall provide a central trouble reporting system ("Hotline") whereby Facilities may quickly and easily report problems related to both the Central System and VLTs.
2. The Hotline shall be located at a site which shall be approved by the MLGCC upon Contract award. The Contractor shall also provide a location from which it will support the Hotline if the primary call center becomes inoperable for any reason.
3. The Hotline shall provide, at minimum, a single toll-free number with sufficient lines to ensure that no more than one (1) call out of every one hundred (100) calls receives a busy signal when calling the Hotline. The Contractor shall associate the Hotline number(s) with a system capable of providing comprehensive ad hoc reporting including quality assurance monitoring. These records shall be provided to the MLGCC directly and immediately upon request.
4. The Contractor shall install and maintain an automated dispatch system for tracking all service calls and repairs which shall be flexible and include a database with ad hoc reporting. Access to this system shall be available to the MLGCC via a Management Terminal.
5. Reporting
   1. The Contractor shall capture all information related to service calls, dispatches and resolutions. Ad hoc Hotline reports shall include, at a minimum:
   2. The date and time of the original call
   3. The identification of the Facility and caller
   4. The general nature of the trouble call
   5. The date and time of dispatch
   6. The date and time of problem resolution
   7. What the technician found upon inspection
   8. All comments associated with the service call
   9. Whether or not the service call went into penalty status with liquidated damages applying
6. Recording
   1. The Contractor shall record all incoming Hotline calls.
   2. The Contractor shall maintain recorded calls for at least sixty (60) Days from the date a call is received.
   3. The Contractor shall make recorded calls available on-line to the MLGCC within 24 hours of a request from the MLGCC.
   4. The Contractor shall comply with all State and Federal statutes regarding recording of calls.
7. Management
   1. The Contractor shall allow the MLGCC to actively participate in the development and revision of the information resources developed to help Hotline operators handle calls.
   2. The Contractor shall make a follow-up call to a Facility after an initial service request remains unfulfilled for more than two (2) hours. The Contractor shall make an additional follow-up call daily, so long as the Facility’s initial service request remains unfulfilled, to update the status of the request.
   3. The Contractor shall provide Hotline operator access to information about the status of telecommunication lines.
   4. The Contractor shall have a Hotline Quality Assurance and Training Program, which is subject to approval by the MLGCC.

### Acceptance Testing

##### Initial Acceptance of Central System

1. Acceptance Testing, as used by the MLGCC, means an extensive process by which the MLGCC verifies and demonstrates that the delivered Central System and components meet all of the Contract requirements, that all equipment to be installed is compatible with the Central System, meets the MLGCC's standards for quality, and is thus acceptable for deployment into the VLT environment.
2. The MLGCC will conduct Acceptance Testing during the initial installation of the Central System (Implementation Testing Section **2.3.11 B**) and on an on-going basis throughout the Contract term.
3. The MLGCC shall conduct Acceptance Testing to determine VLT functions and Central System compatibility. The Contractor shall provide an additional system, which must be of the same architecture, but not the same size, at an independent testing laboratory for testing purposes. If the VLT fails the Acceptance Test conducted by the MLGCC, the VLT manufacturer is responsible for making all modifications required by the MLGCC.

##### Facility Acceptance

The MLGCC takes a comprehensive approach to Facility Acceptance and shall have the right to perform any acceptance test that it deems necessary at any Facility. The results of these tests will determine whether the MLGCC approves the Facility to implement the Central System. The MLGCC shall have the sole right to determine the pass or fail decision for each of the Facility Acceptance and test components.

The MLGCC's Facility Acceptance Test script shall include, but is not limited to, the following:

1. Validate diverse points of entry into Facility
2. Validate disparate backbone paths
3. Validate Central System IDF complete
   1. Room construction complete
   2. Environmental systems functioning and tested
   3. Phone access available
   4. Monitoring systems installed and operational
   5. UPS available and tested
   6. Fire suppression installed and certified
   7. Power and grounding installed tested
   8. All terminations clean and labeled
   9. Central System racks installed, secured, and functioning
   10. All wires neat using horizontal and vertical management
4. All Cabling/Terminations tested (certified)
5. Central System communicating to Primary Data Center, Back-up Data Center and Facility
6. Central System communicating to VLT banks
7. Central System communicating to each VLT

The Contractor shall provide written documentation to the MLGCC of expected results, actual test results, and status of each exception.

##### Certification

The Contractor shall contract with a gaming laboratory approved by the MLGCC to test and certify that the Contractor’s entire Central System is performing according to specifications. At the conclusion of certification and deployment, the approved gaming laboratory shall issue a certification report stating that the System meets specifications as defined in approved specifications documents developed by the MLGCC and Contractor. The Contractor shall be responsible for correcting any exceptions and implementing all recommendations on a timely basis at no additional cost to the MLGCC. Progress reports as well as supporting documentation regarding the status of the correction of exceptions or implementation of recommendations may be required at specified times as determined by the MLGCC.

The Contractor shall be responsible for all costs associated with System testing and certification. The independent testing laboratory shall interact directly to the MLGCC.

### Implementation

##### Implementation Plan

The Contractor shall have provided in its Proposal a proposed Implementation Plan. The Contractor shall submit within thirty (30) Days after the date of the initial NTP a detailed and finalized version of this Implementation Plan which, when approved by the MLGCC, shall become the basis for Implementation. This Implementation Plan shall include but not be limited to the following:

Executive Summary - This Summary shall provide the MLGCC with a concise but functional summary of each phase of the Plan in order of progression and shall provide a map for it to use in reviewing the Plan. Each phase shall be listed in chronological order, beginning with the Effective Date of the Contract and providing a clear indication of the flow and duration of the project.

High Level Implementation Plan - This shall include a brief description, start and end dates, roles and responsibilities, dependencies, input and outputs and deliverables, and shall ensure a smooth start-up of the Central System. This Plan shall include a timeline (Gantt chart), beginning with the Contract award date.

1. Implementation
   * 1. The Central System and components shall be delivered and operational by a date which will be specified by the MLGCC in coordination with the Facilities, and shall commence live operations at that time. All Central System hardware, software, equipment, staff and all other necessary requirements shall have been successfully tested by both the Contractor and the MLGCC and shall be in place and operational by the specified date.
     2. Once the Contractor resolves all exceptions noted during its testing, the software and/or hardware shall be made available to the MLGCC for Acceptance Testing. The Contractor shall provide the MLGCC with a copy of its test scripts and all test results (interim and final) before the Acceptance Testing date. The test system shall mirror the production system. Any differences between the test system and the production system shall be approved in writing by the MLGCC.
     3. The MLGCC will make the pass/fail decision for each test. The Contractor shall provide sufficient staff to fix any problems found during the MLGCC’s Acceptance Testing and shall resolve any exceptions noted during the testing within the timeframe specified in the Implementation Plan.
     4. The Contractor shall provide operational support during the MLGCC’s Acceptance Testing.
     5. The Contractor shall provide simulators for processing transaction volumes through the system.
     6. Project Reporting and Monitoring Requirements:
        1. The Contractor and the MLGCC shall have, at minimum, weekly implementation reviews.
        2. The Contractor shall prepare weekly reports on the progress toward the goals and deadlines stated in the Implementation Plan. Reports shall be submitted electronically to the MLGCC in an agreed format such as Microsoft Project.
2. Definition of Business Requirements:
3. During the first thirty (30) Days after the date of the initial NTP, a team of the Contractor’s business analysts shall thoroughly familiarize themselves with the MLGCC’s business processes and each Facilities' business processes related to VLTs. The team shall observe the business processes and meet with end users as needed.
4. At the conclusion of this thirty (30) Day period the Contractor shall deliver to the MLGCC a separate business requirements specification ("Business Requirements") document for each major functional area. The purpose of the Business Requirements documents is for the Contractor to demonstrate its understanding of the MLGCC’s business requirements. The MLGCC anticipates review and approval of these documents within thirty (30) Days of receipt from the Contractor. The documents shall address each business process currently performed by the MLGCC and the Facilities’ related business processes. The documents shall identify any modifications to current processes. At a minimum, the Contractor shall produce a separate Business Requirements document for each of the following functional areas that apply to the System:
   * 1. System Administration
     2. Maintenance
     3. Accounting and Billing
5. Software Requirements Specification ("SRS")
6. Upon receiving the MLGCA-approved Business Requirements Documents, the Contractor shall develop corresponding Software Requirements Specification ("SRS") documents and deliver these documents to the MLGCC for approval within forty-five (45) Days.
7. The SRS documents are to specify the functionality of the software applications that will be provided by the Contractor on the Go-Live Date in support of the MLGCC’s business processes related to VLTs. The startup software shall function as described in the SRS documents, which shall include, at a minimum, the following:
   * 1. Each specification shall reference the corresponding business requirement or process in the corresponding business specification document.
     2. For each specification the Contractor shall indicate if the functionality exists in the Contractor’s base system. If it does not exist, or if modifications to the base system functionality are required, the Contractor shall provide an estimate of the time it will take to develop the new functionality or modify the existing functionality. The estimate, development and or modification shall be at no additional cost to the MLGCC.
     3. For each specification the Contractor shall identify how the MLGCC may test the functionality in Acceptance Testing. Optionally, the Contractor may also identify how its own staff may test the functionality.
     4. MLGCC approval is required for any subsequent changes to SRS documents. The MLGCC may identify changes during software development and Acceptance Testing.
8. If software modifications or enhancements are required, the following shall apply:
   * 1. The startup software shall meet the MLGCC’s business requirements, and future changes to the software shall be accomplished in a timely manner while accurately meeting those business requirements.
     2. The Contractor shall demonstrate its understanding of the MLGCC’s business requirements and processes before software applications for the Central System are written or modified. The MLGCC shall be given the prior opportunity to thoroughly understand and agree to the functionality of the planned software applications. This goal applies to the development of any initial software applications as well as to subsequent software releases.

##### Implementation Testing

The MLGCC takes a comprehensive and participatory approach to Acceptance Testing and shall have the right to perform any acceptance test that it deems necessary. The results of these tests will determine whether the MLGCC accepts the Central System. The MLGCC shall have the sole right for determining the pass or fail decision for each of the Acceptance Tests and test components.

1. At a minimum, the MLGCC's user Acceptance Test script shall include, but is not limited to, the following:
   * 1. Verify Terminal Identification and Validation at sign on
     2. Manual and Automatic Disabling and Enabling of VLTs based on full floor, zone, bank or individual VLT
     3. Verify TITO accuracy
     4. Verify Central System and VLT general functionality and response time
     5. Verify all Central System Reporting and Accounting is accurate and complete
     6. Real-time Polling of Full Set of VLT Meters
     7. Validating of Full Set of VLT Meters
     8. Performing validations and balancing accounting reports
     9. Performing validations and balancing performance reports
     10. Performing transaction look-ups
     11. Test of a full floor sweep
     12. Test of distribution and response of daily invoice
     13. Validate and balance the results of a Coin-test during installation
     14. Balance all reports with all available data-

* Machine Financial
* Facility Financial
* Winning Data
  + 1. Verify exporting of reports – all formats
    2. Printing and validation of all security reports
    3. Verify Asset Tracking Software
    4. Verify System Facility circuit Failover
    5. Verify Central System Failover
    6. Verify Facility failure/site controller failure and data recovery when back online
    7. Checking for proper Central System response to thresholds by forcing the Central System to reach its failure levels (transactions, meters, etc.).
    8. Forcing VLT failures to verify proper system notification (including create print jams, disconnect power and communication cables, door opens, etc.)
    9. Forcing Primary and Back-up System failures to verify proper Central System recovery (including disconnect power and communication cables, improper Central System operation, etc.)
    10. Forcing VLT, network and System failures by volume testing System performance in transaction rate and capacity
    11. Written documentation of expected results, actual test results, and status of each exception

1. All new programs and any changes to existing programs made by the Contractor shall be tested thoroughly by the MLGCC prior to installation. Acceptance Testing is used to assure that all programs used by the Contractor's operating and support systems and stated in this RFP are performing accurately and reliably prior to installation. In addition, testing also ensures that all accounting, management reporting and Facility support functions are operating accurately and reliably prior to implementation. All software installations, including network applications and Central System applications, shall be approved in writing by the MLGCC prior to installation.
2. The MLGCC intends to execute comprehensive Acceptance Testing prior to implementation of the Central System and for subsequent software releases. The MLGCC will approve the Contractor’s development and execution of the Acceptance Test. The Contractor, however, shall be responsible for the quality of the System and software releases. MLGCC approval for the implementation of software based on Acceptance Test results does not diminish the Contractor's responsibility for the quality of the software.
3. The MLGCC requires that Acceptance Testing be a cooperative effort between the Contractor and the MLGCC. The Contractor shall provide a system dedicated to Acceptance Testing. This test system shall be independent of the production systems. The Contractor shall have overall responsibility for the development and execution of the test scripts, but the MLGCC has the right to amend or reject the test plan. The Contractor shall assure that this test system is available to the MLGCC and that operational resources are available to assist the MLGCC in conducting and evaluating the Acceptance Testing.
4. When the Contractor is ready to deliver the Central System, the MLGCC will determine whether the Central System is acceptable according to the previously agreed-upon criteria. The method for handling problems will be approved by the MLGCC. Before carrying out Acceptance Testing, the Contractor shall assist the MLGCC in identifying time schedules, procedures for evaluation, software/hardware environments and resources required, and acceptance criteria.
5. The Contractor shall perform extensive self-testing, de-bugging and quality assurance on all software prior to submitting it to the MLGCC for Acceptance Testing. All software submitted to the MLGCC for testing shall be fully operational and ready for production use. The MLGCC shall have the right to reject software that is not in Acceptable Testing condition.
6. During Acceptance Testing, the Contractor shall provide on-site personnel capable of modifying the operating System and all support systems. The on-site personnel shall be assigned to the MLGCC on a full-time basis during Acceptance Testing and be experienced with the specific hardware and software that is being tested.
7. The Contractor shall successfully meet the MLGCC's Acceptance Test requirements no later than one (1) week prior to the scheduled installation of any new software or System enhancements.
8. The MLGCC's requirements for Acceptance Testing include, but are not limited to, the following:
   1. The encryption scheme shall be in effect during all tests.
   2. The Contractor's test system shall include all VLT types using all communication methods applicable in the live environment. The number and configuration of VLTs to be used for Acceptance Testing shall be determined by the MLGCC.
9. Performance Criteria: The Contractor shall ensure that all Central System support, including any network, software, hardware, and facility(ies), meets documented specifications and standards and shall pass performance testing criteria and be approved by the MLGCC in order to be in compliance with the Contract.

### VLT Facilities

Each Facility is required to provide to the Contractor, at no cost, computer room space, HVAC, power and back-up power, cable infrastructure access to the VLT floor and storage area for spare equipment.

1. The Contractor is responsible for the design, coordination, installation, testing, training and operation of all Central System networks, internal and external connectivity and hardware for the VLT Facilities.
2. All Wiring and data infrastructure installed by the Contractor for the gaming floor network shall be owned by the MLGCC after installation and approved by the Commission. Wiring for the gaming floor network is to be maintained by the Contractor including final testing and all terminations. The Contractor shall be responsible for the monitoring and maintenance of all Contractor installed infrastructure within the VLT Facility. Contractor shall have network infrastructure cabling tested and certified and provide the results to the MLGCC.
3. The Contractor shall provide to the MLGCC an "as built" wiring schematic for all wiring at each Facility.

### Server Based Downloadable Gaming

Server Based Gaming solutions will give the Facilities the ability to enhance customers’ gaming experience by downloading games to a specific VLT, group of VLTs and/or progressive VLTs from a central location; to reconfigure those VLTs with new features or different games; to provide an array of services to players; and to deliver account-based gaming.

The Contractor shall provide all equipment, hardware, software and personnel necessary to provide the central monitoring, authentication and reporting for Server Based Downloadable Gaming.

All VLTs and servers shall communicate with an open protocol. The MLGCC’s preference is for a system architecture that is designed to Gaming System Association (“GSA”) recommendations and Game to System (“G2S”) and System to System (“S2S”) protocols. The Contractor shall provide a system capable of handling a combination of thin, thick and hybrid clients simultaneously.

### Deliverables

* + 1. The following table identifies the items required to be delivered to the MLGCC within the number of Days listed in the Due Date column.

**Deliverable Schedule**

|  |  |  |  |
| --- | --- | --- | --- |
| **Phase** | **Deliverable Number** | **Deliverable Title** | **Due Date**  **(initial NTP + X Days)** |
| **Planning** | |  |  |
|  | 1 | Business Requirements Document  (Section 2.3.11 2) b)) | 30 |
|  | 2 | Project Implementation Plan and Baseline Schedule (Section 2.3.11 A.) | 30 |
|  | 3 | Disaster Recovery Plan (Section 2.3.6 A.) | 60 |
|  | 4 | Security Plan (Section 2.3.7 A.) | 90 |
|  | 5 | Primary/Backup Physical Survey (Section 2.3.7 B.) | 90 |
|  | 6 | Software/Hardware Installation and Acceptance Plan  (Section 2.3.11 3) a)) | 105 |
| **Design** | |  |  |
|  |  | **Central System** |  |
|  | 7 | Central System Implementation Plan and Baseline Schedule | \* |
|  | 8 | Project Management Plan | \* |
|  | 9 | Systems Engineering Management Plan | \* |
|  | 10 | Quality Assurance Plan | \* |
|  | 11 | Subcontractor Management Plan | \* |
|  | 12 | Risk Management Plan | \* |
|  | 13 | Training Plan | \* |
|  | 14 | Data Conversion Plan | \* |
|  | 15 | Requirements Tracceability Matrix | \* |
|  | 16 | Detailed System design Document | \* |
|  | 17 | Seculity Risk Assessment | \* |
|  | 18 | Data Dictionary | \* |
|  | 19 | Final System Architecture Configuration Documentation/Diagram and Hardware Listing | \* |
|  |  | **VLT Facility Conversion and Startup** |  |
|  | 20 | Implementation Plan and Baseline Schedule | \* |
|  | 21 | Facility / Vendor Communications Plan | \* |
|  | 22 | Detailed System Design Document | \* |
|  | 23 | Requirements Traceability Matrix | \* |
|  | 24 | Security Risk Assessment | \* |
|  | 25 | Final System Architecture Configuration Documentation / Diagram and Hardware Listing | \* |
| **Documentation** |  |  |  |
|  | 26 | Technical Specifications Documents | \* |
|  | 27 | QA/QC Test Results | \* |
|  | 28 | Integration Test Results | \* |
|  | 29 | Production Readiness Certification | \* |
|  | 30 | Agency Staff User Guides | \* |
|  | 31 | Computer Operations Staff Procedure Manual | \* |
| **Testing/**  **Implementation** |  |  |  |
|  |  | **Central System** |  |
|  | 32 | QA Test Summary Report | \* |
|  | 33 | Security Compliance Review | \* |
|  | 34 | Disaster Recovery Plan Test | \* |
|  | 35 | System Certification by Independent Laboratory | \* |
|  |  | **VLT Facility Conversion and Startup** |  |
|  | 36 | WAN Communications Test | \* |
|  | 37 | Facility LAN Test | \* |
|  | 38 | End to End Testing (VLT to Primary and Backup Sites) | \* |
|  | 39 | Confirmation of Software Escrow | \* |
|  | 40 | QA Test Summary Report | \* |
|  | 41 | Security Compliance Review | \* |

Note: An asterisk (\*) denotes the dates submitted in the Contractor’s Implementation Plan required by RFP Section 2.3.11. Because deliverable due dates are dependent upon the MLGCC's issuance of a Notice to Proceed ("NTP"), the timing shall be expressed in terms of NTP + X days.

1. Deliverable Submission
   1. For every deliverable, the Contractor shall request that the Contract Monitor confirm receipt of that deliverable by sending an email identifying the deliverable name and date of receipt.
   2. For every deliverable, the Contractor shall submit to the Contract Monitor, by email, a Deliverable Product Acceptance Form (DPAF), an example of which is provided on the web page: http://doit.maryland.gov/contracts/Documents/\_procurementForms/DeliverableProductAcceptanceForm-DPAFsample.pdf.
   3. Unless specified otherwise, written deliverables shall be compatible with Microsoft Office, Microsoft Project or Microsoft Visio within two (2) versions of the current version. At the Contract Monitor’s discretion, the Contract Monitor may request one hard copy of a written deliverable.
   4. A standard deliverable review cycle will be elaborated and agreed-upon between the State and the Contractor. This review process is entered into when the Contractor completes a deliverable.
   5. For any written deliverable, the Contract Monitor may request a draft version of the deliverable, to comply with the minimum deliverable quality criteria listed in **Subsection D** Minimum Deliverable Quality. Drafts of each final deliverable, except status reports, are required at least two weeks in advance of when the final deliverables are due (with the exception of deliverables due at the beginning of the project where this lead time is not possible, or where draft delivery date is explicitly specified). Draft versions of a deliverable shall comply with the minimum deliverable quality criteria listed in **Subsection D** Minimum Deliverable Quality.
2. Deliverable Acceptance
   1. A final deliverable shall satisfy the scope and requirements of this RFP for that deliverable, including the quality and acceptance criteria for a final deliverable.
   2. The Contract Monitor shall review a final deliverable to determine compliance with the acceptance criteria as defined for that deliverable. The Contract Monitor is responsible for coordinating comments and input from various team members and stakeholders. The Contract Monitor is responsible for providing clear guidance and direction to the Contractor in the event of divergent feedback from various team members.
   3. The Contract Monitor will issue to the Contractor a notice of acceptance or rejection of the deliverable in the DPAF.
   4. In the event of rejection, the Contract Monitor will formally communicate in writing any deliverable deficiencies or non-conformities to the Contractor, describing in those deficiencies what shall be corrected prior to acceptance of the deliverable in sufficient detail for the Contractor to address the deficiencies. The Contractor shall correct deficiencies and resubmit the corrected deliverable for acceptance within the agreed-upon time period for correction.
3. Minimum Deliverable Quality

The Contractor shall subject each deliverable to its internal quality-control process prior to submitting the deliverable to the State. Each deliverable shall meet the following minimum acceptance criteria:

* 1. Be presented in a format appropriate for the subject matter and depth of discussion.
  2. Be organized in a manner that presents a logical flow of the deliverable’s content.
  3. Represent factual information reasonably expected to have been known at the time of submittal.
  4. In each section of the deliverable, include only information relevant to that section of the deliverable.
  5. Contain content and presentation consistent with industry best practices in terms of deliverable completeness, clarity, and quality.
  6. Meet the acceptance criteria applicable to that deliverable, including any State policies, functional or non-functional requirements, or industry standards.
  7. Contain no structural errors such as poor grammar, misspellings or incorrect punctuation.
  8. Contain the date, author, and page numbers. When applicable for a deliverable, a revision table must be included.
  9. A draft written deliverable may contain limited structural errors such as incorrect punctuation, but shall otherwise represent a significant level of completeness toward the associated final written deliverable. The draft written deliverable shall otherwise comply with minimum deliverable quality criteria above.

### Contractor-Supplied Hardware, Software, and Materials

1. The Contractor will be responsible for all costs associated with their required office space and data centers. Data Centers must be protected by Uninterruptible Power Supply systems (UPS) to assure continuous operation in the event of short outages or power fluctuations and graceful shutdown in the event of an extended outage
2. Space will be provided by the VLT Facilities for server rooms and data closets within the Facilities. HVAC and electrical systems within the VLT Facilities will be provided by the Facilities. Specifications of the existing systems can be provided to Offerors, if desired. The Contractor must provide local UPS systems for short term outages.
3. The State shall be permitted limited user-specific application configuration settings.
4. The Contractor is responsible for the acquisition and operation of all hardware, software and network support related to the services being provided, and shall keep all current. If manufacturer support for any hardware module, component, or system software is discontinued or becomes end of life by the manufacturer, the Contractor must replace, if required by the MLGCC, the respective hardware modules, components, or system software modules at its own cost (including integration, test and acceptance) six (6) months prior to the support being discontinued. The Contractor shall immediately inform the MLGCC of any such support discontinuation of which it becomes aware of no later than 12 months prior to end of life.
5. All Upgrades and regulatory updates shall be provided at no additional cost.
6. The Contractor shall install and provide all documentation for the software furnished under the Contract.
7. The Contractor shall be required to provide certification from a MLGCC approved third party gaming test lab that all software and hardware configurations have been tested according to industry standards and are approved for installation.
8. The Contractor shall prepare software releases and stage at the MLGCC for validation in the system test environment. The MLGCC will provide authorization to proceed. The MLGCC will have the ability to direct the distribution of these releases to the various VLT facilities. To support this requirement, the Contractor shall propose, provide and fully describe their solution for updating all sites with any new software releases.
9. The Contractor shall warrant all system hardware and software for the life of the Contract. Notwithstanding anything to the contrary, all defective items must be replaced at no additional cost to the State.

### Required Project Policies, Guidelines and Methodologies

The implementation of this Contract will be conducted by the Contractor with oversight by the MLGCC and the Maryland Department of Information Technology as a Major Information Technology Development Project (MITDP). The Contractor shall be required to comply with all applicable laws, regulations, policies, standards and guidelines affecting Information Technology projects, which may be created or changed periodically.

It is the responsibility of the Contractor to ensure adherence and to remain abreast of new or revised laws, regulations, policies, standards and guidelines affecting project execution. These include, but are not limited to:

1. The State of Maryland System Development Life Cycle (SDLC) methodology at: http://doit.maryland.gov/SDLC/Pages/agile-sdlc.aspx ;
2. The State of Maryland Information Technology Security Policy and Standards at: [http://www.DoIT.maryland.gov](http://www.doit.maryland.gov)- keyword: Security Policy;
3. The State of Maryland Information Technology Non-Visual Standards at: http://doit.maryland.gov/policies/Pages/ContractPolicies.aspx;
4. The State of Maryland Information Technology Project Oversight at: http://doit.maryland.gov/epmo/Pages/ProjectOversight.aspx;
5. The Contractor shall follow project management methodologies consistent with the most recent edition of the Project Management Institute’s Project Management Body of Knowledge Guide; and

### Product Requirements

1. Offerors may propose open source software; however, the Offeror must provide operational support for the proposed software as part of its Proposal.
2. As described in **Section 3.7.5.B.15** Security Requirements, Offerors are prohibited from the processing or storage of data outside of the continental U.S.
3. Any Contract award is contingent on the State’s agreement, during the Proposal evaluation process, to any applicable terms of use and any other agreement submitted under **Section 5.3.2.** Such agreed upon terms of use shall apply consistently across services ordered under the Contract.

### Maintenance and Support

Maintenance and support, and Contractor’s ongoing maintenance and support obligations, are defined as follows:

1. Maintenance commences on the Go-Live Date, including at all Facilities.
2. Software maintenance includes all future software updates and system enhancements applicable to system modules without further charge to the MLGCC.
3. For the Contract term, the following services shall be provided:
   1. Error Correction. Upon notice by State of a problem with the Software (which problem can be verified), reasonable efforts to correct or provide a working solution for the problem.
   2. Material Defects. Contractor shall notify the State of any material errors or defects in the Deliverables known, or made known to Contractor from any source during the life of the Contract, that could cause the production of inaccurate or otherwise materially incorrect results. The Contractor shall initiate actions as may be necessary or proper to effect corrections of any such errors or defects.
   3. Updates. Contractor will provide to the State at no additional charge all new releases and bug fixes (collectively referred to as “Updates”) for any software Deliverable developed or published by the Contractor and made available to its other customers.
4. Operations tasks to include virus scans
5. Activity reporting
6. User support (Help Desk)
   1. Contractor shall furnish Help Desk services for both the MLGCC and VLT Facility operations staff.
   2. Help Desk services shall be available 24 x 7 x 365.
   3. Contractor shall utilize a help desk ticketing system to record and track all help desk calls. The ticketing system shall record with a date and timestamp when the ticket was opened and when the ticket was closed.

### Backup

The Contractor shall:

1. Perform backups for all application and configuration data that necessary to restore the application to full operability on suitable hardware. The backup shall consist of at least:
   1. Incremental daily backups, retained for one (1) month,
   2. Full weekly backups, retained for three (3) months, and
   3. Final weekly backup for each month maintained for two (2) years;
2. Maintain one annual backup for at least 10 years (See Attachment M – Contract, paragraph 24.);
3. Send the weekly backup electronically to a facility approved by the State;
4. Encrypt the backups using a shared key; and
5. Perform a backup recovery at least semi-annually.

### Service Level Agreement (SLA)

1. Definitions
2. A “Problem” is defined as any situation or issue reported via a help desk ticket that is related to the system operation that is not an enhancement request.
3. “Problem resolution time” is defined as the period of time from when the help desk ticket is opened to when it is resolved.
4. SLA Requirements

The Contractor shall:

1. Be responsible for complying with all performance measurements, and shall also ensure compliance by all subcontractors.
2. Meet the Problem response time and resolution requirements as defined in Section 2.3.15.I.5.f.
3. Provide a monthly report to monitor and detail response times and resolution times.
4. Log Problems into the Contractor-supplied help desk software and assign an initial severity (Emergency, High, Medium or Low as defined in **Section 2.3.20 F**.).
5. Respond to and update all Problems, including recording when a Problem is resolved and its resolution. Appropriate MLGCA personnel shall be notified when a Problem is resolved.
6. Conform with the MLGCA’sl determination regarding Problem severity.
7. Review any Problem with MLGCA to establish the remediation plan and relevant target dates.
8. SLA Effective Date (SLA Activation Date)

SLAs set forth herein shall be in effect beginning with the commencement of monthly services as of the Go-Live date.

1. Service Level Reporting
2. Contractor performance will be monitored by the MLGCA.
3. The Contractor shall provide detailed monthly reports evidencing the attained level for each SLA.
4. The Contractor shall provide a monthly summary report for SLA performance.
5. Monthly reports shall be delivered via email to the Contract Monitor by the 15th of the following month.
6. If any of the performance measurements are not met during the monthly reporting period, the Contractor will be notified of the standard that is not in compliance.
7. Root Cause Analysis

The Contractor shall conduct a root cause analysis of any significant system anomaly. Such root cause written analysis shall be provided within 30 Days of the event.

In addition, for each ‘Emergency’ or ‘High’ Priority Problem, the Contractor will perform a root cause analysis and institute a process of problem management to prevent recurrence of the issue.

1. Service Level Measurements (System Performance)

The Contractor shall comply with the service level measurements specified in the following table:

|  |  |  |  |
| --- | --- | --- | --- |
| **No.** | **Service Requirement** | **Measurement** | **Service Level Agreement** |
| 1 | Problem Response Time – High | Average Response Time for High Priority Problems. | 98% <15 minutes |
| 2 | Problem Response Time - Normal | Average Response Time for Normal or Low Priority Problems | 98% <2 hours |
| 3 | Problem Resolution Time - High | Resolution Time for each High Priority Problem | 98% <4 hours |
| 4 | Problem Resolution Time - Normal | Resolution Time for Normal Priority Problems | 98% <24 hours |
| 5 | Problem Resolution Time - Low | Resolution Time for Low Priority Problems | 98% <72 hours |
| 6 | Scheduled Downtime/  Maintenance | The VLT System is to be operational 24 x 7 x 365. Scheduled maintenance and downtime shall not affect the recording of VLT data | <1 hour each quarter |
| 7 | Service Availability | All application functionality and accessibility shall be maintained at 99.95% uptime performance levels. Contractor shall minimize or eliminate unscheduled network downtime to 0.05% or less | <99.95% |
| 8 | Disaster Recovery | Contractor shall provide recovery and continuity of operations within 2 minutes of a System/network Failover | 2 minutes |
| 9 | Notification of Security Incident | Notification of a Security Incident within 30 minutes of occurrence | 30 minutes |
| 10 | Security Incident Reporting | Security incident reporting requirement in 6 hours | 6 hours |
| 11 | Escrow Update | Update escrow within 7 days of a change.  Failure to update escrow | 7 days |

# Contractor Requirements: General

## Contract Initiation Requirements

* + 1. Contractor shall schedule and hold a kickoff meeting within 10 Business Days of NTP Date.
    2. At the kickoff meeting, the Contractor shall furnish an updated project schedule describing the activities for the Contractor, the Commission, the VLT Facilities and any third parties for fully transitioning to the Contractor’s Solution.

## End of Contract Transition

* + 1. The Contractor shall provide transition assistance as requested by the State to facilitate the orderly transfer of services to a follow-on contractor, for a period up to 90 Days prior to Contract end date, or the termination thereof. Such transition efforts shall consist, not by way of limitation, of:

1. Provide additional services and support as requested to successfully complete the transition;
2. Maintain the services specified by the Contract at the required level of proficiency;
3. Maintain updated and current System Documentation **(**see **Appendix 1, RRR)** andoperating procedures.
   * 1. The Contractor shall work toward a prompt and timely transition, proceeding in accordance with the directions of the Contract Monitor. The Contract Monitor may provide the Contractor with additional instructions to meet specific transition requirements prior to the end of the Contract.
     2. The Contractor shall ensure that all necessary knowledge and materials for the tasks completed are transferred to the custody of State personnel or a third party, as directed by the Contract Monitor.
     3. The Contractor shall support end-of-Contract transition efforts with technical and project support to include but not be limited to:
4. The Contractor shall provide a draft Transition-Out Plan six months in advance of Contract end date.
5. The Transition-Out Plan shall address at a minimum the following areas:
   1. Any staffing concerns/issues related to the closeout of the Contract;
   2. Communications and reporting process between the Contractor, the Agency and the Contract Monitor;
   3. Security and system access review and closeout;
   4. Connectivity services provided, activities and approximate timelines required for Transition-Out;
   5. Plans to complete tasks and any unfinished work items (including open change requests, and known bug/issues); and
   6. Any risk factors with the timing and the Transition-Out schedule and transition process. The Contractor shall document any risk factors and suggested solutions.
6. The Contractor shall provide copies of any current daily and weekly back-ups to the Agency or a third party as directed by the Contract Monitor as of the final date of transition, but no later than the final date of the Contract.
7. Access to any data or configurations of the furnished product and services shall be available after the expiration of the Contract as described in **Section 3.2.5**.
   * 1. Return and Maintenance of State Data
8. Upon termination or the expiration of the Contract Term, the Contractor shall: (a) return to the State all State data in either the form it was provided to the Contractor or in a mutually agreed format along with the schema necessary to read such data; (b) preserve, maintain, and protect all State data until the earlier of a direction by the State to delete such data or the expiration of 7 years (“the retention period”) from the date of termination or expiration of the Contract term; (c) after the retention period, the Contractor shall securely dispose of and permanently delete all State data in all of its forms, such as disk, CD/DVD, backup tape and paper such that it is not recoverable, according to National Institute of Standards and Technology (NIST)-approved methods with certificates of destruction to be provided to the State; and (d) prepare an accurate accounting from which the State may reconcile all outstanding accounts. The final monthly invoice for the services provided hereunder shall include all charges for the data retention period.
9. During any period of service suspension, the Contractor shall maintain all State data in its then existing form, unless otherwise directed in writing by the Contract Monitor.
10. In addition to the foregoing, the State shall be entitled to any post-termination/expiration assistance generally made available by Contractor with respect to the services.

## Invoicing

* + 1. General

1. The Contractor shall email the original of each invoice to ap.mlgcap@maryland.gov.
2. All invoices for services shall be verified by the Contractor as accurate at the time of submission.
3. An invoice not satisfying the requirements of a Proper Invoice (as defined at COMAR 21.06.09.01 and .02) may not be processed for payment. To be considered a Proper Invoice, invoices must include the following information, without error:
   1. Contractor name and address;
   2. Remittance address;
   3. Federal taxpayer identification (FEIN) number;
   4. Invoice period (i.e. time period during which services covered by invoice were performed);
   5. Invoice date;
   6. Invoice number;
   7. State assigned Contract number;
   8. Goods or services provided;
   9. Amount due; and
   10. Any additional documentation required by regulation or the Contract.
4. The MLGCA reserves the right to reduce or withhold Contract payment in the event the Contractor does not provide the MLGCA with all required deliverables within the time frame specified in the Contract or otherwise breaches the terms and conditions of the Contract until such time as the Contractor brings itself into full compliance with the Contract.
5. Any action on the part of the MLGCA, or dispute of action by the Contractor, shall be in accordance with the provisions of Md. Code Ann., State Finance and Procurement Article §§ 15-215 through 15-223 and with COMAR 21.10.04.
6. The State is generally exempt from federal excise taxes, Maryland sales and use taxes, District of Columbia sales taxes and transportation taxes. The Contractor; however, is not exempt from such sales and use taxes and may be liable for the same.
7. Invoices for final payment shall be clearly marked as “FINAL” and submitted when all work requirements have been completed and no further charges are to be incurred under the Contract. In no event shall any invoice be submitted later than 60 calendar days from the Contract termination date.
   * 1. Invoice Submission Schedule

The Contractor shall submit invoices on a monthly basis (see **Attachment B** – Financial Proposal Instructions & Form).

* + 1. For the purposes of the Contract an amount will not be deemed due and payable if:

1. The amount invoiced is inconsistent with the Contract;
2. The proper invoice has not been received by the party or office specified in the Contract;
3. The invoice or performance is in dispute or the Contractor has failed to otherwise comply with the provisions of the Contract;
4. The item or services have not been accepted;
5. The quantity of items delivered is less than the quantity ordered;
6. The items or services do not meet the quality requirements of the Contract; or
7. The Contractor has not submitted satisfactory documentation or other evidence reasonably required by the Procurement Officer or by the Contract concerning performance under the Contract and compliance with its provisions.
   * 1. Travel Reimbursement

Travel will not be reimbursed under this RFP.

## Liquidated Damages

* + 1. MBE Liquidated Damages

MBE liquidated damages are identified in **Section 39** of the Contract (Attachment M).

* + 1. Liquidated Damages other than MBE

#### General - It is agreed by the MLGCC and Contractor that:

1. If the Contractor does not provide or perform the requirements referred to or listed in this provision, damage(s) to the MLGCC will result.
2. Proving such damage(s) will be costly, difficult, and time consuming.
3. The damage figures listed below represent a good faith effort to quantify the range of harm that could reasonably be anticipated at the time of the making of the Contract and is not considered a penalty.
4. Liquidated damages shall become due within thirty (30) Days after written notification by the MLGCC which may, at its sole discretion, deduct liquidated damages from payments due to the Contractor. The Contractor’s surety shall be liable under the Performance Bond for all liquidated damages assessed against the Contractor.
5. Nothing in this provision shall be construed as relieving the Contractor from performing all Contract requirements whether listed herein or not, nor is the MLGCC’s right to enforce or to seek other remedies from failure to perform any other Contract duty hereby diminished.
6. Remedies of the MLGCC specified in this section or elsewhere in the Contract for breach or failure of performance by the Contractor shall in no way limit any other remedies available to the MLGCC under the Contract; under any statute or regulation; or at law or in equity including, without limitation, all remedies of a buyer under the Uniform Commercial Code. All rights, powers and remedies shall be cumulative and concurrent. Any failure of the MLGCC to exercise a remedy shall not be a waiver of any breach or non-performance by the Contractor nor shall it prevent the MLGCC from later exercising that or any other remedy.
7. The Contract will be used by the MLGCC to monitor Contractor performance and will provide the basis for determining liquidated damages.

#### Liquidated Damages Assessment: Collections, Withholds

1. Once the MLGCC has determined that liquidated damages are to be assessed, it will notify the Contractor of the assessment (or assessments). At the MLGCC’s discretion, the assessment notice may direct payment of the assessment by the Contractor. If payment is thus directed, the Contractor shall pay the assessment within thirty (30) Days of receipt of the assessment notice unless directed otherwise by the MLGCC. If the MLGCC determines that any damage was caused in part by the MLGCC, it may reduce damage assessment against the Contractor proportionately.
2. Any liquidated damages assessment may also be collected, at the MLGCC's discretion, by withholding the funds from any payment (or payments) due the Contractor after the date of assessment.

#### Conditions for Termination of Liquidated Damages

As determined appropriate by the MLGC, the following are the conditions under which the Contractor may obtain relief from the continued assessment of liquidated damages which have been imposed.

1. Except as waived by the MLGCC, no liquidated damages imposed on the Contractor shall be terminated or suspended until the Contractor issues a written notice of correction to the MLGCC verifying the correction of condition(s) for which liquidated damages were imposed.
2. The necessary level of documentation to verify corrections will be determined by the MLGCC, who shall be the sole judge of the accuracy of any documentation provided.
3. The Contractor shall certify that each defect is corrected.

#### Severability of Individual Liquidated Damages Clauses

If any portion of any provision on liquidated damages in this Contract is determined to be unenforceable in one or more of its applications, the remaining portion remains in effect in all applications not determined to be invalid that are severable from the invalid applications. If any portion of this liquidated damages provision is determined to be unenforceable in total, the other portions shall remain in full force and effect.

#### Damages Imposed / Central System Implementation

1. Condition

The Contractor shall complete all installation preparations as required by the MLGCC, complete Central System testing to the MLGCC's satisfaction, pass MLGCC Acceptance Testing, and comply with all other Contractual requirements and the schedule as specified in the final Implementation Plan as approved by the MLGCC.

1. Damage

The MLGCC may impose liquidated damages of up to $10,000 per Day per Facility, after notice by the MLGCC, prior to the scheduled date for commencement of operation, and $150,000 per Day per Facility following the scheduled date for commencement of operation for each Day of delay in completion of Central System testing or Acceptance Testing beyond the periods defined in the Contract and may assess such damages until Central System testing or Acceptance Testing is completed in accordance with definitions and requirements set forth herein.

In addition, the MLGCC may impose liquidated damages of up to $500 per Day for each and every failure to provide a deliverable or resolve an acceptance test problem pursuant to the agreed upon schedule or to comply with any other contractual requirements in effect, until such requirement is provided or performed.

#### Central System Downtime

1. Condition

The Central System shall not be “down” more than two (2) minutes total during any Day. When cumulative downtime extends beyond two (2) minutes during any Day due to a problem with any part of the Central System network for which the Contractor is responsible, liquidated damages may be imposed.

1. Damages

For each minute of downtime, or fraction thereof, beyond two (2) minutes during which the Central System is unable to record and/or report data, the MLGCC may impose liquidated damages in the amount of $1,000 or an amount equivalent to the average revenue per minute per VLT for the Facility over the 4 week period prior to the Central System outage, whichever is greater.

#### Communications Outages

1. Condition

If the communications network between one or more VLT Facilities and the Primary Site are down and VLT operation at the VLT Facilities is interrupted, the network will be considered to be down. When communications downtime occurs, liquidated damages may be imposed.

1. Damages

For each minute of downtime, or fraction thereof, that VLTs at one or more VLT Facilities must be disabled due to system capacity limits, the MLGCC may impose liquidated damages in the amount of $10,000 or an amount equivalent to the average revenue per minute for the Facility over the 4 week period prior to the Central System outage, whichever is greater

#### Inoperable VLT

1. Condition

If a VLT is inoperable for more than two (2) hours due to a problem with any part of the Central System network for which the Contractor is responsible, liquidated damages may be imposed.

1. Damages

For any maintenance delay which causes a VLT to be inoperable beyond the allowable two (2) hours, the MLGCC may impose liquidated damages of up to the amount calculated by the formula below per VLT per minute for which a VLT is inoperable:

Average win per VLT per day at the Facility x # of minutes inoperable

24 hours x 60 minutes

#### Timely and Accurate Reports

1. Condition

The Contractor shall produce and deliver timely, sufficient and accurate reports within the specified time frames and descriptions in the Contract whether printed or transferred electronically. Reports shall be produced and delivered on both a scheduled and on-request basis according to the schedule approved by the MLGCC at the time of Contract award.

1. Damages

For each late, insufficient or inaccurate report, the MLGCC may impose liquidated damages in the amount of $1,000 per Day per report until the report is provided, made sufficient or corrected.

#### Timely and Accurate Files

1. Condition

The Contractor shall provide timely, sufficient and accurate files within the specified time frames and descriptions in the Contract. Files shall be produced and delivered on both a scheduled and on-request basis according to the schedule approved by the MLGCC at the time of Contract award.

1. Damages

For each late, insufficient or inaccurate file required by this Contract, the MLGCC may impose liquidated damages in the amount of $1,000 per file per Day, until the required accurate file is provided to the MLGCC.

#### Failure to Modify Existing Software/Reports or to Install Additional Software/Reports or Implement Requests for Central System Service

1. Condition

The Contractor shall modify existing software/reports or install additional software/reports or implement requests for Central System service within a negotiated time frame with the MLGCC having the final determination. In addition, the Contractor shall complete an acceptance test of the required modification or addition to the Central System, and receive the MLGCC's written approval of such test, within the time frame previously negotiated.

1. Damages

The MLGCC may impose liquidated damages of up to $1,000 per Day that the modified or additional software or change order is not installed.

#### Unauthorized Software/Hardware Modifications

1. Condition

The Contractor shall not modify any software or hardware without the prior written consent of the MLGCC or designee.

1. Damages

If the Contractor modifies any software or hardware without the prior written approval of the MLGCC, the MLGCC may issue a written order that the change or modification shall be removed and the Central System restored to its previous operating state at the Contractor's expense. (“Modification” does not include replacement of a Central System component with an essentially similar component in the event of necessary maintenance.)

Further, if the MLGCC issues a written order that the change or modification shall be removed and the Central System restored to its previous operating state at the Contractor's expense, the MLGCC may impose liquidated damages in the amount of up to $50,000 per violation in addition to any other damages that may occur as a result of such unauthorized modification.

#### Unauthorized Access

1. Condition

The Contractor shall preclude unauthorized persons from accessing the PDC and BDC and the Central System.

1. Damages

If the Contractor fails to preclude access by unauthorized persons, the MLGCC may impose liquidated damages in the amount of up to $50,000 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.

## Disaster Recovery and Data

The following requirements apply to the Contract:

* + 1. Redundancy, Data Backup and Disaster Recovery

#### Unless specified otherwise in the RFP (See also **Section** **2.3.6**), Contractor shall maintain or cause to be maintained disaster avoidance procedures designed to safeguard State data and other confidential information, Contractor’s processing capability and the availability of hosted services, in each case throughout the Contract term. Any force majeure provisions of the Contract do not limit the Contractor’s obligations under this provision.

#### The Contractor shall have robust contingency and disaster recovery (DR) plans in place to ensure that the services provided under the Contract will be maintained in the event of disruption to the Contractor/subcontractor’s operations (including, but not limited to, disruption to Information Technology systems), however caused.

#### The contingency and DR plans shall be designed to ensure that services under the Contract are restored after a disruption within ninety (90) minutes from notification with no loss of data.

#### Such contingency and DR plans shall be available for the MLGCC to inspect and practically test at any reasonable time, and subject to regular updating, revising, and testing throughout the term of the Contract.

* + 1. Data Export/Import

1. The Contractor shall, at no additional cost or charge to the State, in an industry standard/non-proprietary format:
   1. perform a full or partial import/export of State data within 24 hours of a request; or
   2. provide to the State the ability to import/export data at will and provide the State with any access and instructions which are needed for the State to import or export data.
2. Any import or export shall be in a secure format per the Security requirements.
   * 1. Data Ownership and Access
3. Data, databases and derived data products created, collected, manipulated, or directly purchased as part of a RFP are the property of the State. The purchasing State agency is considered the custodian of the data and shall determine the use, access, distribution and other conditions based on appropriate State statutes and regulations.
4. Public jurisdiction user accounts and public jurisdiction data shall not be accessed, except (1) in the course of data center operations, (2) in response to service or technical issues, (3) as required by the express terms of the Contract, including as necessary to perform the services hereunder or (4) at the State’s written request.
5. The Contractor shall limit access to and possession of State data to only Contractor Personnel whose responsibilities reasonably require such access or possession and shall train such Contractor Personnel on the confidentiality obligations set forth herein.
6. The Contractor shall not use any information collected in connection with the services furnished under the Contract for any purpose other than fulfilling such services.
   * 1. Provisions in Sections 3.5.1 – 3.5.3 shall survive expiration or termination of the Contract. Additionally, the Contractor shall mandate that subcontractors adhere to the provisions of Sections 3.5.1-3.5.3.

## Insurance Requirements

The Contractor shall maintain, at a minimum, the insurance coverages outlined below, or any minimum requirements established by law if higher, for the duration of the Contract, including option periods, if exercised:

* + 1. The following type(s) of insurance and minimum amount(s) of coverage are required:

1. Commercial General Liability - $1,500,000 combined single limit per occurrence for bodily injury, property damage, and personal and advertising injury and $3,000,000 annual aggregate. The minimum limits required herein may be satisfied through any combination of primary and umbrella/excess liability policies.
2. Errors and Omissions/Professional Liability - $1,500,000 per combined single limit per claim and $3,000,000 annual aggregate.
3. Crime Insurance/Employee Theft Insurance - to cover employee theft with a minimum single loss limit of $1,500,000 per loss, and a minimum single loss retention not to exceed $10,000. The State of Maryland and the Agency should be added as a “loss payee.”
4. Cyber Security / Data Breach Insurance – (For any service offering hosted by the Contractor) The coverage must be valid at all locations where work is performed or data or other information concerning the State’s claimants or employers is processed or stored. The Contractor shall possess and maintain throughout the term of the awarded contract and for three (3) years thereafter, Cyber Risk/ Data Breach insurance (either separately or as part of a broad Professional Liability or Errors and Omissions Insurance) with limits of at least US $1,500,000 per claim. Any “insured vs. insured” exclusions will be modified accordingly to allow the State additional insured status without prejudicing the State’s rights under the policy(ies). Coverage shall be sufficiently broad to respond to the Contractor’s duties and obligations under the Contract and shall include, but not be limited to, claims involving privacy violations, information theft, damage to or destruction of electronic information, release of Sensitive Data, and alteration of electronic information, extortion and network security. The policy shall provide coverage for, not by way of limitation, breach response costs as well as regulatory fines and penalties as well as credit monitoring expenses with limits sufficient to respond to these obligations.
5. Worker’s Compensation - Such insurance as necessary or required under Workers’ Compensation Acts, the Longshore and Harbor Workers’ Compensation Act, and the Federal Employers’ Liability Act, to not be less than $1,500,000 per occurrence (unless a jurisdiction’s law requires a greater amount of coverage). Coverage must be valid in all jurisdictions where work is performed.
6. Automobile or Commercial Truck Insurance - The Contractor shall maintain Automobile or Commercial Truck Insurance (including owned, leased, hired, and non-owned vehicles) as appropriate with Liability, Collision, and PIP limits no less than those required by the jurisdiction where the vehicle(s) is registered, but in no case less than those required by the State.
7. Property Insurance - Extended coverage on all Contractor owned equipment in the amount of actual replacement cost thereof. The policy shall include an All Risk Property Floater to insure personal property including contents, equipment and mobile items against fire, collision, flood, etc. Neither the State, the Commission nor the Lottery will be responsible for any equipment not owned by the State.
   * 1. The State shall be listed as an additional insured on the faces of the certificates associated with the coverages listed above, including umbrella policies, excluding Workers’ Compensation Insurance and professional liability.
     2. All insurance policies shall be endorsed to include a clause requiring the insurance carrier provide the Procurement Officer, by certified mail, not less than 30 days advance notice of any non-renewal, cancellation, or expiration. The Contractor shall notify the Procurement Officer in writing, if policies are cancelled or not renewed within 5 days of learning of such cancellation or nonrenewal. The Contractor shall provide evidence of replacement insurance coverage to the Procurement Officer at least 30 days prior to the expiration of the insurance policy then in effect.
     3. Any insurance furnished as a condition of the Contract shall be issued by a company authorized to do business in the State.
     4. The recommended awardee must provide current certificate(s) of insurance with the prescribed coverages, limits and requirements set forth in this section within five (5) Business Days from notice of recommended award. During the period of performance for multi-year contracts, the Contractor shall provide certificates of insurance annually, or as otherwise directed by the Contract Monitor.
     5. Subcontractor Insurance

The Contractor shall require any subcontractors to obtain and maintain comparable levels of coverage and shall provide the Contract Monitor with the same documentation as is required of the Contractor.

## Security Requirements

The following requirements are applicable to the Contract:

* + 1. Employee Identification

1. Contractor Personnel shall display his or her company ID badge in a visible location at all times while on State premises, in the Contractor’s facilities and while present at the VLT Facilities. Upon request of authorized State or VLT Facility personnel, each Contractor Personnel shall provide additional photo identification.
2. Contractor Personnel shall cooperate with State site requirements, including but not limited to, being prepared to be escorted at all times, and providing information for State badge issuance.
3. Contractor shall remove any Contractor Personnel from working on the Contract where the State determines, in its sole discretion, that Contractor Personnel has not adhered to the Security requirements specified herein.
4. The State reserves the right to request that the Contractor submit proof of employment authorization of non-United States Citizens, prior to commencement of work under the Contract.
   * 1. Staff Gaming License Requirements

All Contractor and Subcontractor staff that work on this Contract are required to obtain a Maryland Gaming License as described in **Sections 4.40 – 4.44**. License requirements are available on the MLGCC’s website. <https://www.mdgaming.com/licensing/>

* + 1. On-Site Security Requirement(s)

This Section is Inapplicable to this RFP.

* + 1. Information Technology

The Contractor shall:

1. Implement administrative, physical, and technical safeguards to protect State data that are no less rigorous than accepted industry best practices for information security such as those listed below (see **Section 3.7.5**);
2. Ensure that all such safeguards, including the manner in which State data is collected, accessed, used, stored, processed, disposed of and disclosed, comply with applicable data protection and privacy laws as well as the terms and conditions of the Contract; and
3. The Contractor, and Contractor Personnel, shall (i) abide by all applicable federal, State and local laws, rules and regulations concerning security of Information Systems and Information Technology and (ii) comply with and adhere to the State IT Security Policy and Standards as each may be amended or revised from time to time. Updated and revised versions of the State IT Policy and Standards are available online at: www.doit.maryland.gov – keyword: Security Policy.
   * 1. Data Protection and Controls
4. Contractor shall ensure a secure environment for all State data and any hardware and software (including but not limited to servers, network and data components) provided or used in connection with the performance of the Contract and shall apply or cause application of appropriate controls to maintain such a secure environment (“Security Best Practices”). Such Security Best Practices shall comply with an accepted industry standard, such as the NIST cybersecurity framework.
5. To ensure appropriate data protection safeguards are in place, the Contractor shall implement and maintain the following controls at all times throughout the Term of the Contract (the Contractor may augment this list with additional controls):
   1. Establish separate production, test, and training environments for systems supporting the services provided under the Contract and ensure that production data is not replicated in test or training environment(s) unless it has been previously anonymized or otherwise modified to protect the confidentiality of Sensitive Data elements. The Contractor shall ensure the appropriate separation of production and non-production environments by applying the data protection and control requirements listed in **Section** **3.7.5**.
   2. Apply hardware and software hardening procedures as recommended by Center for Internet Security (CIS) guides https://www.cisecurity.org/, Security Technical Implementation Guides (STIG) http://iase.disa.mil/Pages/index.aspx, or similar industry best practices to reduce the Systems’ surface of vulnerability, eliminating as many security risks as possible and documenting what is not feasible or not performed according to best practices. Any hardening practices not implemented shall be documented with a plan of action and milestones including any compensating control. These procedures may include but are not limited to removal of unnecessary Software, disabling or removing unnecessary services, removal of unnecessary usernames or logins, and the deactivation of unneeded features in the Contractor’s system configuration files.
   3. Ensure that State data is not comingled with non-State data through the proper application of compartmentalization security measures.
   4. Apply data encryption to protect Sensitive Data at all times, including in transit, at rest, and also when archived for backup purposes. Unless otherwise directed, the Contractor is responsible for the encryption of all Sensitive Data.
   5. For all State data the Contractor manages or controls, data encryption shall be applied to such data in transit over untrusted networks.
   6. Encryption algorithms which are utilized for encrypting data shall comply with then current Federal Information Processing Standards (FIPS), “Security Requirements for Cryptographic Modules”, FIPS PUB 140-2:

<http://csrc.nist.gov/publications/fips/fips140-2/fips1402.pdf>

<http://csrc.nist.gov/groups/STM/cmvp/documents/140-1/1401vend.htm>

* 1. Enable appropriate logging parameters to monitor user access activities, authorized and failed access attempts, system exceptions, and critical information security events as recommended by the operating system and application manufacturers and information security standards, including Maryland Department of Information Technology’s Information Security Policy.
  2. Retain the aforementioned logs and review them at least daily to identify suspicious or questionable activity for investigation and documentation as to their cause and remediation, if required. The Agency shall have the right to inspect these policies and procedures and the Contractor or subcontractor’s performance to confirm the effectiveness of these measures for the services being provided under the Contract.
  3. Ensure system and network environments are separated by properly configured and updated firewalls.
  4. Restrict network connections between trusted and untrusted networks by physically or logically isolating systems from unsolicited and unauthenticated network traffic.
  5. By default “deny all” and only allow access by exception.
  6. Review, at least annually, the aforementioned network connections, documenting and confirming the business justification for the use of all service, protocols, and ports allowed, including the rationale or compensating controls implemented for those protocols considered insecure but necessary.
  7. Perform vulnerability testing of operating system, application, and network devices at least annually. Such testing is to be conducted by a Commission approved third party, and is expected to identify outdated software versions; missing software patches; device or software misconfigurations; and to validate compliance with or deviations from the security policies applicable to the Contract. Contractor shall evaluate all identified vulnerabilities for potential adverse effect on security and integrity and remediate the vulnerability no later than 30 days following the earlier of vulnerability’s identification or public disclosure, or document why remediation action is unnecessary or unsuitable. The Agency shall have the right to review the Contractor’s policies and procedures and the results of vulnerability testing to confirm the effectiveness of these measures for the services being provided under the Contract.
  8. Enforce strong user authentication and password control measures to minimize the opportunity for unauthorized access through compromise of the user access controls. At a minimum, the implemented measures should be consistent with the most current Maryland Department of Information Technology’s Information Security Policy (<https://doit.maryland.gov/policies/Pages/default.aspx> ), including specific requirements for password length, complexity, history, and account lockout.
  9. Ensure State data is not processed, transferred, or stored outside of the United States (“U.S.”). The Contractor shall provide its services to the State and the State’s end users solely from data centers in the U.S. Unless granted an exception in writing by the State, the Contractor shall not allow Contractor Personnel to store State data on portable devices, including personal computers, except for devices that are used and kept only at its U.S. data centers. The Contractor shall permit its Contractor Personnel to access State data remotely only as required to provide technical support.
  10. Ensure Contractor’s Personnel shall not connect any of its own equipment to a State LAN/WAN without prior written approval by the State, which may be revoked at any time for any reason. The Contractor shall complete any necessary paperwork as directed by and coordinated with the Contract Monitor to obtain approval by the State to connect Contractor-owned equipment to a State LAN/WAN.
  11. Ensure that anti-virus and anti-malware software is installed and maintained on all systems supporting the services provided under the Contract; that the anti-virus and anti-malware software is automatically updated; and that the software is configured to actively scan and detect threats to the system for remediation. The Contractor shall perform routine vulnerability scans and take corrective actions for any findings.
  12. Conduct regular external vulnerability testing designed to examine the service provider’s security profile from the Internet without benefit of access to internal systems and networks behind the external security perimeter. Evaluate all identified vulnerabilities on Internet-facing devices for potential adverse effect on the service’s security and integrity and remediate the vulnerability promptly or document why remediation action is unnecessary or unsuitable. The Agency shall have the right to inspect these policies and procedures and the performance of vulnerability testing to confirm the effectiveness of these measures for the services being provided under the Contract.
      1. Security Logs and Reports Access

1. For a SaaS or non-State hosted solution, the Contractor shall provide quarterly reports to the State in a mutually agreeable format.
2. Reports shall include latency statistics, user access, user access IP address, user access history and security logs for all State files related to the Contract.
   * 1. Security Plan
3. The Contractor shall protect State data according to a written security policy (“Security Plan”) no less rigorous than that of the State, and shall supply a copy of such policy to the State for validation, with any appropriate updates, on an annual basis.
4. The Security Plan shall detail the steps and processes employed by the Contractor as well as the features and characteristics which will ensure compliance with the security requirements of the Contract.
   * 1. PCI Compliance

This section does not apply to this RFP.

* + 1. Security Incident Response

1. The Contractor shall notify the Agency in accordance with **Section 3.7.9A-D** when any Contractor system that may access, process, or store State data or State systems experiences a Security Incident or a Data Breach as follows:
   1. notify the Agency within twenty-four (24) hours of the discovery of a Security Incident by providing notice via written or electronic correspondence to the Contract Monitor, Agency chief information officer and Agency chief information security officer;
   2. notify the Agency within two (2) hours if there is a threat to Contractor’s Solution as it pertains to the use, disclosure, and security of State data; and
   3. provide written notice to the Agency within one (1) Business Day after Contractor’s discovery of unauthorized use or disclosure of State data and thereafter all information the State (or Agency) requests concerning such unauthorized use or disclosure.
2. Contractor’s notice shall identify:
   1. the nature of the unauthorized use or disclosure;
   2. the State data used or disclosed,
   3. who made the unauthorized use or received the unauthorized disclosure;
   4. what the Contractor has done or shall do to mitigate any deleterious effect of the unauthorized use or disclosure; and
   5. what corrective action the Contractor has taken or shall take to prevent future similar unauthorized use or disclosure.
3. The Contractor shall provide such other information, including a written report, as reasonably requested by the State.
4. The Contractor may need to communicate with outside parties regarding a Security Incident, which may include contacting law enforcement, fielding media inquiries and seeking external expertise as mutually agreed upon, defined by law or contained in the Contract. Discussing Security Incidents with the State should be handled on an urgent as-needed basis, as part of Contractor communication and mitigation processes as mutually agreed upon, defined by law or contained in the Contract.
5. The Contractor shall comply with all applicable laws that require the notification of individuals in the event of unauthorized release of State data or other event requiring notification, and, where notification is required, assume responsibility for informing all such individuals in accordance with applicable law and to indemnify and hold harmless the State (or Agency) and its officials and employees from and against any claims, damages, and actions related to the event requiring notification.
   * 1. Data Breach Responsibilities
6. If the Contractor reasonably believes or has actual knowledge of a Data Breach, the Contractor shall, unless otherwise directed:
   1. Notify the appropriate State-identified contact within 24 hours by telephone in accordance with the agreed upon security plan or security procedures unless a shorter time is required by applicable law;
   2. Cooperate with the State to investigate and resolve the Data Breach;
   3. Promptly implement commercially reasonable remedial measures to remedy the Data Breach; and
   4. Document responsive actions taken related to the Data Breach, including any post-incident review of events and actions taken to make changes in business practices in providing the services.
7. If a Data Breach is a direct result of the Contractor’s breach of its Contract obligation to encrypt State data or otherwise prevent its release, the Contractor shall bear the costs associated with (1) the investigation and resolution of the Data Breach; (2) notifications to individuals, regulators or others required by State law; (3) a credit monitoring service required by State or federal law; (4) a website or a toll-free number and call center for affected individuals required by State law; and (5) complete all corrective actions as reasonably determined by Contractor based on root cause; all [(1) through (5)] subject to the Contract’s limitation of liability.
   * 1. The State shall, at its discretion, have the right to review and assess the Contractor’s compliance with the security requirements and standards defined in the Contract.
     2. Provisions in Sections 3.7.1 – 3.7.10 shall survive expiration or termination of the Contract. Additionally, the Contractor shall require that all subcontractors adhere to the provisions of Sections 3.7.4-3.7.10.

## Problem Escalation Procedure

* + 1. The Contractor shall have and maintain a Problem Escalation Procedure (PEP) for both routine and emergency situations. The PEP must state how the Contractor will address problem situations as they occur during the performance of the Contract, especially problems that are not resolved to the satisfaction of the State within appropriate timeframes.
    2. The Contractor shall provide contact information to the Contract Monitor, as well as to other State personnel as directed should the Contract Monitor not be available.
    3. The Contractor must provide the PEP no later than ten (10) Business Days after notice of recommended award. The PEP, including any revisions thereto, must also be provided within ten (10) Business Days after the start of each Contract year and within ten (10) Business Days after any change in circumstance which changes the PEP. The PEP shall detail how problems with work under the Contract will be escalated in order to resolve any issues in a timely manner. The PEP shall include:

1. The process for establishing the existence of a problem;
2. Names, titles, and contact information for progressively higher levels of personnel in the Contractor’s organization who would become involved in resolving a problem;
3. For each individual listed in the Contractor’s PEP, the maximum amount of time a problem will remain unresolved with that individual before the problem escalates to the next contact person listed in the Contractor’s PEP;
4. Expedited escalation procedures and any circumstances that would trigger expediting them;
5. The method of providing feedback on resolution progress, including the frequency of feedback to be provided to the State;
6. Contact information for persons responsible for resolving issues after normal business hours (e.g., evenings, weekends, holidays) and on an emergency basis; and
7. A process for updating and notifying the Contract Monitor of any changes to the PEP.
   * 1. Nothing in this section shall be construed to limit any rights of the Contract Monitor or the State which may be allowed by the Contract or applicable law.

## SOC 2 Type 2 Audit Report

* + 1. A SOC 2 Type 2 Audit applies to the Contract. The applicable trust principles are: Security, Processing Integrity, Confidentiality, and Privacy as defined in the Guidance referenced in 3.9.2 below.
    2. In the event the Contractor provides services for identified critical functions, handles Sensitive Data, or hosts any related implemented system for the State under the Contract, the Contractor shall have an annual audit performed by an independent audit firm of the Contractor’s choosing of Sensitive Data or the MLGCC’s critical functions. Critical functions are identified as all aspects and functionality of the Solution including any add-on modules and shall address all areas relating to Information Technology security and operational processes. These services provided by the Contractor that shall be covered by the audit will collectively be referred to as the “Information Functions and Processes.” Such audits shall be performed in accordance with audit guidance: Reporting on Controls at a Service Organization Relevant to Security, Availability, Processing Integrity, Confidentiality, or Privacy (SOC 2) as published by the American Institute of Certified Public Accountants (AICPA) and as updated from time to time, or according to the most current audit guidance promulgated by the AICPA or similarly-recognized professional organization, as agreed to by the MLGCC, to assess the security of outsourced client functions or data (collectively, the “Guidance”) as follows:

1. The type of audit to be performed in accordance with the Guidance is a SOC 2 Type 2 Audit (referred to as the “SOC 2 Audit” or “SOC 2 Report”). All SOC2 Audit Reports shall be submitted to the Contract Monitor as specified in Section F below. The initial SOC 2 Audit shall be completed within a timeframe to be specified by the MLGCC. The audit period covered by the initial SOC 2 Audit shall start with the Contract Effective Date and run through the end of the State’s fiscal year unless otherwise agreed to in writing by the Contract Monitor. All subsequent SOC 2 Audits after this initial audit shall be performed at a minimum on an annual basis throughout the Term of the Contract, and shall cover a fiscal year or such portion of the year that the Contractor furnished services.
2. The SOC 2 Audit shall report on the suitability of the design and operating effectiveness of controls over the Information Functions and Processes to meet the requirements of the Contract, including the Security Requirements identified in Section 3.7, relevant to the trust principles identified in 3.9.1 as defined in the aforementioned Guidance.
3. The audit scope of each year’s SOC 2 Report may need to be adjusted (including the inclusion or omission of the relevant trust services principles of Security, Availability, Processing Integrity, Confidentiality, and Privacy) to accommodate any changes to the environment since the last SOC 2 Report. Such changes may include but are not limited to the addition of Information Functions and Processes through modifications to the Contract or due to changes in Information Technology or the operational infrastructure. The Contractor shall ensure that the audit scope of each year’s SOC 2 Report engagement shall accommodate these changes by including in the SOC 2 Report all appropriate controls related to the current environment supporting the Information Functions and/or Processes, including those controls required by the Contract. The scope of the audit is to be approved by the MLGCC prior to the onset of each audit.
4. The scope of the SOC 2 Report shall include work performed by any subcontractors that provide essential support to the Contractor or essential support to the Information Functions and Processes provided to the MLGCC under the Contract. The Contractor shall ensure the audit includes all such subcontractors operating in performance of the Contract.
5. All SOC 2 Audits, including those of the Contractor, shall be performed at no additional expense to the MLGCC.
6. The Contractor shall provide to the Contract Monitor a completed SOC 2 audit within 75 days of the end of the State’s fiscal year, and within 30 Days of the issuance of each SOC 2 Report, a complete copy of the final SOC 2 Report(s) and a documented corrective action plan addressing each audit finding or exception contained in the SOC 2 Report. The corrective action plan shall identify in detail the remedial action to be taken by the Contractor along with the date(s) when each remedial action is to be implemented.
7. If the Contractor fails during the Contract term to obtain an annual SOC 2 Report by the date specified in Section 3.9.2.A, the MLGCC shall have the right to retain an independent audit firm to perform an audit engagement of a SOC 2 Report of the Information Functions and Processes utilized or provided by the Contractor and under the Contract. The Contractor shall allow the independent audit firm to access its facility/ies for purposes of conducting this audit engagement(s), and shall provide the necessary support and cooperation to the independent audit firm that is required to perform the audit engagement of the SOC 2 Report. The MLGCC will invoice the Contractor for the expense of the SOC 2 Report(s), or deduct the cost from future payments to the Contractor.
8. Provisions in Section 3.9.1-2 shall survive expiration or termination of the Contract. Additionally, the Contractor and shall require subcontractors to adhere to the provisions of Section 3.9.1-2.

## Experience and Personnel

## Personnel Experience

##### General

The Contractor shall provide all personnel necessary to meet the requirements of the Contract and to provide high quality service to all Facilities, MLGCC and MLGCA personnel. Specifically, the Contractor shall provide all staff as required to meet the timelines identified in the final Implementation Plan and to maintain support for Service Level Agreements (SLA).

The Contractor shall at least annually over the Contract term update its organization chart showing the current staffing positions/categories and number/list of personnel assigned. The MLGCC requires the minimum Contractor staffing below in certain key areas, with all positions being full-time unless otherwise specified. The Contractor shall provide Ongoing Support Staff which shall be permanent positions in support of all requirements for the duration of the Contract term as specified in Section 3.10.1.C. The Contractor shall also provide Implementation Staff as specified in Section 3.10.1.B which shall be provided in support of the implementation of the Central System at each of the VLT Facilities as they are converted to the Contractor’s system, and shall remain until at least two (2) weeks after the commencement of VLT operations at a Facility. The Implementation Staff shall be separate individuals in addition to the Ongoing Support Staff. All staff assigned to this Contract shall be subject to licensing and approval by the MLGCC.

The Contractor shall provide, at minimum, the following personnel:

##### Implementation Staff - Planning and Installation

* 1. Project Manager

The Project Manager shall coordinate implementation of each Facility and shall be the primary point of contact between the Contractor and the MLGCC for all implementation matters at the Facility.

The Project Manager performs day-to-day management of the project, identifies issues and risks and recommends possible issue and risk mitigation strategies associated with the project; is responsible for ensuring that work performed is within scope, consistent with requirements, and delivered on time and on budget; Identifies critical paths, tasks, dates, testing, and acceptance criteria; monitors issues and provides resolutions for up-to-date status reports; demonstrates excellent writing and oral communications skills.

The Project manager shall be a certified PMP and have a minimum of 5 years experience of LAN/WAN infrastructure and/or Data Center build out project management experience.

* 1. Network Specialist

The Network Specialist shall be assigned to the Implementation Team and shall provide support to the MLGCC to insure acceptable interface capabilities between the MLGCC and the Contractor’s Primary and Back-up Sites.

The Network Specialist shall demonstrate expertise in the type of network proposed and implemented and shall be a Microsoft Certified System Engineer (MCSE).

* 1. VLT Implementation Specialist

The Implementation Specialist shall be assigned to the conversion of each Facility,

shall be assigned to the project at all times to provide LAN / WAN network support,

and shall provide support to the MLGCC to insure acceptable interface capabilities between the MLGCC and the Contractor’s Primary and Back-up Sites.

The Implementation Specialist shall demonstrate expertise in the type of network proposed and implemented, shall be a Microsoft Certified System Engineer (MCSE), and shall have a minimum of 3 years recent experience with the proposed Central System and three years of experience working with multiple VLT manufacturers.

* 1. Installation Specialist

The Installaton Specialist shall be responsible for the configuration of Central System software and system and application values. The Installation Specialist shall work with the Project Manager and VLT Integration Specialist to ensure the Central System interaction and integration works between the Data Centers and the VLTs on the floor.

The Installation Specialist shall have Central System installation and configuration experience, to include at minimum: 1 year of experience with the proposed Central System, 5 years experience working with multiple VLT manufacturers, and 2 years experience in LAN/WAN infrastructure support.

* 1. Education and Training Specialist

The Education and Training Specialist shall be responsible for the education of designated MLGCC personnel in the operations and reporting of the Central System and shall work with the Project Manager and Installation Specialist to ensure the Central System interaction and integration works between the Data Centers and the VLTs on the floor.

The Education and Training Specialist shall have Central System installation and configuration training experience.

##### Ongoing Support Staff

* 1. Project Manager/Account Executive/General Manager

The Project Manager/Account Executive/General Manager (Project Manager) shall be permanently located at the Contractor’s Primary Operations Site and shall serve as the primary point of contact between the Contractor and the MLGCC for all Contract and operational matters.

The Project Manager performs day-to-day management of the project, identifies issues and risks and recommends possible issue and risk mitigation strategies associated with the project; is responsible for ensuring that work performed is within scope, consistent with requirements, and delivered on time and on budget; Identifies critical paths, tasks, dates, testing, and acceptance criteria; monitors issues and provides resolutions for up-to-date status reports; demonstrates excellent writing and oral communication skills.

The Project Manager shall have a minimum of 5 years of recent experience of LAN/WAN infrastructure and/or Data Center project management experience.

* 1. Data Center Manager

The Data Center Manager shall be permanently located at the Contractor’s Primary Operations Site and shall serve as an additional point of contact between the Contractor and the MLGCC for Contract and operational matters.

The Data Center Manager oversees IT systems and operations staff, manages technical issues, software development, change control, quality assurance, data center, and network operations. The position is also responsible for customer service delivery, ensuring the proper operation of the critical infrastructure supporting the data center, and ongoing customer relationship management as it relates to technology and services.

The Data Center Manager shall have a minimum of 3 years’ experience of LAN/WAN infrastructure and/or Data Center project management experience.

1. Computer Room Operators

For security purposes, there shall never be fewer than three (3) Computer Operators on-site in the computer room at any time – Two (2) at the Primary Operations Site and one (1) at the Back-up Operations Site.

The Contractor shall submit to the MLGCC for approval at least sixty (60) daysprior to Go-Live Date a program and staffing plan for maintaining the Primary Computer System and the Back-up Computer System and Management Terminals.

1. Network Specialist

A Network Specialist shall be assigned to the project at all times at the Contractor’s Primary Operations Site to provide network support. There shall also be network support in conjunction with the Back-up Site. The Network Specialist shall also provide support to the MLGCC to insure acceptable interface capabilities between the MLGCC and the Contractor’s Primary and Back-up Sites.

The Network Specialist shall have demonstrated expertise in the type of network proposed and implemented and shall be a Microsoft Certified System Engineer (MCSE).

1. VLT Integration Specialist

The Contractor shall provide a minimum of two (2) VLT Integration Specialists who shall be assigned to the project at all times at the Contractor’s Primary Operations Site to support VLT Integration. The responsibility of these Specialists is to test every VLT Game before it is sent to the MLGCC for approval for deployment to the Facilities. This “interoperability” testing will verify that all meters are reporting as required and all game functionality is correct. Additionally, these Specialists will be responsible for verifying that all financial reporting is correct for each tested VLT.

These Specialists shall have demonstrated experience with both the Central System and VLT Protocols.

## Key Personnel Identified

For the Contract, the following positions to be identified in the Technical Proposal will be considered Key Personnel, and shall be required to meet the qualifications stated in **Section 3.10.1.**

1. Project Manager / Account Executive / General Manager
2. Data Center Manager

**3.10.3 Contractor Personnel Maintain Certifications**

Any Contractor Personnel provided under this RFP shall maintain in good standing any required professional certifications for the duration of the Contract.

## Substitution of Personnel

## Continuous Performance of Key Personnel

1. Key Personnel shall be available to perform Contract requirements as of the NTP Date. Unless explicitly authorized by the Contract Monitor or specified in the Contract, Key Personnel shall be assigned to the State of Maryland as a dedicated resource.
2. Key Personnel shall perform continuously for the duration of the Contract, or such lesser duration as specified in the Technical Proposal. Key Personnel may not be removed by the Contractor from working under the Contract without the prior written approval of the Contract Monitor.
3. The provisions of this section apply to Key Personnel identified in any Work Order Request and Work Order, if issued.

## Definitions

For the purposes of this section, the following definitions apply:

1. **Extraordinary Personal Event** – means: leave under the Family Medical Leave Act; an Incapacitating injury or Incapacitating illness; or other circumstances that in the sole discretion of the State warrant an extended leave of absence, such as extended jury duty or extended military service, that precludes the individual from performing his/her job duties under the Contract.
2. **Incapacitating** – means any health circumstance that substantially impairs the ability of an individual to perform the job duties described for that individual’s position in the RFP or the Contractor’s Technical Proposal.

## Contractor Personnel General Substitution Provisions

The following provisions apply to all of the circumstances of Contractor Personnel substitution described in **Section 3.11.4**.

1. The Contractor shall demonstrate to the Contract Monitor’s satisfaction that the proposed substitute has qualifications at least equal to those of the Contractor Personnel proposed to be replaced.
2. The Contractor shall provide the Contract Monitor with a substitution request that shall include:
   1. A detailed explanation of the reason(s) for the substitution request;
   2. The resume of the proposed substitute, signed by the proposed individual and his/her supervisor;
   3. The resume of the current personnel for comparison purposes; and
   4. Evidence of any required credentials.
3. The Contract Monitor may request additional information concerning the proposed substitution and may interview the proposed substitute personnel prior to deciding whether to approve the substitution request.
4. The Contract Monitor will notify the Contractor in writing of: (i) the acceptance or denial, or (ii) contingent or temporary approval for a specified time limit, of the requested substitution. The Contract Monitor will not unreasonably withhold approval of a proposed Contractor Personnel replacement.

## Replacement Circumstances

1. Directed Personnel Replacement
   1. If the MLGCC has concerns about the behavior or performance of specific Contractor Personnel, the Contract Monitor may direct the Contractor to replace that individual.
   2. Prior to replacement and with the permission of the Contract Monitor, the Contractor may engage in remediation efforts with the Contractor Personnel, including the establishment of a remediation plan that is acceptable to the Contract Monitor.
   3. Should the Contract Monitor determine that the individual’s behavior or performance issues persist despite the remediation plan, upon notice from the Contract Monitor the Contractor shall replace the individual with a substitute approved by the Contractor Monitor.
   4. Replacement or substitution of Key Contractor Personnel under this section shall be in addition to, and not in lieu of, the State’s remedies under the Contract or which otherwise may be available at law or in equity.
   5. If the Contract Monitor determines to direct substitution under **3.11.4.A.1**, if at all possible, at least fifteen (15) Days advance notice shall be given to the Contractor. However, if the Contract Monitor deems it necessary and in the State’s best interests to remove the Contractor Personnel with less than fifteen (15) Days’ notice, the Contract Monitor may direct the removal in a timeframe of less than fifteen (15) Days, including immediate removal.
   6. In circumstances of directed removal, the Contractor shall, in accordance with paragraph **3.11.4.A.1** of this section, provide a suitable replacement for approval within fifteen (15) Days of the notification of the need for removal, or the actual removal, whichever occurs first.
2. Key Personnel Replacement
   1. To replace any Key Personnel in a circumstance other than as described in 3.11.4.B, including transfers and promotions, the Contractor shall submit a substitution request as described in Section 3.11.3 to the Contract Monitor at least fifteen (15) Days prior to the intended date of change. A substitution may not occur unless and until the Contract Monitor approves the substitution in writing.
   2. Key Personnel Replacement Due to Sudden Vacancy
      1. The Contractor shall replace Key Personnel whenever a sudden vacancy occurs (e.g., Extraordinary Personal Event, death, resignation, termination). A termination or resignation with thirty (30) Days or more advance notice shall be treated as a replacement under **Section 3.11.4.B.1**.
      2. Under any of the circumstances set forth in this paragraph B, the Contractor shall identify a suitable replacement and provide the same information and items required under **Section 3.11.3** within fifteen (15) Days of the actual vacancy occurrence or from when the Contractor first knew or should have known that the vacancy would be occurring, whichever is earlier.
   3. Key Personnel Replacement Due to an Indeterminate Absence
      1. If any Key Personnel has been absent from his/her job for a period of ten (10) Days and it is not known or reasonably anticipated that the individual will be returning to work within the next twenty (20) Days to fully resume all job duties, before the 25th Day of continuous absence, the Contractor shall identify a suitable replacement and provide the same information and items to the Contract Monitor as required under **Section 3.11.3**.
      2. However, if this person is available to return to work and fully perform all job duties before a replacement has been authorized by the Contract Monitor the Contract Monitor may, at his/her sole discretion, authorize the original personnel to continue to work under the Contract, or authorize the replacement personnel to replace the original personnel, notwithstanding the original personnel’s ability to return.

## Substitution Prior to and Within 30 Days After Contract Execution

Prior to Contract execution or within thirty (30) Days after Contract execution, the Offeror may not substitute proposed Key Personnel except under the following circumstances (a) for actual full-time personnel employed directly by the Offeror: the vacancy occurs due to the sudden termination, resignation, or approved leave of absence due to an Extraordinary Personal Event, or the death of such personnel; and (b) for any temporary staff, subcontractors or 1099 contractors: the vacancy occurs due to an Incapacitating event or the death of such personnel. To qualify for such substitution, the Offeror must demonstrate to the State's satisfaction the event necessitating substitution. Proposed substitutions shall be of equal caliber or higher, in the State's sole discretion. Proposed substitutes deemed by the State to be less qualified than the originally proposed individual may be grounds for pre-award disqualification or post-award termination.

## Minority Business Enterprise (MBE) Reports

The Contractor shall:

1. Submit the following reports by the 10th of each month to the Contract Monitor and the Agency’s MBE Liaison Officer:
   1. A Prime Contractor Paid/Unpaid MBE Invoice Report (**Attachment D-4A**) listing any unpaid invoices, over 45 Days old, received from any certified MBE subcontractor, the amount of each invoice and the reason payment has not been made; and
   2. (If Applicable) An MBE Prime Contractor Report (**Attachment D-4B**) identifying an MBE prime’s self-performing work to be counted towards the MBE participation goals.
2. Include in its agreements with its certified MBE subcontractors a requirement that those subcontractors submit an MBE Subcontractor Paid/Unpaid Invoice Report (**Attachment D-5**) by the 10th of each month to the Contract Monitor and the MLGCA’s MBE Liaison Officer that identifies the Contract and lists all payments to the MBE subcontractor received from the Contractor in the preceding reporting period month, as well as any outstanding invoices, and the amounts of those invoices.
3. Maintain such records as are necessary to confirm compliance with its MBE participation obligations. These records must indicate the identity of certified minority and non-minority subcontractors employed on the Contract, type of work performed by each, and actual dollar value of work performed. Subcontract agreements documenting the work performed by all MBE participants must be retained by the Contractor and furnished to the Procurement Officer on request.
4. Consent to provide such documentation as reasonably requested and to provide right-of-entry at reasonable times for purposes of the State’s representatives verifying compliance with the MBE participation obligations. Contractor must retain all records concerning MBE participation and make them available for State inspection for three years after final completion of the Contract.
5. Upon completion of the Contract and before final payment and release of retainage, submit a final report in affidavit form and under penalty of perjury, of all payments made to, or withheld from MBE subcontractors.

## Veteran Small Business Enterprise (VSBE) Reports

If this solicitation includes a VSBE Goal (see **Section 4.27**), the Contractor shall:

1. Submit the following reports by the 10th of the month following the reporting period to the Contract Monitor and the Agency VSBE representative:
   1. VSBE Participation Prime Contractor Paid/Unpaid VSBE Invoice Report (**Attachment E-3**) listing any unpaid invoices, over 45 days old, received from any VSBE subcontractor, the amount of each invoice and the reason payment has not been made; and
   2. **Attachment E-4**, the VSBE Participation Subcontractor Paid/Unpaid VSBE Invoice Report by the 10th of the month following the reporting period to the Contract Monitor and the VSBE Liaison Officer.
2. Include in its agreements with its VSBE subcontractors a requirement that those subcontractors submit monthly by the 10th of the month following the reporting period to the Contract Monitor and Agency VSBE representative a report that identifies the prime contract and lists all payments received from Contractor in the preceding reporting period month, as well as any outstanding invoices, and the amount of those invoices (**Attachment E-4**).
3. Maintain such records as are necessary to confirm compliance with its VSBE participation obligations. These records must indicate the identity of VSBE and non-VSBE subcontractors employed on the contract, the type of work performed by each, and the actual dollar value of work performed. The subcontract agreement documenting the work performed by all VSBE participants must be retained by the Contractor and furnished to the Procurement Officer on request.
4. Consent to provide such documentation as reasonably requested and to provide right-of-entry at reasonable times for purposes of the State’s representatives verifying compliance with the VSBE participation obligations. The Contractor must retain all records concerning VSBE participation and make them available for State inspection for three years after final completion of the Contract.
5. At the option of the Agency, upon completion of the Contract and before final payment and release of retainage, submit a final report in affidavit form and under penalty of perjury, of all payments made to, or withheld from VSBE subcontractors.

## Work Orders

This Section is Inapplicable to this RFP.

## Additional Clauses

## Source Code Escrow

Source Code Escrow applies to the Contract. The Contractor shall perform source code escrow as described herein.

1. The State will be named as a beneficiary under an escrow agreement (“Escrow Agreement”) that shall be entered into between the Contractor and an escrow agent (“Escrow Agent”) within 30 Days of the date hereof pursuant to which Contractor shall deliver a Source Code Escrow Package to Escrow Agent. The term “Source Code Escrow Package” means: a) a complete copy in machine-readable form of the source code and executable code of the software licensed to the State under the Contract; b) a complete copy of any existing design documentation and user documentation; and/or c) complete instructions for compiling and linking every part of the source code into executable code for purposes of enabling verification of the completeness of the source code as provided below. The Escrow Agreement shall govern the maintenance and release of the Source Code Escrow Package, and Contractor agrees to update, enhance, or otherwise modify such Source Code Escrow Package promptly upon each release of a new version of any component thereof. Contractor shall pay all fees and expenses charged by Escrow Agent, including, but not limited to, fees and expenses related to the State being a named beneficiary under the Escrow Agreement. The State shall treat the Source Code Escrow Package as Contractor’s confidential information. Under all circumstances, the Source Code Escrow Package shall remain the property of Contractor. The State shall only use the Source Code Escrow Package as contemplated in the Contract (including, but not limited to confidentiality provisions and usage restrictions). The Escrow Agent shall maintain the Source Code Escrow Package in a repository located in the United States.
2. In the event that the Escrow Agent either ceases providing escrow services to Contractor or Contractor determines in its reasonable business judgment that the Escrow Agent is no longer providing acceptable services, Contractor shall replace the Escrow Agent with another escrow agent, using an agreement which provides the State with rights no less advantageous than those in the Escrow Agreement. In such case, the new escrow agent shall be substituted in all ways for the incumbent Escrow Agent with respect to **Section 3.15.1.A** above and all references herein to Escrow Agent shall be deemed to include such substitute escrow agent.
3. Contractor shall inform the State of the availability of an escrow for any Third-Party Software solutions it provides to the State.
4. In addition to the rights and obligations contained in the Escrow Agreement referenced in **Section 3.15.1.A**, the State shall have the Software Escrow Package released by the Escrow Agent to the State’s possession immediately upon any voluntary or involuntary filing of bankruptcy or any other insolvency proceeding, including but not limited to a general assignment for the benefit of including but not limited to a general assignment for the benefit of creditors, the appointment of a receiver for business or assets; creditors, the appointment of a receiver for business or assets; Contractor’s dissolution or liquidation, voluntary or otherwise; the State has compelling reasons to believe that such events will cause Contractor to fail to meet its obligations in the foreseeable future; or Contractor’s discontinuance of support or failure to support in accordance with the Contract any software system or if the Contractor is otherwise unable or unwilling to provide the Source Code Escrow Package. This condition will also be considered met if after repeated email and phone requests by the State for service, the State makes a request for service in writing to the Contractor's last known address served by certified signed receipt required mail delivery by U.S. Post Office or by a nationally recognized (in the United States) overnight carrier, and the Contractor remains unresponsive, meaning that the Contractor is unable to acknowledge message receipt, unwilling or otherwise unable to satisfy the request for a period longer than 45 Days from attempt to deliver the written request.

## Purchasing and Recycling Electronic Products

Guidelines provided by DoIT discuss information and guidance on the proper disposition of IT equipment, media sanitization, and protecting confidential information stored on media. This information is located in the State's Information Technology (IT) Security Policy <https://doit.maryland.gov/Documents/Maryland%20IT%20Security%20Manual%20v1.2.pdf>. Page 88 Media Protection provides guidance on proper precautions to protect confidential information stored on media.

## Change Control and Advance Notice

Unless otherwise specified, the Contractor shall obtain written approval from the MLGCC at minimum fourteen (14) Days in advance of any upgrades or modifications.

## Information Not Contained in RFP

Proposals shall be based solely on the material contained in this RFP and any amendments thereto. Offerors are to disregard any newspaper advertisements, news articles, and oral representations when preparing their proposals.

### 3.15.5 No-Cost Extensions

In accordance with BPW Advisory 1995-1 item 7.b, in the event there are unspent funds remaining on the Contract, prior to the Contract's expiration date the Procurement Officer may modify the Contract to extend the Contract beyond its expiration date for a period up to, but not exceeding, one-third of the base term of the Contract (e.g., eight-month extension on a two-year contract) for the performance of work within the Contract's scope of work. Notwithstanding anything to the contrary, no funds may be added to the Contract in connection with any such extension.

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# Procurement Instructions

## Pre-Proposal Conference

* + 1. A pre-Proposal conference (Conference) will be held at the date and time indicated on the Key Information Summary Sheet.
    2. Attendance at the Conference is not mandatory, but all interested parties are encouraged to attend in order to facilitate better preparation of their Proposals.
    3. Following the Conference, the attendance record and summary of the Conference will be distributed via the same mechanism described for amendments and questions (see **Section 4.2.1** eMMA).
    4. The Conference will be held by Video Teleconference.
    5. **Interested parties must email the Pre-Proposal Conference Response Form (Attachment A) no later than the time and date indicated on the form in order to obtain the information needed to sign-in for the Conference.** In addition, if there is a need for sign language interpretation or other special accommodations due to a disability, please notify the Procurement Officer at least five (5) Business Days prior to the Conference date. The MLGCA will make a reasonable effort to provide such special accommodation.

## eMaryland Marketplace Advantage (eMMA)

* + 1. eMMA is the electronic commerce system for the State. The RFP, Conference summary and attendance sheet, Offerors’ questions and the Procurement Officer’s responses, amendments, and other RFP-related information will be made available via eMMA.
    2. In order to receive a contract award, a vendor must be registered on eMMA. Registration is free. Go to<https://procurement.maryland.gov>, click on “Register” to begin the process, and then follow the prompts.

## Questions

* + 1. All questions, including concerns regarding any applicable MBE or VSBE participation goals, shall identify in the subject line the RFP Number and Title (MLGCA #2021-06 - Central Monitor and Control System for a Video Lottery Terminal Program), and shall be submitted in writing via email to the Procurement Officer no later than the date and time specified the Key Information Summary Sheet. The Procurement Officer, based on the availability of time to research and communicate an answer, shall decide whether an answer can be given before the Proposal due date.
    2. Answers to all questions that are not clearly specific only to the requestor will be distributed via the same mechanism as for RFP amendments, and posted on eMMA.
    3. The statements and interpretations contained in responses to any questions, whether responded to verbally or in writing, are not binding on the MLGCA unless it issues an amendment in writing.
    4. If an Offeror discovers any conflict, discrepancy, omission, or other error in this RFP, it shall immediately notify, in writing, the Procurement Officer. Should a potential Offeror identify alleged ambiguities in the specifications or Contract provisions included in this RFP, or should there be doubt as to the meaning or intent of any section herein, the potential Offeror must request clarification from the Procurement Officer prior to the Proposal Due (Closing) Date and Time. Failure to do so may prevent consideration of a future protest. (See COMAR 21.10.02.03)
    5. If an Offeror fails to notify the MLGCA of an error in the RFP known to the Offeror, or an error that reasonably should have been known to the Offeror, the Offeror shall submit a proposal at the Offeror's own risk; and, if awarded the Contract, the Offeror shall not be entitled to additional compensation or time by reason of the error or its later correction.

## Procurement Method

A Contract will be awarded in accordance with the Competitive Sealed Proposals method under COMAR 21.05.03.

## Proposal Due (Closing) Date and Time

* + 1. Proposals, in the number and form set forth in **Section 5** **Proposal Format**, must be received by the Procurement Officer no later than the Proposal Due Date and Time indicated on the Key Information Summary Sheet in order to be considered. All written materials must be in English.
    2. Requests for extension of this date or time shall not be granted.
    3. Offerors submitting Proposals should allow sufficient delivery time to ensure timely receipt by the Procurement Officer. Except as provided in COMAR 21.05.03.02.F and 21.05.02.10, Proposals received after the Proposal Due Date and Time listed in the Key Information Summary Sheet will not be considered.
    4. Proposals may be modified or withdrawn by written notice received by the Procurement Officer before the Proposal Due Date and Time set forth in the Key Information Summary Sheet.
    5. Proposals may not be submitted by email or facsimile. Proposals will not be opened publicly.
    6. A Register of Proposals will be prepared that identifies each Offeror. The Register of Proposals and identity of Offerors may not be disclosed before the Procurement Officer makes a determination recommending award of the Contract.
    7. Potential Offerors not responding to this RFP are requested to submit the “Vendor Feedback Form”, which includes company information and the reason for not responding (e.g., too busy, cannot meet mandatory requirements).

## Multiple or Alternate Proposals

Multiple or alternate Proposals will not be accepted.

## Economy of Preparation

Proposals should be prepared simply and economically and provide a straightforward and concise description of the Offeror’s Proposal to meet the requirements of this RFP.

## Public Information Act Notice

* + 1. The Offeror should give specific attention to the clear identification of those portions of its Proposal that it considers confidential and/or proprietary commercial information or trade secrets, and provide justification why such materials, upon request, should not be disclosed by the State under the Public Information Act, Md. Code Ann., General Provisions Article, Title 4 (See also RFP **Section 5.3.2.B** “Claim of Confidentiality”). This information should be identified by page and section number and placed after the Title Page and before the Table of Contents in the Technical Proposal and if applicable, separately in the Financial Proposal. A blanket statement by the Offeror that its entire proposal is confidential proprietary commercial information or a trade secret is unacceptable. Proposals shall be open to public inspection only after Contract award, to the extent permitted by the PIA.
    2. Offerors are advised that, upon request for this information from a third party, the Procurement Officer is required to make an independent determination whether the information must be disclosed.

## Award Basis

A Contract shall be awarded to the responsible Offeror(s) submitting the Proposal that has been determined to be the most advantageous to the State, considering price and evaluation factors set forth in this RFP (see COMAR 21.05.03.03F), for providing the goods and services as specified in this RFP. See RFP **Section 6** for further award information.

## Oral Presentations and Site Visits by MLGCA During Evaluation

**4.10.1 Oral presentations**

During the evaluation process, Offerors may be required to make individual oral presentations to the Evaluation Committee in order to clarify their proposals. Submission of a proposal does not guarantee an Offeror the opportunity to be invited to participate in oral presentations or discussions. An Offeror’s presentation must include the key staff that would be assigned to this project if awarded the Contract.

**4.10.2 Site Visits**

The Evaluation Committee may make site visit(s) to the Offeror’s place of business or other location where Offeror is providing services to a third-party.

**4.10.3 Scheduling**

The Procurement Officer will notify Offerors of the time, place, procedure, scope, and format for any oral presentations, discussions, demonstrations and/or site visit(s) that may be required. These events may be scheduled concurrently or separately at the Commission’s discretion. An Offeror’s failure to promptly comply and cooperate with these requirements could result in its proposal being rejected and eliminated from further consideration.

**4.10.4 Representations**

Significant representations made by an Offeror during oral presentations, discussions, demonstrations and site visit(s) are considered part of the Technical Proposal and Offerors shall confirm them in writing. All such written confirmations of representations will become part of the Offeror’s Proposal and shall be binding if the Contract is awarded.

### 4.10.5 Expenses

The Offeror shall provide travel, lodging, meals and related expenses both to and from the site visit(s) for up to ten (10) representatives of the MLGCA.  To the extent practicable, the State’s Standard Travel Regulations (COMAR 23.02.01) shall be followed.

The selection of individuals to attend site visits shall be determined in the sole discretion of the Director or the Director’s designee.  Airline and rail transportation shall be purchased by the Offeror, utilizing the lowest logical air or rail fares available.  Ground shuttle transportation may be purchased by the Offeror or reimbursed to State representatives using the State’s Standard Travel Regulations.  Lodging accommodations shall be purchased by the Offeror, utilizing where practicable only those properties that would provide a government rate to Maryland State employee(s) on government business.

Meals and reimbursable expenses other transportation and lodging shall be reimbursed to the State after the State representative submits itemized receipted bills and other supporting documentation as required by the State’s Standard Travel Regulations.  Expenses made by representatives in excess of those permitted under the State’s Standard Travel Regulations shall be reimbursed by neither the State nor the Offeror.

A modest working lunch during site visits may be provided at the Offeror’s expense if the Offeror’s representatives are present at the same time and if leaving the site would be counterproductive and inefficient.

## Duration of Proposal

Proposals submitted in response to this RFP are irrevocable for the latest of the following: 180 days following the Proposal due date and time, best and final offers if requested (see **Section 6.5.2**), or the date any protest concerning this RFP is finally resolved. This period may be extended at the Procurement Officer’s request only with the Offeror’s written agreement.

## Revisions to the RFP

* + 1. If the RFP is revised before the Proposal Due Date and Time, the MLGCA shall post any amendments to the RFP on eMMA and shall endeavor to provide such amendments to all prospective Offerors that were sent this RFP or are otherwise known by the Procurement Officer to have obtained this RFP. It remains the responsibility of all prospective Offerors to check eMMA for any amendments issued prior to the submission of Proposals.
    2. Acknowledgment of the receipt of all amendments to this RFP issued before the Proposal Due Date and Time shall be included in the Transmittal Letter accompanying the Offeror’s Technical Proposal.
    3. Amendments made after the Proposal Due Date and Time will be sent only to those Offerors that remain under award consideration as of the issuance date of the amendment.
    4. Acknowledgement of the receipt of amendments to the RFP issued after the Proposal Due Date and Time shall be in the manner specified in the amendment notice.
    5. Failure to acknowledge receipt of an amendment does not relieve the Offeror from complying with the terms, additions, deletions, or corrections set forth in the amendment, and may cause the Proposal to be deemed not reasonably susceptible of being selected for award.

## Cancellations

* + 1. The MLGCA reserves the right to cancel this RFP, accept or reject any and all Proposals, in whole or in part, received in response to this RFP, waive or permit the cure of minor irregularities, and conduct discussions with all qualified or potentially qualified Offerors in any manner necessary to serve the best interests of the State.
    2. The MLGCA reserves the right, in its sole discretion, to award a Contract based upon the written Proposals received without discussions or negotiations.

## Incurred Expenses

The MLGCA will not be responsible for any costs incurred by any Offeror in preparing and submitting a Proposal, in making an oral presentation, providing a demonstration, or performing any other activities related to submitting a Proposal in response to this RFP.

## Protest/Disputes

Any protest or dispute related to this RFP or the Contract award shall be subject to the provisions of COMAR 21.10 (Administrative and Civil Remedies).

## Offeror Responsibilities

* + 1. Offerors must be able to provide all goods and services and meet all of the requirements specified in this RFP and the successful Offeror shall be responsible for Contract performance including any subcontractor participation.
    2. All subcontractors shall be identified and a complete description of their role relative to the Proposal shall be included in the Offeror’s Proposal. If applicable, subcontractors utilized in meeting the established MBE or VSBE participation goal(s) for this solicitation shall be identified as provided in the appropriate Attachment(s) to this RFP (see **Section 4.26** “Minority Participation Goal” and **Section 4.27** “VSBE Goal”).
    3. If the Offeror is the subsidiary of another entity, all information submitted by the Offeror, including but not limited to references, financial reports, or experience and documentation (e.g. insurance policies, bonds, letters of credit) used to meet minimum qualifications, if any, shall pertain exclusively to the Offeror, unless the parent organization will guarantee the performance of the subsidiary. If applicable, the Offeror’s Proposal shall contain an explicit statement, signed by an authorized representative of the parent organization, stating that the parent organization will guarantee the performance of the subsidiary.
    4. A parental guarantee of the performance of the Offeror under this Section will not automatically result in crediting the Offeror with the experience or qualifications of the parent under any evaluation criteria pertaining to the actual Offeror’s experience and qualifications. Instead, the Offeror will be evaluated on the extent to which the MLGCA determines that the experience and qualifications of the parent are applicable to and shared with the Offeror, any stated intent by the parent to be directly involved in the performance of the Contract, and the value of the parent’s participation as determined by the MLGCA.

## Acceptance of Terms and Conditions

By submitting a Proposal in response to this RFP, the Offeror, if selected for award, shall be deemed to have accepted the terms and conditions of this RFP and the Contract, attached hereto as **Attachment** **M**. Any exceptions to this RFP or the Contract shall be clearly identified in the Executive Summary of the Technical Proposal. **All exceptions will be taken into consideration when evaluating the Offeror’s Proposal. The MLGCA reserves the right to accept or reject any exceptions.**

## Proposal Affidavit

A Proposal submitted by the Offeror must be accompanied by a completed Proposal Affidavit. A copy of this Affidavit is included as **Attachment** **C** of this RFP.

## Contract Affidavit

All Offerors are advised that if a Contract is awarded as a result of this RFP, the successful Offeror will be required to complete a Contract Affidavit. A copy of this Affidavit is included for informational purposes as **Attachment** **N** of this RFP. This Affidavit must be provided within five (5) Business Days of notification of recommended award. For purposes of completing Section “B” of this Affidavit (Certification of Registration or Qualification with the State Department of Assessments and Taxation), a business entity that is organized outside of the State of Maryland is considered a “foreign” business.

## Compliance with Laws/Arrearages

By submitting a Proposal in response to this RFP, the Offeror 1) if selected for award, agrees that it will comply with all federal, State, and local laws applicable to its activities and obligations under the Contract; and 2) represents that it is not in arrears in the payment of any obligations due and owing the State, including the payment of taxes and employee benefits, and shall not become so in arrears during the term of the Contract if selected for Contract award.

## Verification of Registration and Tax Payment

Before a business entity can do business in the State, it must be registered with the State Department of Assessments and Taxation (SDAT). SDAT is located at State Office Building, Room 803, 301 West Preston Street, Baltimore, Maryland 21201. For registration information, visit https://www.egov.maryland.gov/businessexpress.

It is strongly recommended that any potential Offeror complete registration prior to the Proposal Due Date and Time. The Offeror’s failure to complete registration with SDAT may disqualify an otherwise successful Offeror from final consideration and recommendation for Contract award.

## False Statements

Offerors are advised that Md. Code Ann., State Finance and Procurement Article, § 11-205.1 provides as follows:

* + 1. In connection with a procurement contract a person may not willfully:

1. Falsify, conceal, or suppress a material fact by any scheme or device.
2. Make a false or fraudulent statement or representation of a material fact.
3. Use a false writing or document that contains a false or fraudulent statement or entry of a material fact.
   * 1. A person may not aid or conspire with another person to commit an act under **Section 4.22.1**.
     2. A person who violates any provision of this section is guilty of a felony and on conviction is subject to a fine not exceeding $20,000 or imprisonment not exceeding five (5) years or both.

## Payments by Electronic Funds Transfer

By submitting a Proposal in response to this solicitation, the Offeror, if selected for award:

* + 1. Agrees to accept payments by electronic funds transfer (EFT) unless the State Comptroller’s Office grants an exemption. Payment by EFT is mandatory for contracts exceeding $200,000. The successful Offeror shall register using the COT/GAD X-10 Vendor Electronic Funds (EFT) Registration Request Form.
    2. Any request for exemption must be submitted to the State Comptroller’s Office for approval at the address specified on the COT/GAD X-10 form, must include the business identification information as stated on the form, and must include the reason for the exemption. The COT/GAD X-10 form may be downloaded from the Comptroller’s website at: http://comptroller.marylandtaxes.com/Vendor\_Services/Accounting\_Information/Static\_Files/GADX10Form20150615.pdf.

## Prompt Payment Policy

This procurement and the Contract(s) to be awarded pursuant to this RFP are subject to the Prompt Payment Policy Directive issued by the Governor’s Office of Small, Minority & Women Business Affairs (GOSBA) and dated August 1, 2008. Promulgated pursuant to Md. Code Ann., State Finance and Procurement Article, §§ 11-201, 13-205(a), and Title 14, Subtitle 3, and COMAR 21.01.01.03 and 21.11.03.01, the Directive seeks to ensure the prompt payment of all subcontractors on non-construction procurement contracts. The Contractor shall comply with the prompt payment requirements outlined in the Contract, Section 31 “Prompt Pay Requirements” (see **Attachment** **M**), should an MBE goal apply to this RFP. Additional information is available on GOSBA’s website at: <https://goma.maryland.gov/Documents/Legislation/PromptPaymentFAQs.pdf>.

## Electronic Procurements Authorized

* + 1. Under COMAR 21.03.05, unless otherwise prohibited by law, the MLGCA may conduct procurement transactions by electronic means, including the solicitation, proposing, award, execution, and administration of a contract, as provided in Md. Code Ann., Maryland Uniform Electronic Transactions Act, Commercial Law Article, Title 21.
    2. Participation in the solicitation process on a procurement contract for which electronic means has been authorized shall constitute consent by the Offeror to conduct by electronic means all elements of the procurement of that Contract which are specifically authorized under the solicitation or Contract. In the case of electronic transactions authorized by this RFP, electronic records and signatures by an authorized representative satisfy a requirement for written submission and signatures.
    3. “Electronic means” refers to exchanges or communications using electronic, digital, magnetic, wireless, optical, electromagnetic, or other means of electronically conducting transactions. Electronic means includes email, internet-based communications, electronic funds transfer, specific electronic bidding platforms (e.g., <https://procurement.maryland.gov/>), and electronic data interchange.
    4. In addition to specific electronic transactions specifically authorized in other sections of this solicitation (e.g., RFP § 4.23 describing payments by Electronic Funds Transfer), the following transactions are authorized to be conducted by electronic means on the terms as authorized in COMAR 21.03.05:

1. The Procurement Officer may conduct the procurement using eMMA, or email to issue:
   1. The RFP;
   2. Any amendments and requests for best and final offers;
   3. Pre-Proposal conference documents;
   4. Questions and responses;
   5. Communications regarding the solicitation or Proposal to any Offeror or potential Offeror;
   6. Notices of award selection or non-selection; and
   7. The Procurement Officer’s decision on any Proposal protest or Contract claim.
2. The Offeror or potential Offeror may use email to:
   1. Ask questions regarding the solicitation;
   2. Reply to any material received from the Procurement Officer by electronic means that includes a Procurement Officer’s request or direction to reply by email, but only on the terms specifically approved and directed by the Procurement Officer and;
   3. Submit a "No Proposal Response" to the RFP.
3. The Procurement Officer, the Contract Monitor, and the Contractor may conduct day-to-day Contract administration, except as outlined in **Section 4.25.5** of this subsection, utilizing email, or other electronic means if authorized by the Procurement Officer or Contract Monitor.
   * 1. The following transactions related to this procurement and any Contract awarded pursuant to it are **not authorized** to be conducted by electronic means:
4. Any transaction, submission, or communication where the Procurement Officer has specifically directed that a response from the Contractor or Offeror be provided in writing or hard copy.
   * 1. Any email transmission is only authorized to the email addresses for the identified person as provided in the solicitation, the Contract, or in the direction from the Procurement Officer or Contract Monitor.

## MBE Participation Goal

### Establishment of Goal and Subgoals

An overall MBE subcontractor participation goal as identified in the Key Information Summary Sheet has been established for this procurement, representing a percentage of the total Contract dollar value, including all renewal option terms, if any, has been established for this procurement.

Notwithstanding any subgoals established for this RFP, the Contractor is encouraged to use a diverse group of subcontractors and suppliers from any/all of the various MBE classifications to meet the remainder of the overall MBE participation goal.

By submitting a response to this solicitation, the Offeror acknowledges the overall MBE subcontractor participation goal and subgoals, and commits to achieving the overall goal and subgoals by utilizing certified minority business enterprises, or requests a full or partial waiver of the overall goal and subgoals.

**An Offeror that does not commit to meeting the entire MBE participation goal outlined in this Section 4.26 must submit a request for waiver with its proposal submission that is supported by good faith efforts documentation to meet the MBE goal made prior to submission of its proposal as outlined in Attachment D-1B, Waiver Guidance. Failure of an Offeror to properly complete, sign, and submit Attachment D-1A at the time it submits its Technical Response(s) to the RFP will result in the State’s rejection of the Offeror’s Proposal for the applicable Service Category. This failure is not curable.**

### Attachments.

1. D-1 to D-5 – The following Minority Business Enterprise participation instructions, and forms are provided to assist Offerors:
2. Attachment D-1A MBE Utilization and Fair Solicitation Affidavit & MBE Participation Schedule (must be submitted with Proposal)
3. Attachment D-1B Waiver Guidance
4. Attachment D-1C Good Faith Efforts Documentation to Support Waiver Request
5. Attachment D-2 Outreach Efforts Compliance Statement
6. Attachment D-3A MBE Subcontractor Project Participation Certification
7. Attachment D-3B MBE Prime Project Participation Certification
8. Attachment D-4A Prime Contractor Paid/Unpaid MBE Invoice Report
9. Attachment D-4B MBE Prime Contractor Report
10. Attachment D-5 Subcontractor Paid/Unpaid MBE Invoice Report
11. The Offeror shall include with its Proposal a completed MBE Utilization and Fair Solicitation Affidavit (**Attachment D-1A**) whereby:
12. The Offeror acknowledges the certified MBE participation goal and commits to make a good faith effort to achieve the goal and any applicable subgoals, or requests a waiver, and affirms that MBE subcontractors were treated fairly in the solicitation process; and
13. The Offeror responds to the expected degree of MBE participation, as stated in the solicitation, by identifying the specific commitment of certified MBEs at the time of Proposal submission. The Offeror shall specify the percentage of total contract value associated with each MBE subcontractor identified on the MBE participation schedule, including any work performed by the MBE prime (including a prime participating as a joint venture) to be counted towards meeting the MBE participation goals.
14. The Offeror requesting a waiver should review **Attachment D-1B** (Waiver Guidance) and **D-1C** (Good Faith Efforts Documentation to Support Waiver Request) prior to submitting its request.

***If the Offeror fails to submit a completed Attachment D-1A with the Proposal as required, the Procurement Officer shall determine that the Proposal is not reasonably susceptible of being selected for award.***

* + 1. Offerors are responsible for verifying that each MBE (including any MBE prime and MBE prime participating in a joint venture) selected to meet the goal and any subgoals and subsequently identified in **Attachment** **D-1A** is appropriately certified and has the correct NAICS codes allowing it to perform the committed work.
    2. Within ten (10) Business Days from notification that it is the recommended awardee or from the date of the actual award, whichever is earlier, the Offeror must provide the following documentation to the Procurement Officer.

1. Outreach Efforts Compliance Statement (**Attachment D-2**);
2. MBE Subcontractor/Prime Project Participation Certification (**Attachment D-3A/3B**); and
3. Any other documentation required by the Procurement Officer to ascertain Offeror responsibility in connection with the certified MBE subcontractor participation goal or any applicable subgoals.
4. Further, if the recommended awardee believes a waiver (in whole or in part) of the overall MBE goal or of any applicable subgoal is necessary, the recommended awardee must submit a fully-documented waiver request that complies with COMAR 21.11.03.11.

***If the recommended awardee fails to return each completed document within the required time, the Procurement Officer may determine that the recommended awardee is not responsible and, therefore, not eligible for Contract award. If the Contract has already been awarded, the award is voidable.***

* + 1. A current directory of certified MBEs is available through the Maryland State Department of Transportation (MDOT), Office of Minority Business Enterprise, 7201 Corporate Center Drive, Hanover, Maryland 21076. The phone numbers are (410) 865-1269, 1-800-544-6056, or TTY (410) 865-1342. The directory is also available on the MDOT website at <http://mbe.mdot.maryland.gov/directory/>. The most current and up-to-date information on MBEs is available via this website. **Only MDOT-certified MBEs may be used to meet the MBE subcontracting goals.**
    2. The Offeror that requested a waiver of the goal or any of the applicable subgoals will be responsible for submitting the Good Faith Efforts Documentation to Support Waiver Request (**Attachment D-1C**) and all documentation within ten (10) Business Days from notification that it is the recommended awardee or from the date of the actual award, whichever is earlier, as required in COMAR 21.11.03.11.
    3. All documents, including the MBE Utilization and Fair Solicitation Affidavit & MBE Participation Schedule (**Attachment D-1A**), completed and submitted by the Offeror in connection with its certified MBE participation commitment shall be considered a part of the Contract and are hereby expressly incorporated into the Contract by reference thereto. All of the referenced documents will be considered a part of the Proposal for order of precedence purposes (see Contract – **Attachment M**, **Section 2.1**).
    4. The Offeror is advised that liquidated damages will apply in the event the Contractor fails to comply in good faith with the requirements of the MBE program and pertinent Contract provisions. (See Contract – **Attachment M**, **Liquidated Damages for MBE,** **section** **39**
    5. As set forth in COMAR 21.11.03.12-1(D), when a certified MBE firm participates on a contract as a prime contractor (including a joint-venture where the MBE firm is a partner), a procurement agency may count the distinct, clearly defined portion of the work of the contract that the certified MBE firm performs with its own work force towards fulfilling up to fifty-percent (50%) of the MBE participation goal (overall) and up to one hundred percent (100%) of not more than one of the MBE participation subgoals, if any, established for the contract.

In order to receive credit for self-performance, an MBE prime must list its firm in Section 4A of the MBE Participation Schedule (**Attachment D-1A**) and include information regarding the work it will self-perform. For the remaining portion of the overall goal and the subgoals, the MBE prime must also identify other certified MBE subcontractors [see Section 4B of the MBE Participation Schedule (**Attachment D-1A**)] used to meet those goals. If dually-certified, the MBE prime can be designated as only one of the MBE subgoal classifications but can self-perform up to 100% of the stated subgoal.

As set forth in COMAR 21.11.03.12-1, once the Contract work begins, the work performed by a certified MBE firm, including an MBE prime, can only be counted towards the MBE participation goal(s) if the MBE firm is performing a commercially useful function on the Contract. Refer to MBE forms (**Attachment D**) for additional information.

## VSBE Goal

### Purpose

1. The Contractor shall structure its procedures for the performance of the work required in the Contract to attempt to achieve the VSBE participation goal stated in this solicitation. VSBE performance must be in accordance with this section and **Attachment** **E**, as authorized by COMAR 21.11.13. The Contractor agrees to exercise all good faith efforts to carry out the requirements set forth in this section and **Attachment** **E**.
2. Veteran-Owned Small Business Enterprises must be verified by the Office of Small and Disadvantaged Business Utilization (OSDBU) of the United States Department of Veterans Affairs. The listing of verified VSBEs may be found at <http://www.va.gov/osdbu>.

### VSBE Goal

1. A VSBE participation goal of the total Contract dollar amount has been established for this procurement as identified in the Key Information Summary Sheet.
2. By submitting a response to this solicitation, the Offeror agrees that this percentage of the total dollar amount of the Contract will be performed by verified veteran-owned small business enterprises.

### Solicitation and Contract Formation

1. In accordance with COMAR 21.11.13.05 C (1), this solicitation requires Offerors to:
   1. Identify specific work categories within the scope of the procurement appropriate for subcontracting;
   2. Solicit VSBEs before Proposals are due, describing the identified work categories and providing instructions on how to bid on the subcontracts;
   3. Attempt to make personal contact with the VSBEs solicited and to document these attempts;
   4. Assist VSBEs to fulfill, or to seek waiver of, bonding requirements; and
   5. Attempt to attend preProposal or other meetings the procurement agency schedules to publicize contracting opportunities to VSBEs.
2. The Offeror must include with its Proposal a completed VSBE Utilization Affidavit and Prime/Subcontractor Participation Schedule (**Attachment E-1**) whereby the Offeror:
   1. Acknowledges it: a) intends to meet the VSBE participation goal; or b) requests a full or partial waiver of the VSBE participation goal. If the Offeror commits to the full VSBE goal or requests a partial waiver, it shall commit to making a good faith effort to achieve the stated goal; and
   2. Responds to the expected degree of VSBE participation as stated in the solicitation, by identifying the specific commitment of VSBEs at the time of Proposal submission. The Offeror shall specify the percentage of contract value associated with each VSBE prime/subcontractor identified on the VSBE Participation Schedule.
3. As set forth in COMAR 21.11.13.05.B(2), when a verified VSBE firm participates on a Contract as a Prime Contractor, a procurement agency may count the distinct, clearly defined portion of the work of the contract that the VSBE Prime Contractor performs with its own work force towards meeting up to one hundred percent (100%) of the VSBE goal.
4. In order to receive credit for self-performance, a VSBE Prime must list its firm in the VSBE Prime/Subcontractor Participation Schedule (**Attachment E-1**) and include information regarding the work it will self-perform. For any remaining portion of the VSBE goal that is not to be performed by the VSBE Prime, the VSBE Prime must also identify verified VSBE subcontractors used to meet the remainder of the goal.
5. Within 10 Business Days from notification that it is the apparent awardee, the awardee must provide the following documentation to the Procurement Officer:
   1. VSBE Project Participation Statement (**Attachment E-2**);
   2. If the apparent awardee believes a full or partial waiver of the overall VSBE goal is necessary, it must submit a fully-documented waiver request that complies with COMAR 21.11.13.07; and
   3. Any other documentation required by the Procurement Officer to ascertain Offeror responsibility in connection with the VSBE participation goal.

***If the apparent awardee fails to return each completed document within the required time, the Procurement Officer may determine that the apparent awardee is not reasonably susceptible of being selected for award.***

## Living Wage Requirements

1. Maryland law requires that contractors meeting certain conditions pay a living wage to covered employees on State service contracts over $100,000. Maryland Code Ann., State Finance and Procurement Article, § 18-101 et al. The Commissioner of Labor and Industry at the Department of Labor, Licensing and Regulation requires that a contractor subject to the Living Wage law submit payroll records for covered employees and a signed statement indicating that it paid a living wage to covered employees; or receive a waiver from Living Wage reporting requirements. See COMAR 21.11.10.05.
2. If subject to the Living Wage law, Contractor agrees that it will abide by all Living Wage law requirements, including but not limited to reporting requirements in COMAR 21.11.10.05. Contractor understands that failure of Contractor to provide such documents is a material breach of the terms and conditions and may result in Contract termination, disqualification by the State from participating in State contracts, and other sanctions. Information pertaining to reporting obligations may be found by going to the Maryland Department of Labor, Licensing and Regulation (DLLR) website <http://www.dllr.state.md.us/labor/prev/livingwage.shtml>.
3. Additional information regarding the State’s living wage requirement is contained in **Attachment** **F**. Offerors must complete and submit the Maryland Living Wage Requirements Affidavit of Agreement (**Attachment F-1**) with their Proposals. If the Offeror fails to complete and submit the required documentation, the State may determine the Offeror to not be responsible under State law.
4. Contractors and subcontractors subject to the Living Wage Law shall pay each covered employee at least the minimum amount set by law for the applicable Tier area. The specific living wage rate is determined by whether a majority of services take place in a Tier 1 Area or a Tier 2 Area of the State. The specific Living Wage rate is determined by whether a majority of services take place in a Tier 1 Area or Tier 2 Area of the State.
   1. The Tier 1 Area includes Montgomery, Prince George’s, Howard, Anne Arundel and Baltimore Counties, and Baltimore City. The Tier 2 Area includes any county in the State not included in the Tier 1 Area. In the event that the employees who perform the services are not located in the State, the head of the unit responsible for a State Contract pursuant to §18-102(d) of the State Finance and Procurement Article shall assign the tier based upon where the recipients of the services are located. If the Contractor provides more than 50% of the services from an out-of-State location, the State agency determines the wage tier based on where the majority of the service recipients are located. In this circumstance, the Contract will be determined to be a Tier (enter “1” or “2,” depending on where the majority of the service recipients are located) Contract.
   2. The Contract will be determined to be a Tier 1 Contract or a Tier 2 Contract depending on the location(s) from which the Contractor provides 50% or more of the services. The Offeror must identify in its Proposal the location(s) from which services will be provided, including the location(s) from which 50% or more of the Contract services will be provided.
   3. If the Contractor provides 50% or more of the services from a location(s) in a Tier 1 jurisdiction(s) the Contract will be a Tier 1 Contract.
   4. If the Contractor provides 50% or more of the services from a location(s) in a Tier 2 jurisdiction(s), the Contract will be a Tier 2 Contract.
5. If the Contractor provides more than 50% of the services from an out-of-State location, the State agency determines the wage tier based on where the majority of the service recipients are located. See COMAR 21.11.10.07.
6. The Offeror shall identify in the Proposal the location from which services will be provided.
7. **NOTE:** Whereas the Living Wage may change annually, the Contract price will not change because of a Living Wage change.

## Federal Funding Acknowledgement

This Contract does not contain federal funds.

## Conflict of Interest Affidavit and Disclosure

* + 1. The Offeror shall complete and sign the Conflict of Interest Affidavit and Disclosure (**Attachment** **H**) and submit it with its Proposal.
    2. By submitting a Conflict of Interest Affidavit and Disclosure, the Contractor shall be construed as certifying all Contractor Personnel and subcontractors are also without a conflict of interest as defined in COMAR 21.05.08.08A.
    3. Additionally, a Contractor has an ongoing obligation to ensure that all Contractor Personnel are without conflicts of interest prior to providing services under the Contract. For policies and procedures applying specifically to Conflict of Interests, the Contract is governed by COMAR 21.05.08.08.
    4. Participation in Drafting of Specifications: Disqualifying Event: Offerors are advised that Md. Code Ann. State Finance and Procurement Article §13-212.1(a) provides generally that “an individual who assists an executive unit in the drafting of specifications, an invitation for bids, a request for proposals for a procurement, or the selection or award made in response to an invitation for bids or a request for proposals, or a person that employs the individual, may not: (1) submit a bid or proposal for that procurement; or (2) assist or represent another person, directly or indirectly, who is submitting a bid or proposal for that procurement.” Any Offeror submitting a Proposal in violation of this provision shall be classified as “not responsible.” See COMAR 21.05.03.03.

## Non-Disclosure Agreement

### Non-Disclosure Agreement (Offeror)

A Non-Disclosure Agreement (Offeror) is not required for this RFP.

### Non-Disclosure Agreement (Contractor)

All Offerors are advised that this RFP and any Contract(s) are subject to the terms of the Non-Disclosure Agreement (NDA) contained in this solicitation as **Attachment** **I**. This Agreement must be provided within five (5) Business Days of notification of recommended award; however, to expedite processing, it is suggested that this document be completed and submitted with the Proposal.

## HIPAA - Business Associate Agreement

A HIPAA Business Associate Agreement is not required for this procurement.

## Nonvisual Access

This RFP does not contain Information Technology (IT) provisions requiring Nonvisual Access.

## Mercury and Products That Contain Mercury

This RFP does not include the procurement of products known to include mercury as a component.

## Location of the Performance of Services Disclosure

The Offeror is required to complete the Location of the Performance of Services Disclosure. A copy of this Disclosure is included as **Attachment** **L**. The Disclosure must be provided with the Proposal.

Services under this Contract must be performed in the United States.

## Department of Human Services (DHS) Hiring Agreement

This RFP does not require a DHS Hiring Agreement.

## Small Business Reserve (SBR) Procurement

This RFP is not designated as a Small Business Reserve (SBR) Procurement.

## Bonds

### Proposal Bond

Each Offeror must submit with its Proposal a Proposal Bond or other suitable security, as summarized in **4.38.5**, in the amount of Two Hundred Fifty Thousand Dollars ($250,000), guaranteeing the availability of the goods and services at the offered price for 180 days after the due date for receipt of Proposals.

The bond shall be in the form provided in **Attachment P.**

The Offeror may request a release of the bond after the date of the award in return for a release signed by the Contractor and accepted by the MLGCA.

The cost of this bond, or other suitable security, is to be included in the total prices proposed and is not to be proposed and will not be recoverable as a separate cost item.

### Litigation/Protest Bond

Each Offeror must submit with its proposal a Litigation/Protest Bond or other suitable security, as summarized in **4.38.5**, in the amount of One Million Dollars ($1,000,000.00). The purpose of the Litigation/Protest Bond is to discourage frivolous lawsuits and protests by permitting the Commission to recover, in addition to its attorney's fees, damages that result from delay in implementing a Contract. A claim upon the bond may be made by the Commission if:

1. The Offeror brings any legal action or protest against the Commission, the MLGCA, the State of Maryland, or any individual member thereof, or any employee of the State, over the award of a Contract resulting from this RFP;
2. The Commission or such other party is the prevailing party at the conclusion of the action or protest; and,
3. The tribunal before which the action was brought, or any other authorized tribunal, determines that the action or any portion thereof was frivolous, was brought in bad faith, or was not based upon reasonable grounds.

The bond shall be in the form of a policy or certificate underwritten by a surety company authorized to do business in the State and shall be subject to approval by the Commission, or other acceptable security for bond as described in COMAR 21.06.07. Offerors may submit Litigation/Protest Bond in a form as found in Attachment Q.

The bond shall remain in effect for one (1) year from the Proposal Due Date and Time. Offerors, including the successful Offeror/Contractor, may request a release of the bond after the date of Contract award in return for a release and Covenant Not To Sue in a form acceptable to the Commission, signed by the Offeror, notarized and accepted by the Commission.

### Performance Bond

1. The successful Offeror shall deliver a Performance Bond, or other suitable security, to the State after notification of recommended award.
2. The successful Offeror shall submit a Performance Bond, or other suitable security, in the amount of Five Million Dollars ($5,000,000), guaranteeing that the Contractor shall well and truly perform the Contract.
3. The Performance Bond shall be in the form provided in **Attachment R** and underwritten by a surety company authorized to do business in the State and shall be subject to approval by the State, or other acceptable security for bond as described in COMAR 21.06.07, as summarized in **4.38.5.**
4. The Performance Bond shall be maintained throughout the term of the Contract, and renewal option period(s), if exercised. Evidence of renewal of the Performance Bond and payment of the required premium shall be provided to the State.
5. The Performance Bond may be renewable annually. The Contractor shall provide to the State, 30 days before the annual expiration of the bond, confirmation from the surety that the bond will be renewed for the following year. Failure to timely provide this notice shall constitute an event of default under the Contract. Such a default may be remedied if the Contractor obtains a replacement bond that conforms to the requirements of the Contract and provides that replacement bond to the State prior to the expiration of the existing Performance Bond.
6. The cost of this bond, or other suitable security, is to be included in the total prices proposed and is not to be proposed and will not be recoverable as a separate cost item.
7. After the first year of the Contract, the Contractor may request a reduction in the amount of the Performance Bond. The amount and the duration of the reduction, if any, will be at the MLGCC’s sole discretion. If any reduction is granted, the MLGCC’s shall have the right to increase the amount of the Performance Bond to any amount, up to the original amount, at any time and at the MLGCC’s sole discretion.

### Fidelity Bond

The Contractor shall deliver a Fidelity Bond or policy of Crime Insurance to the State after notice of recommended Contract award in the amount of Ten Million Dollars ($10,000,000.00) covering any loss to the State due to any fraudulent or dishonest act on the part of the Contractor, and any officer, employee, or subcontractor of the Contractor. If coverage for subcontractors is not included in the Fidelity Bond, then Contractor shall require each subcontractor to provide the Procurement Officer sufficient evidence of its own coverage. The bond must be in the form of a policy or certificate underwritten by a surety company authorized to do business in the State and shall be subject to approval by the Commission, or other acceptable security for bond as described in COMAR 21.06.07. The Fidelity Bond shall be maintained throughout the term of this Contract, and any Renewal Option Period, if exercised. Evidence of renewal of the Fidelity Bond and payment of the required premium shall be provided to the Commission.

**Failure of the Contractor to submit and maintain the required Fidelity Bond coverage, including subcontractor coverage, throughout the term of the Contract, and any Renewal Option Period, if exercised, will constitute an event of Default under the Contract.**

### Acceptable security

Acceptable security shall be as described below, identified within and excerpted from COMAR 21.06.07:

Acceptable security for Proposal, performance, and payment bonds is limited to:

1. A bond in a form satisfactory to the State underwritten by a surety company authorized to do business in this State;
2. A bank certified check, bank cashier's check, bank treasurer's check, cash, or trust account;
3. Pledge of securities backed by the full faith and credit of the United States government or bonds issued by the State;
4. An irrevocable letter of credit in a form satisfactory to the Attorney General and issued by a financial institution approved by the State Treasurer.

### Surety Bond Assistance Program

Assistance in obtaining bid, performance and payment bonds may be available to qualifying small businesses through the Maryland Small Business Development Financing Authority (MSBDFA). MSBDFA can directly issue bid, performance or payment bonds up to $750,000. MSBDFA may also guarantee up to 90% of a surety's losses as a result of a Contractor’s breach of Contract; MSBDFA exposure on any bond guaranteed may not, however, exceed $900,000. Bonds issued directly by the program will remain in effect for the duration of the Contract, and those surety bonds that are guaranteed by the program will remain in effect for the duration of the surety’s exposure under the Contract. To be eligible for bonding assistance, a business must first be denied bonding by at least one surety on both the standard and specialty markets within 90 days of submitting a bonding application to MSBDFA. The applicant must employ fewer than 500 full-time employees or have gross sales of less than $50 million annually, have its principal place of business in Maryland or be a Maryland resident, must not subcontract more than 75 percent of the work, and the business or its principals must have a reputation of good moral character and financial responsibility. Finally, it must be demonstrated that the bonding or guarantee will have a measurable economic impact, through job creation and expansion of the state’s tax base. Applicants are required to work through their respective bonding agents in applying for assistance under the program. Questions regarding the bonding assistance program should be referred to:

Maryland Department of Commerce

Maryland Small Business Development Financing Authority

MMG Ventures

826 E. Baltimore Street

Baltimore, Maryland 21202

Phone: (410) 333-4270

Fax: (410) 333-2552

## Ownership Of Material

All opened proposals become the property of the MLGCC upon receipt and will not be returned to Offerors. Selection or rejection of the proposal will not affect this right. Unopened financial proposals will be returned to the Offeror.

## Manufacturer’s License Application and Disclosure Forms

* + 1. An Offeror that is not currently licensed as a Manufacturer in Maryland shall submit an application and all appropriate fees with their proposal in order to avoid potential delays in the award and execution of a contract. If an Offeror is currently licensed in Maryland they must submit documentation describing any changes in corporate structure or management subsequent to the most recent filing with the State.

The forms required for application for a Manufacturer's License as described below are available electronically on the Commission’s website: [www.mdgaming.com](http://www.mdgaming.com/) (click on “Procurements” section). Do not change or alter these forms in any way.

The forms referenced in Sections 4.40.2 through 4.40.4 below are required for the application for a Manufacturer's License and shall be submitted by the Offeror with its Proposal along with the required Application and Background Investigation Fees specified in Sections 41.1 and 41.2.

* + 1. All Applicants for a Central System Manufacturer's License shall submit the following:

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

* + 1. All officers, directors, partners, board members, and trustees of an Applicant for a Manufacturer's License shall submit the following:

**VLT #1004 – Principal Employee License Application**

* + 1. All entities having an interest of 5% or more in an Applicant for a Manufacturer's License shall submit the following.

**VLT #1006 – Principal Entity Disclosure Form**

* + 1. The Commission reserves the right to require background investigations on any other person or entity it deems to have a critical role in the Contract activities.

## Fees

The Gaming Law states that the Commission shall collect application, license and other fees to cover the administrative costs of the Gaming Law. The costs associated with background investigations of the Applicant and its officers, directors, employees and other designated persons shall be paid by the Applicant. All administrative costs of the background investigation process shall be reimbursed to the Commission.

* + 1. Application Fees

Application Fees shall be submitted with the proposal. Fees, as well as the applications will be returned to any unsuccessful offeror once a contract is awarded. Application fees shall be submitted for each Applicant.

Application Fee Schedule

Central System Manufacturer's License $ 10,000

Principal Employee License $ 2,500

Principal Entity Disclosure Invoiced based on billable hours

* + 1. License Fees

The License Fees shall be paid at the time the application is submitted in the amounts stated below:

License Fee Schedule

Central System Manufacturer's License $ 25,000

Principal Employee License $ 750

Principal Entity Invoiced based on billable hours

* + 1. Background Investigation Fees

Background Investigations will be commenced by the Commission upon receipt of Proposals and will continue until completed or terminated by the Commission.

The VLT Law states that the Commission shall collect all administrative costs to perform Background Investigations and, therefore, the Commission requires an Applicant for a Central System Manufacturer's License to submit with its proposal a Background Investigation Fee in the amount of One Hundred Thousand ($100,000) Dollars to cover its initial costs. A Background Investigation Fee in the amount of $2,000 is required for a Principal Employee Application and it is to be submitted along with the Application Fee and License Fee. The Background Investigation Fee for a Principal Entity Disclosure Application is based solely on billable hours and will be invoiced at the completion of the investigation.

Furthermore, there may be additional costs and expenses incurred by the Commission in its processing and investigation of Applicants. Applicants and Licensees shall reimburse the Commission for all additional costs and expenses related to the processing and investigation of the application package, to include but not limited to, Background Investigations conducted Commission staff based on the hourly rates of the Commission employees, and all reasonable expenses such as travel, lodging, meals, etc. The Commission will provide to the Applicant for a Manufacturer's License a bi-weekly invoice itemizing all amounts due. Payment shall be due within thirty (30) days of the invoice date. Failure to reimburse the Commission shall be grounds for disqualification of the Applicant.

If any funds paid by the Applicant under this Section remain after the Background Investigation is either completed or terminated by the Commission, those funds shall be returned to the Applicant.

* + 1. License Renewal Fees

The term of the above Licenses under the VLT Law is for five years. Six months prior to expiration, a License renewal shall be required to be submitted on forms that are provided by the Commission.

A License Fee and Background Investigation Fee shall be required to be paid at the time the renewal application is submitted to the Commission.

Renewal Fee Schedule

Central System Manufacturer’s License $25,000

Principal Employee License $2,787.25

Principal Entity Disclosure Invoiced based on billable hours

## Persons Required to be Licensed

As stated in the VLT Law, the following persons shall be licensed:

* + - 1. a Video Lottery Operator;
      2. a Manufacturer;
      3. a person not licensed under item (1) or (2) above who manages, operates, supplies, provides security for, or provides service, maintenance, or repairs for VLTs; and
      4. a Video Lottery Employee.

The Commission may require a person that contracts with a Licensee and the person’s employees to obtain a License if the Commission determines that the licensing requirements are necessary in order to protect the public interest and accomplish the policies established.

Generally, unless an individual holds a valid License, the individual may not be employed by a Licensee as a Video Lottery Employee. The Commission may exempt categories of Video Lottery Employees who are not directly involved in the video lottery operations from this requirement if the Commission determines that the requirement is not necessary in order to protect the public interest or accomplish the policies established.

## General Submission Requirements and Obligations of Applicant / Licensee

* + 1. An Applicant for a License shall submit to the Commission an application:
       1. in the form that the Commission requires; and
       2. on or before the date set by the Commission.
    2. Applicants and Licensees shall have the affirmative responsibility to establish by clear and convincing evidence the person’s qualifications.
    3. Applicants and Licensees shall provide information required by the VLT Law and satisfy requests for information relating to qualifications in the form specified by the Commission.
    4. Applicants and Licensees shall consent to inspections, searches, and seizures authorized by VLT law.
    5. Applicants and Licensees shall have the continuing duty to:
       1. provide assistance or information required by the Commission;
       2. cooperate in an inquiry, investigation, or hearing conducted by the Commission; and
       3. on issuance of a formal request to answer or produce information, evidence, or testimony, if an Applicant or Licensee refuses to comply, the application or License of the person may be denied, suspended, or revoked by the Commission.
    6. Photographs and Fingerprints
       1. If the Applicant is an individual, the Applicant shall be photographed and fingerprinted for identification and investigation purposes. Applicants are not required to submit fingerprint cards with their proposal. The Commission will provide instructions for the submission of fingerprints either in hardcopy or electronic format.
       2. If the Applicant is not an individual, the Commission may establish the categories of individuals who shall be photographed and fingerprinted for identification and investigation purposes.
    7. Violations
       1. Applicants and Licensees shall have a duty to inform the Commission of an act or omission that the person knows or should know constitutes a violation of VLT law.
       2. Applicants and Licensees may not discriminate against a person who in good faith informs the Commission of an act or omission that the person believes constitutes a violation of VLT law.
    8. Continuing Obligations:
       1. Applicants who are awarded a License must, during the term of their licensures, conform to all of the information contained in their License applications.
       2. Failure to conform to the information contained in a License application shall be grounds for the Commission invoking sanctions against the Licensee, including the assessment of fines and civil penalties.

## Disqualification

The Commission shall disqualify an Applicant based on any of the following criteria:

* + - 1. Failure of the Applicant to prove by clear and convincing evidence that the Applicant and each person who owns or controls the Applicant are qualified under the VLT Law;
      2. Failure of the Applicant or any person required to be qualified as a condition of a License to provide information, documentation, and assurances required by VLT Law or requested by the Commission;
      3. Failure of the Applicant or any person required to be qualified as a condition of a License to reveal any fact material to qualification;
      4. Supplying, by the Applicant or any person required to be qualified as a condition of a License, information that is untrue or misleading as to a material fact concerning the qualification criteria;
      5. Conviction of the Applicant or of any person required to be qualified as a condition of a License of an offense under the laws of the United States or any jurisdiction within the United States that is a criminal offense involving moral turpitude or a gambling offense. If the Applicant or any person required to be qualified as a condition of a License has been convicted of a criminal offense involving moral turpitude or a gambling offense, the incident and completion of sentencing must be at least seven years prior to the submission of the application;
      6. Current prosecution of the Applicant or a person who is required to be qualified as a condition of a License for an offense described under item (E) above, provided that, at the request of the Applicant, the Commission may defer its decision on the application during the pendency of the charge;
      7. Pursuit by the Applicant or a person who is required to be qualified as a condition of a License of economic gain in an occupational manner or context that is in violation of the laws of the State, if the pursuit creates a reasonable belief that participation of the Applicant in Video Lottery operations would be inimical to the policies of the VLT Law;
      8. Identification of the Applicant or a person who is required to be qualified as a condition of a License as a Career Offender or a member of a Career Offender Cartel or an associate of a Career Offender or Career Offender Cartel in a manner that creates a reasonable belief that the association is of a nature as to be inimical to the policies of the VLT Law;
      9. The committing of an act by the Applicant or a person who is required to be qualified as a condition of a License that would constitute an offense described under item (E) above, even if the act has not been or may not be prosecuted under the criminal laws of the State;
      10. Willful defiance by the Applicant or a person who is required to be qualified as a condition of a License of a legislative investigatory body or other official investigatory body of the United States or a jurisdiction within the United States when the body is engaged in the investigation of crimes relating to gambling, official corruption, or organized crime activity; and
      11. Any other reason established in regulations of the Commission as a reason for denying a License.

## Proposal Disclosure Prohibition

Upon issuance of this RFP, neither the MLGCC or MLGCA, nor their representatives shall discuss the contents of this RFP with potential Offerors or their representatives, other than in conjunction with the Pre-Proposal Conference, oral presentations, discussions or site visits. (See RFP **Sections 4.1 and 4.10**)

Until a Contract resulting from this RFP is awarded, no employee, agent, or representative of any Offeror may make available or discuss its proposal with any officer of the State of Maryland, any MLGCC member, or any employee, agent or representative of the MLGCA, unless specifically authorized to do so in this RFP or in writing by the Procurement Officer for the purposes of clarification, evaluation, and/or negotiation.

Prior to Contract award, Offerors shall not represent themselves to MLGCA staff, VLT Facility operators or the public as having the endorsement of the MLGCC or as a supplier of any products or services to the MLGCC or the MLGCA.

## Non-Exclusive Rights

Any Contract resulting from this RFP shall be non-exclusive, and nothing in this RFP or any Contract resulting from this RFP shall preclude the MLGCC from purchasing services from another vendor(s).

## Maryland Healthy Working Families Act Requirements

On February 11, 2018, the Maryland Healthy Working Families Act went into effect. All offerors should be aware of how this Act could affect your potential contract award with the State of Maryland. See the Department of Labor, Licensing and Regulations web site for Maryland Healthy Working Families Act Information: <http://dllr.maryland.gov/paidleave/>.

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# Proposal Format

## Two Part Submission

Offerors shall submit Proposals in separate volumes:

* + Volume I –Technical Proposal
  + Volume II – Financial Proposal

## Proposal Delivery and Packaging

* + 1. Proposals delivered by facsimile and email shall not be considered.
    2. Provide no pricing information in the Technical Proposal. Provide no pricing information on the media submitted in the Technical Proposal.
    3. Offerors may submit Proposals by hand or by mail as described below to the address provided in the Key Information Summary Sheet.

1. Any Proposal received at the appropriate mailroom, or typical place of mail receipt, for the respective procuring unit by the Proposal Due Date and Time listed in the RFP will be deemed to be timely. The MLGCA recommends a delivery method for which both the date and time of receipt can be verified.
2. For hand-delivery, Offerors are advised to secure a dated, signed, and time-stamped (or otherwise indicated) receipt of delivery. Hand-delivery includes delivery by commercial carrier acting as agent for the Offeror.
   * 1. The Procurement Officer must receive all Proposal material by the Proposal Due Date and Time specified in the Key Information Summary Sheet. Requests for extension of this date or time will not be granted. Except as provided in COMAR 21.05.03.02F, Proposals received by the Procurement Officer after the Proposal Due Date and Time will not be considered.
     2. Offerors shall provide their Proposals in two separately sealed and labeled packages as follows:
3. Volume I - Technical Proposal consisting of:
   1. One (1) original executed Technical Proposal and all supporting material marked and sealed,
   2. Eight (8) duplicate copies of the above separately marked and sealed,
   3. An electronic version of the Technical Proposal in Microsoft Word format, version 2016 or greater,
   4. The Technical Proposal in searchable Adobe PDF format, and
   5. A second searchable Adobe PDF copy of the Technical Proposal with confidential and proprietary information redacted (see Section 4.8).
4. Volume II - Financial Proposal consisting of:
   1. One (1) original executed Financial Proposal and all supporting material marked and sealed,
   2. Four (4) duplicate copies of the above separately marked and sealed,
   3. An electronic version of the Financial Proposal in searchable Adobe PDF format,
   4. An electronic version of the Financial Proposal in Excel format, and
   5. A second searchable Adobe pdf copy of the Financial Proposal, with any confidential and proprietary information redacted (see Section 4.8).
      1. Affix the name, email address, and telephone number of a contact person for the Offeror to the outside of the packaging for each volume. Unless the resulting package will be too unwieldy, the State’s preference is for the separately sealed Technical and Financial Proposals to be submitted together in a single package to the Procurement Officer and including a label bearing:
   * RFP title and number,
   * Name and address of the Offeror, and
   * Proposal Due Date and Time for receipt of Proposals
     1. Label each electronic media (CD, DVD, or flash drive) on the outside with the RFP title and number, name of the Offeror, and volume number. Electronic media must be packaged with the original copy of the appropriate Proposal (Technical or Financial).

## Volume I - Technical Proposal

**NOTE**: Omit all **pricing information** from the Technical Proposal (Volume I). Include pricing information only in the Financial Proposal (Volume II).

* + 1. In addition to the instructions below, responses in the Offeror’s Technical Proposal shall reference the organization and numbering of Sections in the RFP (e.g., “Section 2.2.1 Response . . .; “Section 2.2.2 Response . . .,”). All pages of both Proposal volumes shall be consecutively numbered from beginning (Page 1) to end (Page “x”).
    2. The Technical Proposal shall include the following documents and information in the order specified as follows. Each section of the Technical Proposal shall be separated by a TAB as detailed below:
       1. Title Page and Table of Contents (Submit under TAB A)

The Technical Proposal should begin with a Title Page bearing the name and address of the Offeror and the name and number of this RFP. A Table of Contents shall follow the Title Page for the Technical Proposal, organized by section, subsection, and page number.

* + - 1. Claim of Confidentiality (If applicable, submit under TAB A-1)

Any information which is claimed to be confidential and/or proprietary information should be identified by page and section number and placed after the Title Page and before the Table of Contents in the Technical Proposal, and if applicable, separately in the Financial Proposal. An explanation for each claim of confidentiality shall be included (see **Section 4.8 “Public Information Act Notice”**). The entire Proposal cannot be given a blanket confidentiality designation - any confidentiality designation must apply to specific sections, pages, or portions of pages of the Proposal and an explanation for each claim shall be included.

* + - 1. Offeror Information Sheet and Transmittal Letter (Submit under TAB B)

The Offeror Information Sheet (see **Appendix 2**) and a Transmittal Letter shall accompany the Technical Proposal. The purpose of the Transmittal Letter is to transmit the Proposal and acknowledge the receipt of any addenda to this RFP issued before the Proposal due date and time. Transmittal Letter should be brief, be signed by an individual who is authorized to commit the Offeror to its Proposal and the requirements as stated in this RFP.

* + - 1. Executive Summary (Submit under TAB C)

The Offeror shall condense and highlight the contents of the Technical Proposal in a separate section titled “Executive Summary.”

In addition, the Summary shall indicate whether the Offeror is the subsidiary of another entity, and if so, whether all information submitted by the Offeror pertains exclusively to the Offeror. If not, the subsidiary Offeror shall include a guarantee of performance from its parent organization as part of its Executive Summary (see **Section 4.16 “Offeror Responsibilities”**).

The Executive Summary shall also identify any exceptions the Offeror has taken to the requirements of this RFP, the Contract (**Attachment M**), or any other exhibits or attachments. Acceptance or rejection of exceptions is within the sole discretion of the State. **Exceptions to terms and conditions, including requirements, may result in having the Proposal deemed unacceptable or classified as not reasonably susceptible of being selected for award.**

* + - 1. Minimum Qualifications Documentation (If applicable, Submit under TAB D)

The Offeror shall submit any Minimum Qualifications documentation that may be required, as set forth in RFP **Section 1**. If references are required in **RFP Section 1**, those references shall be submitted in this section and shall contain the information described in both **Section 1** and **Section 5.3.6**.

* + 1. **Offeror Technical Response to RFP Requirements and Proposed Work Plan (Submit under TAB E)**

The Offeror shall address each RFP requirement (RFP **Section 2** and **Section 3**) in its Technical Proposal with a cross reference to the requirement and describe how its proposed goods and services, including the goods and services of any proposed subcontractor(s), will meet or exceed the requirement(s). If the State is seeking Offeror agreement to any requirement(s), the Offeror shall state its agreement or disagreement. Any paragraph in the Technical Proposal that responds to an RFP requirement shall include an explanation of how the work will be performed. The response shall address each requirement in **Section 2** and **Section 3** in order, and shall contain a cross reference to the requirement.

Any exception to a requirement, term, or condition may result in having the Proposal classified as not reasonably susceptible of being selected for award or the Offeror deemed not responsible.

The Offeror shall give a definitive section-by-section description of the proposed plan to meet the requirements of the RFP, i.e., a Work Plan. The Work Plan shall include the specific methodology, techniques, and number of staff, if applicable, to be used by the Offeror in providing the required goods and services as outlined in RFP Section 2, Contractor Requirements: Scope of Work. The description shall include an outline of the overall management concepts employed by the Offeror and a project management plan, including project control mechanisms and overall timelines. Project deadlines considered contract deliverables must be recognized in the Work Plan.

In this Section the Offeror may expand upon the requirements, provide detail regarding how it will accomplish the requirements, describe best practices, etc. Specifically, in this Section the Offeror's Proposal should address, but not be limited to, the following:

* + - 1. **General**

Provide an Overview of System and procedures.

* + - 1. **Central System**
      2. Describe the Central System architecture and redundancy.
      3. Describe what platform (operating system) the Central System runs and what are the pros/cons of using this platform.
      4. Describe the communications protocols that the Central System supports, including whether the protocols are open or proprietary, other jurisdictions that are currently using these protocols, types of games supported by the protocols, and a listing of manufacturers of gaming devices presently authorized to use this protocol.
      5. Describe how the Central System is connected to the individual VLTs at a Facility.
      6. Provide additional information on software and hardware solutions for monitoring and managing each facet of the system, network, data and each site.
      7. Discuss and provide examples of accounting and performance reports that are a standard part of the Central System.
      8. If the Offeror proposes a Data Warehouse or Business Intelligence platform provide a description of the functionality and specific tools available.
      9. VLT manufacturers provide progressive meters and controllers. Explain how the Offeror’s Central System handles reporting and accounting for progressive VLTs.
      10. Provide information on overall asset tracking and management. What information regarding each asset can be tracked by the central system, or is a separate system being proposed? Areas of interest include, serial number, location, VLT and VLT component information, installation date and removal date.
      11. VLT meter data must primarily be accounted for in the proper accounting day based on the timestamp of the meter. Meters that arrive early or late must be identified for reporting. Explain how RAM clears, and early and late meters are handled by the system.
      12. Explain the invoicing process and how adjustments are made.
      13. Explain how the system validates machine software, how often, and what occurs when it fails.
      14. **Primary and Back-up Sites**
      15. Describe the Primary Operations Site lab operations and testing. Provide additional information on the process for testing new hardware and software and network equipment. Discuss needs for lab initialization and operations.
      16. Identify and describe the location of the Back-up Site.
      17. **Telecommunication Network**
      18. Beginning at the Facility, describe the techniques, hardware, software and communication links that will be employed to ensure that communications and Central System support of VLT operations will not be lost.
      19. Explain in detail how the Central System will deal with communications interruptions to a VLT Facility. Describe the approach to guaranteeing that VLT machine events/condition messages, meter readings, and commands issued by the Central System are not lost due to a communications interruption.
      20. Describe the techniques, hardware and software that will be employed within the Facilities to ensure communications between the VLTs and Central System shall not be lost.
      21. **Disaster Recovery**

Provide processes on how systems are connected and configured to ensure maximum availability. In the event of loss of functionality provide Component Failure Analysis and procedures for recovery.

* + - 1. **Security**

What processes and control procedures are implemented internally to ensure Central System integrity? For example:

* + - 1. How is virus protection handled, updates, vulnerabilities?
      2. Are there regular reviews of security functions and physical security for the Central System?
      3. Are segregation of duties and least privilege assignments for employees implemented?
      4. How is the network secured and reviewed for security vulnerabilities?
      5. What are the backup and restore procedures for databases and Central System?
      6. **Manuals and Documentation**

Provide description/examples of manuals/documentation.

* + - 1. **Staffing**

Describe the staffing model for implementation and post implementation of the Central System. The staffing model should correspond to the proposed work breakdown structure, project schedule and overall project management plan. The staffing model shall include but not be limited to the type of resources necessary to implement the Central System and support the Central System post implementation, job functions, experience, education, training, certifications, work locations, and availability/work schedule. Include the names and titles of resources designated as Key Personnel.

Provide a description of how the following scenarios would be accomplished in the implementation and post implementation staffing models:

* + - 1. Code development and migrations; Identify any third-parties or subcontractors that will be used to write code.
      2. Central System Testing
      3. Report Creation/Development/Distribution
      4. Ad-hoc reporting requests
      5. Server/hardware/network administration – Data Center, WAN
      6. Issue resolution
         1. Hardware at the Data Center and the Facility
         2. Software
         3. Communication/Network at the Facility
         4. Financial Variance
         5. Undefined /General
      7. **Maintenance, Service Levels & Support**
      8. Describe the service and maintenance program, to include reporting procedures.
      9. How will this requirement be fulfilled at each Facility? Will the Offeror have on-site personnel to respond to Central System issues at each Facility or will Offeror's maintenance staff be on-call? How will Offeror's staff interact with and rely upon the Facility staff?
      10. Describe procedures for problem reporting, tracking, escalation and dispute resolution.
      11. Identify the physical location of proposed Hotline call center and describe.
      12. **Acceptance Testing**

Provide an overview of support procedure for Acceptance Testing.

* + - 1. **Implementation Plan**

The Offer shall provide with its Proposal an Implementation Plan. The Contractor shall provide details including charts (Gantt, PERT, or similar) identifying the major milestones to be accomplished for the equipment delivery, software programming, installation and testing (Note: Within thirty (30) days of contract award the successful Offeror shall submit a detailed and finalized version of this Implementation Plan which, when approved by the Commission, shall become the basis for Implementation.)

* + - 1. Provide a detailed communication plan for the deployment and implementation of the Central System, including all key stakeholders (i.e. Commission, VLT Facilities, VLT manufacturers, VLT testing and certification contractor, etc.)
      2. What is the Offeror's estimate of the time it will take from Contract start date to have the Central System fully operational to support the first VLT Facility to be converted? Activities and tasks should include: site planning, hardware installation, Facility wiring, training, testing, go-live, post installation support and site turnover.
         1. Facility Planning/Central System Contractor Requirements
         2. Facility Hardware Installation
         3. Facility Wiring
         4. Facility Turn-up
         5. Facility Testing
         6. Central System Training for Facilities
         7. Coordination of Floor Moves
         8. Coordination of Maintenance
         9. Facility Point of Contact
      3. Describe, in detail, how VLT monitoring and control operations will be transitioned from the incumbent Contractor’s systems to the new systems while avoiding interuptions and maintaining the integrity of data.
      4. Describe the Offeror's expectations and requirements for the availability of State resources to support its implementation activities as outlined above.
      5. The Offeror shall provide an Implementation Plan based on its recommended strategy. Offerors may recommend either a “big bang” conversion in which each Facility fully migrates to the new systems at the start of a given gaming day, or a phased approach in which only a limited number of VLTs is migrated to the new system at one time. In the event a phased approach is recommended the Offeror should discuss safeguards to assure accurate reporting for partial days is provided. The Implementation Plan shall include timelines for key contract requirements, such as:
    1. leasing required facilities;
    2. facility build-out;
    3. systems configuration and procurement;
    4. Telecommunications Network provision;
    5. hardware installation at Commission headquarters and VLT Facilities;
    6. third party lab certification;
    7. Commission Acceptance Testing; and
    8. connection of all VLTs and ETGs within all facilities to the new Central System.

f) Description of technical risk of migrating from the existing system, to include the risk and safeguards to protect against; system balancing errors with data reported on both the legacy and the new system, data reported on neither system; potential VLT downtime during conversion; etc.

* + 1. **Experience and Qualifications of Proposed Staff (Submit under TAB F)**

As part of the evaluation of the Proposal for this RFP, Offerors shall propose not less than two (2) key resources and shall describe in a Staffing Plan how additional resources shall be acquired to meet the needs of the Agency. All other planned positions shall be described generally in the Staffing Plan, and may not be used as evidence of fulfilling company or personnel minimum qualifications.

The Offeror shall identify the qualifications and types of staff proposed to be utilized under the Contract including information in support of the Personnel Experience criteria in **Section 3.10.2**. Specifically, the Offeror shall:

* 1. Describe in detail how the proposed staff’s experience and qualifications relate to their specific responsibilities, including any staff of proposed subcontractor(s), as detailed in the Work Plan.
  2. Include individual resumes for Key Personnel, including Key Personnel for any proposed subcontractor(s), who are to be assigned to the project if the Offeror is awarded the Contract. Each resume should include the amount of experience the individual has had relative to the Scope of Work set forth in this solicitation.
  3. Include letters of intended commitment to work on the project, including letters from any proposed subcontractor(s). Offerors should be aware of restrictions on substitution of Key Personnel prior to RFP award (see Substitution Prior to and Within 30 Days After Contract Execution in Section 3.11.5).
  4. Provide an Organizational Chart outlining Personnel and their related duties. The Offeror shall include job titles and the percentage of time each individual will spend on his/her assigned tasks. Offerors using job titles other than those commonly used by industry standards must cross-reference those titles to industry standards and provide a comparison and explanation.
     1. **Offeror Qualifications and Capabilities (Submit under TAB G)**

The Offeror shall include information on past experience with similar projects and services. The Offeror shall describe how its organization can meet the requirements of this RFP and shall also include the following information:

* 1. The number of years the Offeror has provided the similar goods and services;
  2. The number of clients/customers and geographic locations that the Offeror currently serves;
  3. The names and titles of headquarters or regional management personnel who may be involved with supervising the services to be performed under the Contract; and
  4. An organizational chart that identifies the complete structure of the Offeror including any parent company, headquarters, regional offices, and subsidiaries of the Offeror.
     1. **References (Submit under TAB H)**

At least three (3) references are requested from customers who are capable of documenting the Offeror’s ability to provide the goods and services specified in this RFP. References used to meet any Minimum Qualifications (see RFP **Section 1**) may be used to meet this request. Each reference shall be from a client for whom the Offeror has provided goods and services within the past five (5) years and shall include the following information:

* 1. Name of client organization;
  2. Name, title, telephone number, and email address, if available, of point of contact for client organization; and
  3. Value, type, duration, and description of goods and services provided.

The Agency reserves the right to request additional references or utilize references not provided by the Offeror. Points of contact must be accessible and knowledgeable regarding Offeror performance.

* + 1. **List of Current or Prior State Contracts (Submit under TAB I)**

Provide a list of all contracts with any entity of the State of Maryland for which the Offeror is currently performing goods and services or for which services have been completed within the last five (5) years. For each identified contract, the Offeror is to provide:

* 1. The State contracting entity;
  2. A brief description of the goods and services provided;
  3. The dollar value of the contract;
  4. The term of the contract;
  5. The State employee contact person (name, title, telephone number, and, if possible, email address); and
  6. Whether the contract was terminated before the end of the term specified in the original contract, including whether any available renewal option was not exercised.

Information obtained regarding the Offeror’s level of performance on State contracts will be used by the Procurement Officer to determine the responsibility of the Offeror and considered as part of the experience and past performance evaluation criteria of the RFP.

* + 1. **Financial Capability (Submit under TAB J)**

The Offeror must include in its Proposal a commonly-accepted method to prove its fiscal integrity. The Offeror shall include audited Financial Statements, including a Profit and Loss (P&L) statement and a Balance Sheet, for the last two (2) years.

In addition, the Offeror may supplement its response to this Section by including one or more of the following with its response:

* 1. Dun & Bradstreet Rating;
  2. Standard and Poor’s Rating;
  3. Lines of credit;
  4. Evidence of a successful financial track record; and
  5. Evidence of adequate working capital.
     1. **Certificate of Insurance (Submit under TAB K)**

The Offeror shall provide a copy of its current certificate of insurance showing the types and limits of insurance in effect as of the Proposal submission date. The current insurance types and limits do not have to be the same as described in **Section 3.6**. See **Section 3.6** for the required insurance certificate submission for the apparent awardee.

* + 1. **Subcontractors (Submit under TAB L)**

The Offeror shall provide a complete list of all subcontractors that will work on the Contract if the Offeror receives an award, including those utilized in meeting the MBE and VSBE subcontracting goal(s), if applicable. This list shall include a full description of the duties each subcontractor will perform and why/how each subcontractor was deemed the most qualified for this project. If applicable, subcontractors utilized in meeting the established MBE or VSBE participation goal(s) for this solicitation shall be identified as provided in the appropriate attachment(s) of this RFP.

* + 1. **Legal Action Summary (Submit under TAB M)**

This summary shall include:

* 1. A statement as to whether there are any outstanding legal actions or potential claims against the Offeror and a brief description of any action;
  2. A brief description of any settled or closed legal actions or claims against the Offeror over the past five (5) years;
  3. A description of any judgments against the Offeror within the past five (5) years, including the court, case name, complaint number, and a brief description of the final ruling or determination; and
  4. In instances where litigation is ongoing and the Offeror has been directed not to disclose information by the court, provide the name of the judge and location of the court.
     1. **Technical Proposal-Required Forms & Certifications (Submit under TAB O)**
  5. All forms required for the Technical Proposal are identified in Table 1 of **Section 7** – RFP Attachments and Appendices. Unless directed otherwise by instructions within an individual form, complete, sign, and include all required forms in the Technical Proposal, under TAB O.
  6. Offerors shall furnish any and all agreements and terms and conditions the Offeror expects the State to sign or to be subject to in connection with or in order to use the Offeror’s services under this Contract. This includes physical copies of all agreements referenced and incorporated in primary documents, including but not limited to any software licensing agreement for any software proposed to be licensed to the State under this Contract (e.g., EULA, Enterprise License Agreements, Professional Service agreement, Master Agreement) and any AUP. The State does not agree to terms and conditions not provided in an Offeror’s Technical Proposal and no action of the State, including but not limited to the use of any such software, shall be deemed to constitute acceptance of any such terms and conditions. Failure to comply with this section renders any such agreement unenforceable against the State.
  7. For each service, hardware or software proposed as furnished by a third-party entity, Offeror must identify the third-party provider and provide a letter of authorization or such other documentation demonstrating the authorization for such services. In the case of an open source license, authorization for the open source shall demonstrate compliance with the open source license.

A Letter of Authorization shall be on letterhead or through the provider’s email. Further, each Letter of Authorization shall be less than twelve (12) months old and must provide the following information:

* + - 1. Third-party POC name and alternate for verification
      2. Third-party POC mailing address
      3. Third-party POC telephone number
      4. Third-party POC email address
      5. If available, a Re-Seller Identifier

## Volume II – Financial Proposal

The Financial Proposal shall contain all price information in the format specified in **Attachment** **B**. The Offeror shall complete the Financial Proposal Form only as provided in the Financial Proposal Instructions and the Financial Proposal Form itself. Do not amend, alter, or leave blank any items on the Financial Proposal Form or include additional clarifying or contingent language on or attached to the Financial Proposal Form. Failure to adhere to any of these instructions may result in the Proposal being determined to be not reasonably susceptible of being selected for award and rejected by the MLGCC.

# Evaluation and Selection Process

## Evaluation Committee

Evaluation of Proposals will be performed in accordance with COMAR 21.05.03 by a committee established for that purpose and based on the evaluation criteria set forth below. The Evaluation Committee will be appointed by the Director and may include members of the MLGCC. The Evaluation Committee will review all Qualifying Proposals, participate in Offeror oral presentations and discussions, and provide input to the Procurement Officer. The MLGCA reserves the right to utilize the services of individuals outside of the established Evaluation Committee for advice and assistance, as deemed appropriate.

During the evaluation process, the Procurement Officer may determine at any time that a particular Offeror is not susceptible for award.

## 6.2 Qualifying Proposal

All Offerors’ Proposals received by the Proposal Due Date and Time will be first reviewed by the Procurement Officer to determine if the Offeror’s Minimum Requirements specified in Section 1 have been met and to determine compliance with the submission requirements of the RFP and, in particular, with the requirement for submission of the MBE Forms contained in Attachment D-1/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/D-2 MBE Form 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.

## 6.3 Technical Evaluation

The Evaluation Committee shall conduct its evaluation of the technical merits of the Proposals in accordance with the Evaluation Criteria set forth in Section 6.4 below. If at any time in the evaluation process an Offeror is determined to be not responsible or a Proposal is determined to be not reasonably susceptible of being selected for award, the Proposal will be dropped from further consideration in the awarding of the Contract and the Financial Proposal will be returned unopened to the Offeror.

## Technical Proposal Evaluation Criteria

The criteria to be used to evaluate each Technical Proposal are listed below in descending order of importance. Unless stated otherwise, any sub-criteria within each criterion have equal weight.

The MLGCC prefers the Offeror’s Technical Proposal to illustrate a comprehensive understanding of work requirements and mastery of the subject matter, including an explanation of how the work will be performed. Proposals which include limited responses to work requirements such as “concur” or “will comply” will receive a lower ranking than those Proposals that demonstrate an understanding of the work requirements and include plans to meet or exceed them. The proposed solution should address all of the Commissions requirements as provided in Section 2.3 and throughout this RFP.

6.4.1 **Central System (5.3.3.2); Primary and Back-up Sites (5.3.3.3); Disaster Recovery (5.3.3.5); Security (5.3.3.6); Manuals and Documentation (5,3,3,7); Maintenance, Service Levels and Support (5.3.3.9).**

6.4.2 **Implementation and Acceptance Testing Plans (5.3.3.11 and 5.3.3.10).**

**6.4.3 Offeror’s Qualifications and Capabilities (5.3.5); References (5.3.6); Current or Prior State Contracts (5.3.7); Financial Capability (5.3.8); Legal Action Summary (5.3.11).**

**6.4.4 Experience and Qualifications of Proposed Staff (5.3.4); Subcontractors (5.3.10); Staffing (5.3.3.8).**

**6.4.5 Telecommunication Network (5.3.3.4).**

## Financial Proposal Evaluation Criteria

The separate Financial Volume of each qualified proposal will be distributed to the Evaluation Committee following the completion of the technical evaluation.

The Financial proposals of all Qualified Offerors will be ranked from the lowest (most advantageous) to the highest (least advantageous) price based on the “Total Proposal Price” within the stated guidelines set forth in this RFP and as submitted on **Attachment B-2** - Financial Proposal Form.

## Reciprocal Preference

* + 1. **Although Maryland law does not authorize procuring agencies to favor resident Offerors in awarding procurement contracts, many other states do grant their resident businesses preferences over Maryland contractors. COMAR 21.05.01.04 permits procuring agencies to apply a reciprocal preference under the following conditions:**

1. The Maryland resident business is a responsible Offeror;
2. The most advantageous Proposal is from a responsible Offeror whose principal office, or principal base of operations is in another state;
3. The other state gives a preference to its resident businesses through law, policy, or practice; and
4. The preference does not conflict with a federal law or grant affecting the procurement Contract.
   * 1. The preference given shall be identical to the preference that the other state, through law, policy, or practice gives to its resident businesses.

## Selection Procedures

* + 1. **General**

1. The Contract will be awarded in accordance with the Competitive Sealed Proposals (CSP) method found at COMAR 21.05.03. The CSP method allows for the conducting of discussions and the revision of Proposals during these discussions. Therefore, the State may conduct discussions with all Offerors that have submitted Proposals that are determined to be reasonably susceptible of being selected for contract award or potentially so. However, the State reserves the right to make an award without holding discussions.
2. With or without discussions, the State may determine the Offeror to be not responsible or the Offeror’s Proposal to be not reasonably susceptible of being selected for award at any time after the initial closing date for receipt of Proposals and prior to Contract award.
   * 1. **Selection Process Sequence**
3. A determination is made that the MDOT Certified MBE Utilization and Fair Solicitation Affidavit (**Attachment** **D-1A**) is included and is properly completed, if there is a MBE goal. In addition, a determination is made that the VSBE Utilization Affidavit and subcontractor Participation Schedule (**Attachment** **E-1**) is included and is properly completed, if there is a VSBE goal.
4. Technical Proposals are evaluated for technical merit and ranked. During this review, oral presentations and discussions may be held. The purpose of such discussions will be to assure a full understanding of the State’s requirements and the Offeror’s ability to perform the services, as well as to facilitate arrival at a Contract that is most advantageous to the State. Offerors will be contacted by the State as soon as any discussions are scheduled.
5. Offerors must confirm in writing any substantive oral clarifications of, or changes in, their Technical Proposals made in the course of discussions. Any such written clarifications or changes then become part of the Offeror’s Technical Proposal. Technical Proposals are given a final review and ranked.
6. The Financial Proposal of each Qualified Offeror (a responsible Offeror determined to have submitted an acceptable Proposal) will be evaluated and ranked separately from the Technical evaluation. After a review of the Financial Proposals of Qualified Offerors, the Evaluation Committee or Procurement Officer may again conduct discussions to further evaluate the Offeror’s entire Proposal.
7. When in the best interest of the State, the Procurement Officer may permit Qualified Offerors to revise their initial Proposals and submit, in writing, Best and Final Offers (BAFOs). The State may make an award without issuing a request for a BAFO. **Offerors may only perform limited substitutions of proposed personnel as allowed in Section 3.11 (Substitution of Personnel**).

## Award Determination

* + - 1. Upon completion of the Technical Proposal and Financial Proposal evaluations and rankings, each Offeror will receive an overall ranking. The Procurement Officer will recommend award of the Contract to the responsible Offeror that submitted the Proposal determined to be the most advantageous to the State. In making this most advantageous Proposal determination, technical factors will receive greater weight than financial factors.
      2. Final award of the Contract shall not be made until the recommended Contractor has successfully completed the background investigation, all required fees have been paid, including but not limited to License fees and background investigation costs, and a Manufacturer's License has been awarded to the Contractor.

## Debriefing of Unsuccessful Offerors

Unsuccessful Offerors shall be debriefed upon their written request to the Procurement Officer, provided the request is made within a reasonable period of time, not to exceed ten (10) Days, after receiving notice from the Procurement Officer of not being recommended for award. Request for debriefings shall be honored by the MLGCC at the earliest feasible time after the request has been received. Debriefings shall be held in accordance with COMAR 21.05.03.06.

## Documents Required upon Notice of Recommendation for Contract Award

Upon receipt of a Notification of Recommendation for Contract award, the apparent awardee shall complete and furnish the documents and attestations as directed in **Section 7** – **RFP Attachments and Appendices**.

**THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.**

# RFP ATTACHMENTS AND APPENDICES

**Instructions Page**

A Proposal submitted by the Offeror must be accompanied by the completed forms and/or affidavits identified as “with Proposal” in the “When to Submit” column in the table 1 below. All forms and affidavits applicable to this RFP, including any applicable instructions and/or terms, are identified in the “Applies” and “Label” columns.

For documents required as part of the Proposal, submit two (2) copies of each with original signatures. All signatures must be clearly visible.

All Offerors are advised that if a Contract is awarded as a result of this RFP, the successful Offeror will be required to complete certain forms and affidavits after notification of recommended award. The list of forms and affidavits that must be provided is described in the table below in the “When to Submit” column.

For documents required after award, submit three (3) copies of each document within the appropriate number of days after notification of recommended award, as listed in Table 1 below in the “When to Submit” column.

|  |  |  |  |
| --- | --- | --- | --- |
| **Applies (Y/N)** | **When to Submit** | **Label** | **Attachment Name** |
| Y | Before Proposal | A | Pre-Proposal Conference Response Form |
| Y | With Proposal | B | Financial Proposal Instructions and Form |
| Y | With Proposal | C | Bid/Proposal Affidavit (see link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/AttachmentC-Bid_Proposal-Affidavit.pdf>) |
| Y | With Proposal | D | MBE Forms D-1A (see link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/05/AttachmentDMBE-Forms-1.pdf>) |
| Y | 10 Business Days after recommended award | D | MBE Forms D-1B, D-1C,D-2, D-3A, D-3B (see link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/05/AttachmentDMBE-Forms-1.pdf>)  **Important:** Attachment D-1C, if a waiver has been requested, is also required within 10 days of recommended award. |
| Y | Monthly During Contract Term | D | MBE Forms D-4A, D-4B, D-5 (see link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/05/AttachmentDMBE-Forms-1.pdf>) |
| Y | With Proposal | E | Veteran-Owned Small Business Enterprise (VSBE) Form E-1A (see link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/AttachmentE-VSBEForms.pdf>)  **IMPORTANT:** If this RFP contains different Functional Areas or Service Categories. A separate Attachment E-1A is to be submitted for each Functional Area or Service Category where there is a VSBE goal. |
| Y | Monthly During Contract Term | E | VSBE Forms E-1B, E-2, E-3 (see link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/AttachmentE-VSBEForms.pdf>)  **Important:** Attachment E-1B, if a waiver has been requested, is also required within 10 days of recommended award. |
| Y | With Proposal | F | Maryland Living Wage Requirements for Service Contracts and Affidavit of Agreement (see link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/AttachmentF-LivingWageAffidavit.pdf>) |
| N | N/A | G | Federal Funds Attachments (see link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/AttachmentG-FederalFundsAttachment.pdf>) |
| Y | With Proposal | H | Conflict of Interest Affidavit and Disclosure (see link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/05/AttachmentH-Conflict-of-InterestAffidavit.pdf>) |
| Y | 5 Business Days after recommended award – However, suggested with Proposal | I | Non-Disclosure Agreement (Contractor) (see link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/Attachment-I-Non-DisclosureAgreementContractor.pdf>) |
| N | N/A | J | HIPAA Business Associate Agreement (see link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/Attachment-J-HIPAABusinessAssociateAgreement.pdf>) |
| N | N/A | K | Mercury Affidavit (see link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/Attachment-K-MercuryAffidavit.pdf>) |
| N | N/A | L | Location of the Performance of Services Disclosure (see link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/Attachment-L-PerformanceofServicesDisclosure.pdf>) |
| Y | 5 Business Days after recommended award | M | Contract (Sample contract included in this RFP) |
| Y | 5 Business Days after recommended award | N | Contract Affidavit (see link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/Attachment-N-ContractAffidavit.pdf>) |
| N | N/A | O | DHS Hiring Agreement (see link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/Attachment-O-DHSHiringAgreement.pdf>) |
| Y | With Proposal | P | Proposal Bond |
| Y | With Proposal | Q | Litigation/Protest Bond |
| Y | 5 Business Days after recommended award | R | Performance Bond |
| Y | 5 Business Days after recommended award | n/a | Fidelity Bond/Crime Insurance |
| Y | With Proposal | S | Authorization for Release of Information |

|  |  |  |  |
| --- | --- | --- | --- |
| **Appendices** | | | |
| **Applies(Y / N)** | **When to Submit** | **Label** | **Attachment Name** |
| Y | N/A | 1 | Abbreviations and Definitions (included in this RFP) |
| Y | With Proposal | 2 | Offeror Information Sheet (see link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/Appendix2-Bidder_OfferorInformationSheet.pdf>) |
| **Additional Submissions** | | | |
| **Applies?** | **When to Submit** | **Label** | **Document Name** |
| Y | 5 Business Days after recommended award |  | Evidence of meeting insurance requirements (see **Section 3.6**); 1 copy |
| Y | 10 Business Days after recommended award |  | Fully executed Escrow Agreement; 1 copy |
| Y | With Proposal |  | **If Offeror is not currently licensed by the MLGCC** –  Application for Manufacturer’s License, related forms and all required Application Fees and Background Investigation Fees (See Section 4.40-4.44) |

Attachment A. Pre-Proposal Conference Form

**Solicitation Number MLGCA #2021-06**

**Central Monitor and Control System for a Video Lottery Terminal Program**

A Pre-Proposal conference will be held at 11:00 a.m. (Local Time) on Wednesday, October 21, 2020, at the MLGCA Headquarters. Attendees are encouraged to virtually attend the meeting using a GoogleMeets link that will be provided prior to the meeting.

Please return this form by Wednesday, October 14, 2020, advising whether or not your firm plans to attend. Return the completed form via email to the Procurement Officer at the contact information below:

Robert W. Howells

MLGCA

Email: Robert.Howells@Maryland.gov

Please indicate:

|  |  |
| --- | --- |
|  | Yes, the following representatives will be in attendance. |
|  | Attendees:  1.  2.  3. |
|  | No, we will not be in attendance. |

|  |  |  |
| --- | --- | --- |
| Please specify whether any reasonable accommodations are requested (see RFP § 4.1“Pre-Proposal conference”): | | |
| Business Entity: |  |
| *Entity Name (please print or type)* |  |
| By: |  |
| *Signature/Seal* |  |
| Printed Name: |  |
| *Printed Name* |  |
| Title: |  |
| *Title* |  |
| Date: |  |
| *Date* |  |

**Directions to the Pre-Proposal Conference**

MLGCC is located within the Montgomery Park Business Center - 1800 Washington Blvd., Baltimore, MD 21230. Use the main entrance (Red Lot) off of Washington Blvd. and enter the LEFT lane, closest to the booth. Use the intercom to announce that you are attending the VLT Central System Pre-Proposal Conference.

Enter the building through the courtyard near the flag and proceed to the Security Station to the right. You must be given access to the third floor by Security. Once on the third floor proceed to the right and enter the second door on your right to sign in.

Attachment B. Financial Proposal Instructions & Form

**B-1 Financial Proposal Instructions**

In order to assist Offerors in the preparation of their Financial Proposal and to comply with the requirements of this RFP, Financial Proposal Instructions and a Financial Proposal Form have been prepared. Offerors shall submit their Financial Proposal on the Financial Proposal Form in accordance with the instructions on the Financial Proposal Formand as specified herein. Do not alter the Financial Proposal Form or the Proposal may be determined to be not reasonably susceptible of being selected for award. The Financial Proposal Form is to be signed and dated, where requested, by an individual who is authorized to bind the Offeror to the prices entered on the Financial Proposal Form.

The Financial Proposal Form is used to calculate the Offeror’s TOTAL PROPOSAL PRICE. Follow these instructions carefully when completing your Financial Proposal Form:

1. All Unit and Extended Prices must be clearly entered in dollars and cents, e.g., $24.15. Make your decimal points clear and distinct.
2. All Unit Prices must be the actual price per unit the State will pay for the specific item or service identified in this RFP and may not be contingent on any other factor or condition in any manner.
3. All calculations shall be rounded to the nearest cent, e.g., .344 shall be .34 and .345 shall be .35.
4. Any goods or services required through this RFP and proposed by the vendor at **No Cost to the State** must be clearly entered in the Unit Price, if appropriate, and Extended Price with **$0.00**.
5. Every blank in every Financial Proposal Form shall be filled in. Any changes or corrections made to the Financial Proposal Form by the Offeror prior to submission shall be initialed and dated.
6. Except as instructed on the Financial Proposal Form, nothing shall be entered on or attached to the Financial Proposal Form that alters or proposes conditions or contingencies on the prices. Alterations and/or conditions may render the Proposal not reasonably susceptible of being selected for award.
7. It is imperative that the prices included on the Financial Proposal Form have been entered correctly and calculated accurately by the Offeror and that the respective total prices agree with the entries on the Financial Proposal Form. Any incorrect entries or inaccurate calculations by the Offeror will be treated as provided in COMAR 21.05.03.03.F, and may cause the Proposal to be rejected.
8. **All prices proposed as stated on Attachment B-1: Financial Proposal Form shall be firm fixed prices for the entire term of the Contract, to include the 7-year Base Contract term and both 2-year Renewal Option periods, if exercised, and any other extensions**. Any option to renew will be exercised at the sole discretion of the State and comply with all terms and conditions in force at the time the option is exercised. If exercised, the option period shall be for a period identified in the RFP at the prices entered in the Financial Proposal Form.
9. The Facilities and number of VLTs indicated in this Financial Proposal Sheet are current as of 02/28/2020 and are subject to fluctuation. There is the likelihood that there will be some expansion and contraction as Facilities "right-size" their gaming floors. 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, except that the maximum number of VLTs in the State currently may not exceed 18,000 and the maximum number of VLTs at any Facility currently may not exceed 4,750.
10. All Financial Proposal prices entered below are to be fully loaded prices that include all costs/expenses associated with the provision of services as required by the RFP. The Financial Proposal price shall include, but is not limited to, all: labor, profit/overhead, general operating, administrative, and all other expenses and costs necessary to perform the work set forth in the RFP. No other amounts will be paid to the Contractor. If labor rates are requested, those amounts shall be fully-loaded rates; no additional overtime amounts will be billed to the MLGCA.
11. Unless indicated elsewhere in the RFP, sample amounts used for calculations on the Financial Proposal Form are typically estimates for evaluation purposes only. Unless stated otherwise in the RFP, the Agency does not guarantee a minimum or maximum number of units or usage in the performance of the Contract.
12. Failure to adhere to any of these instructions may result in the Proposal being determined not reasonably susceptible of being selected for award.
13. Contract fees will be determined as a fixed dollar amount and will be invoiced monthly in arrears.

**B-2 Financial Proposal Form**

The Financial Proposal Form shall contain all price information in the format specified on these pages. Complete the Financial Proposal Form only as provided in the Financial Proposal Instructions. Do not amend, alter or leave blank any items on the Financial Proposal Form. Failure to adhere to any of these instructions may result in the Proposal being determined not reasonably susceptible of being selected for award.

See separate Excel Financial Proposal Form labeled Attachment B - Financial Proposal.xls.

**Instructions For Financial Proposal Form**

1. Enter the name of the Offeror in cell A5.
2. Enter the monthly Central System cost in cell C13.
3. Enter the monthly maintenance cost per 100 VLTS for each VLT facility in cells C24, C39, C51, C63, C78, C90. The number for billing purposes will be based on the VLTs installed on the last day of the billing period and will be rounded DOWN to the nearest 100 during each month of the contract. (For example, both 108 and 180 would round down to 100.)
4. Enter the one-time cost to expand any VLT Facility by 100 VLTs or more in cells C27, C42, C54, C66, C81, C93. (Recurring charges to support these VLTs will be at the same rate as in step 3.)
5. Enter the one-time cost per 100 VLTs installed in an additional (7th) VLT Facility in cell C124. (Recurring charges to support these VLTs will be at the same rate as in step 3.)

Attachment C. Proposal Affidavit

See link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/AttachmentC-Bid_Proposal-Affidavit.pdf>.

Attachment D. Minority Business Enterprise (MBE) Forms

See link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/05/AttachmentDMBE-Forms-1.pdf>.

This solicitation includes a Minority Business Enterprise (MBE) participation goal of **25%** percent and no subgoals.

Attachment E. Veteran-Owned Small Business Enterprise (VSBE) Forms

See link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/AttachmentE-VSBEForms.pdf>.

This solicitation includes a VSBE participation goal of 1 %.

**Attachment F. Maryland Living Wage Affidavit of Agreement for Service Contracts**

See link at

<http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/AttachmentF-LivingWageAffidavit.pdf> to complete the Affidavit.

A. This contract is subject to the Living Wage requirements under Md. Code Ann., State Finance and Procurement Article, Title 18, and the regulations proposed by the Commissioner of Labor and Industry (Commissioner). The Living Wage generally applies to a Contractor or subcontractor who performs work on a State contract for services that is valued at $100,000 or more. An employee is subject to the Living Wage if he/she is at least 18 years old or will turn 18 during the duration of the contract; works at least 13 consecutive weeks on the State Contract and spends at least one-half of the employee’s time during any work week on the State Contract.

B. The Living Wage Law does not apply to:

(1) A Contractor who:

(a) Has a State contract for services valued at less than $100,000, or

(b) Employs 10 or fewer employees and has a State contract for services valued at less than $500,000.

(2) A subcontractor who:

(a) Performs work on a State contract for services valued at less than $100,000,

(b) Employs 10 or fewer employees and performs work on a State contract for services valued at less than $500,000, or

(c) Performs work for a Contractor not covered by the Living Wage Law as defined in B(1)(b) above, or B (3) or C below.

(3) Service contracts for the following:

(a) Services with a Public Service Company;

(b) Services with a nonprofit organization;

(c) Services with an officer or other entity that is in the Executive Branch of the State government and is authorized by law to enter into a procurement (“Unit”); or

(d) Services between a Unit and a County or Baltimore City.

C. If the Unit responsible for the State contract for services determines that application of the Living Wage would conflict with any applicable Federal program, the Living Wage does not apply to the contract or program.

D. A Contractor must not split or subdivide a State contract for services, pay an employee through a third party, or treat an employee as an independent Contractor or assign work to employees to avoid the imposition of any of the requirements of Md. Code Ann., State Finance and Procurement Article, Title 18.

E. Each Contractor/subcontractor, subject to the Living Wage Law, shall post in a prominent and easily accessible place at the work site(s) of covered employees a notice of the Living Wage Rates, employee rights under the law, and the name, address, and telephone number of the Commissioner.

F. The Commissioner shall adjust the wage rates by the annual average increase or decrease, if any, in the Consumer Price Index for all urban consumers for the Washington/Baltimore metropolitan area, or any successor index, for the previous calendar year, not later than 90 days after the start of each fiscal year. The Commissioner shall publish any adjustments to the wage rates on the Division of Labor and Industry’s website. An employer subject to the Living Wage Law must comply with the rate requirements during the initial term of the contract and all subsequent renewal periods, including any increases in the wage rate, required by the Commissioner, automatically upon the effective date of the revised wage rate.

G. A Contractor/subcontractor who reduces the wages paid to an employee based on the employer’s share of the health insurance premium, as provided in Md. Code Ann., State Finance and Procurement Article, §18-103(c), shall not lower an employee’s wage rate below the minimum wage as set in Md. Code Ann., Labor and Employment Article, §3-413. A Contractor/subcontractor who reduces the wages paid to an employee based on the employer’s share of health insurance premium shall comply with any record reporting requirements established by the Commissioner.

H. A Contractor/subcontractor may reduce the wage rates paid under Md. Code Ann., State Finance and Procurement Article, §18-103(a), by no more than 50 cents of the hourly cost of the employer’s contribution to an employee’s deferred compensation plan. A Contractor/subcontractor who reduces the wages paid to an employee based on the employer’s contribution to an employee’s deferred compensation plan shall not lower the employee’s wage rate below the minimum wage as set in Md. Code Ann., Labor and Employment Article, §3-413.

I. Under Md. Code Ann., State Finance and Procurement Article, Title 18, if the Commissioner determines that the Contractor/subcontractor violated a provision of this title or regulations of the Commissioner, the Contractor/subcontractor shall pay restitution to each affected employee, and the State may assess liquidated damages of $20 per day for each employee paid less than the Living Wage.

J. Information pertaining to reporting obligations may be found by going to the Division of Labor and Industry website <https://www.dllr.state.md.us/labor/prev/livingwage.shtml> and clicking on Living Wage for State Service Contracts.

Attachment G. Federal Funds Attachments

This solicitation does not include a Federal Funds Attachment.

Attachment H. Conflict of Interest Affidavit and Disclosure

See link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/05/AttachmentH-Conflict-of-InterestAffidavit.pdf>.

Attachment I. Non-Disclosure Agreement (Contractor)

See link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/Attachment-I-Non-DisclosureAgreementContractor.pdf>.

Attachment J. HIPAA Business Associate Agreement

This solicitation does not require a HIPAA Business Associate Agreement.

Attachment K. Mercury Affidavit

This solicitation does not include the procurement of products known to likely include mercury as a component.

Attachment L. Location of the Performance of Services Disclosure

See link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/Attachment-L-PerformanceofServicesDisclosure.pdf>.

Attachment M. Contract

**Maryland Lottery and Gaming Control Commission (MLGCC)**

**“CENTRAL MONITOR AND CONTROL SYSTEM**

**FOR A VIDEO LOTTERY TERMINAL PROGRAM”**

**MLGCA #2021-06**

THIS CONTRACT (the “Contract”) is made this \_\_\_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_\_ by and between \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (the “Contractor”) and the STATE OF MARYLAND, acting through the **MARYLAND LOTTERY AND GAMING CONTROL COMMISSION (“MLGCC”).**

In consideration of the promises and the covenants herein contained, the adequacy and sufficiency of which are hereby acknowledged by the parties, the parties agree as follows:

**1. Definitions**

In this Contract, the following words have the meanings indicated:

1.1 “COMAR” means Code of Maryland Regulations.

1.2 “Contractor” means the entity first named above whose principal business address is (Contractor’s primary address) and whose principal office in Maryland is (Contractor’s local address), whose Federal Employer Identification Number or Social Security Number is (Contractor’s FEIN), and whose eMaryland Marketplace vendor ID number is (eMMA Number).

1.3 “Financial Proposal” means the Contractor’s Financial Proposal dated \_\_\_\_\_\_\_\_\_(Financial Proposal date), as modified by any Best and Final Offer thereto.

1.4 Minority Business Enterprise (MBE) – Any legal entity certified as defined at COMAR 21.01.02.01B (54) which is certified by the Maryland Department of Transportation under COMAR 21.11.03.

1.5 “RFP” means the Request for Proposals for **Central Monitor and Control System for a Video Lottery Terminal Program (#2021-06)**, and any amendments, addenda, and attachments thereto issued in writing by the State.

1.6 “State” means the State of Maryland.

1.7 “Technical Proposal” means the Contractor’s Technical Proposal dated. \_\_\_\_\_\_\_\_\_\_\_\_ (Technical Proposal date), as modified and supplemented by the Contractor’s responses to requests clarifications and requests for cure, and by any Best and Final Offer.

1.8 “Veteran-owned Small Business Enterprise” (VSBE) means A business that is verified by the Center for Verification and Evaluation (CVE) of the United States Department of Veterans Affairs as a veteran-owned small business. See Code of Maryland Regulations (COMAR) 21.11.13.

1.9 Capitalized terms not defined herein shall be ascribed the meaning given to them in the RFP.

**2. Scope of Contract**

2.1 The Contractor shall perform in accordance with this Contract and Exhibits A-D, which are listed below and incorporated herein by reference. If there is any conflict between this Contract and the Exhibits, the terms of the Contract shall control. If there is any conflict among the Exhibits, the following order of precedence shall determine the prevailing provision:

Exhibit A – The RFP, as amended

Exhibit B – The Contract Affidavit, executed by the Contractor and dated ( \_date\_\_)

Exhibit C – The Technical Proposal

Exhibit D – The Financial Proposal

2.2 The Procurement Officer may, at any time, by written order, make unilateral changes in the work within the general scope of the Contract. No other order, statement, or conduct of the Procurement Officer or any other person shall be treated as a change or entitle the Contractor to an equitable adjustment under this section. Except as otherwise provided in this Contract, if any change under this section causes an increase or decrease in the Contractor’s cost of, or the time required for, the performance of any part of the work, whether or not changed by the order, an equitable adjustment in the Contract price shall be made and the Contract modified in writing accordingly. The Contractor must assert in writing its right to an adjustment under this section within thirty (30) days of receipt of written change order and shall include a written statement setting forth the nature and cost of such claim. No claim by the Contractor shall be allowed if asserted after final payment under this Contract. Failure to agree to an adjustment under this section shall be a dispute under the Disputes clause. Nothing in this section shall excuse the Contractor from proceeding with the Contract as changed.

2.3 Without limiting the rights of the Procurement Officer under Section 2.2 above, the Contract may be modified by mutual agreement of the parties, provided: (a) the modification is made in writing; (b) all parties sign the modification; and (c) all approvals by the required agencies as described in COMAR Title 21, are obtained.

**3. Period of Performance**

3.1 The term of this Contract begins on the date the Contract is signed by the MLGCC following any required prior approvals, including approval by the Board of Public Works, if such approval is required (the “Effective Date”) and shall continue for a base term period of seven (7) years until September 26, 2028 (“Initial Term”).

* 1. The Implementation Period shall be the period of time from the Effective Date of this Central Monitor and Control System Contract (#2021-06) until the expiration date of the current Central Monitor and Control System Contract (#2009-11), during which time the Contractor shall install the system including all required components, and prepare to commence operations and assume responsibility for the statewide monitoring and control of the VLT program. The Contractor shall not be paid or accrue the right to any payments from the State during the Implementation Period.

3.3 In its sole discretion, the MLGCC shall have the unilateral right to extend the Contract for two (2) additional two (2) year renewal options (each a “Renewal Term”) at the prices established in the Contract. “Term” means the Initial Term and any Renewal Term(s).

3.4 The Contractor’s performance under the Contract shall commence as of the date provided in a written NTP.

3.5 The Contractor’s obligation to pay invoices to subcontractors providing products/services in connection with this Contract, as well as the audit; confidentiality; document retention; patents, copyrights & intellectual property; warranty; indemnification obligations; and limitations of liability under this Contract; and any other obligations specifically identified, shall survive expiration or termination of the Contract.

**4. Consideration and Payment**

4.1 In consideration of the satisfactory performance of the work set forth in this Contract, the MLGCC shall pay the Contractor in accordance with the terms of this Contract and at the prices quoted in the Financial Proposal. Unless properly modified (see above Section 2), payment to the Contractor pursuant to this Contract, including the Initial Term and any Renewal Term, shall not exceed the Contracted amount.

4.2 The Contract is a combination Firm Fixed Price with an Indefinite Quantity-Firm Fixed Unit Price component in accordance with COMAR 21.06.03.02 & 21.06.03.06.

The total price/amount of this Contract for the Initial Term (operational) of approximately seven (7) years excluding any future modifications shall not exceed **($ amount to be inserted upon contract award)** Dollars. In the event that the MLGCC exercises its unilateral option to extend the Contract in its sole discretion, the price/amount of this Contract for each of the two Renewal Option two (2) year terms excluding any future modifications shall not exceed **($ amount to be inserted upon contract award).** If the MLGCC exercises an option to extend, such option shall be at the same prices, terms and conditions as contained in the Initial Term. The “not to exceed” amounts are not guaranteed amounts, but only the maximum amount authorized to be expended under this Contract without further written and properly authorized modification. If the charges are likely to become greater than the not to exceed amounts, the MLGCC will request approval from the Maryland Department of Budget and Management, the Maryland Board of Public Works, and other necessary State officials.

4.3 Unless a payment is unauthorized, deferred, delayed, or set-off under COMAR 21.02.07, payments to the Contractor pursuant to this Contract shall be made no later than 30 days after the MLGCC’s receipt of a proper invoice from the Contractor as required by RFP section 3.3.

The Contractor may be eligible to receive late payment interest at the rate of 9% per annum if:

(1) The Contractor submits an invoice for the late payment interest within thirty days after the date of the State’s payment of the amount on which the interest accrued; and

(2) A contract claim has not been filed under State Finance and Procurement Article, Title 15, Subtitle 2, Annotated Code of Maryland.

The State is not liable for interest:

(1) Accruing more than one year after the 31st day after the agency receives the proper invoice; or

(2) On any amount representing unpaid interest. Charges for late payment of invoices are authorized only as prescribed by Title 15, Subtitle 1, of the State Finance and Procurement Article, Annotated Code of Maryland, or by the Public Service Commission of Maryland with respect to regulated public utilities, as applicable.

Final payment under this Contract will not be made until after certification is received from the Comptroller of the State that all taxes have been paid.

Electronic funds transfer shall be used by the State to pay Contractor pursuant to this Contract and any other State payments due Contractor unless the State Comptroller’s Office grants Contractor an exemption.

4.4 In addition to any other available remedies, if, in the opinion of the Procurement Officer, the Contractor fails to perform in a satisfactory and timely manner, the Procurement Officer may refuse or limit approval of any invoice for payment, and may cause payments to the Contractor to be reduced or withheld until such time as the Contractor meets performance standards as established by the Procurement Officer.

4.5 Payment of an invoice by the MLGCC is not evidence that services were rendered as required under this Contract.

**5. Rights to Records**

5.1 The Contractor agrees that all documents and materials including, but not limited to, software, reports, drawings, studies, specifications, estimates, tests, maps, photographs, designs, graphics, mechanical, artwork, computations, and data prepared by the Contractor for purposes of this Contract shall be the sole property of the State and shall be available to the State at any time. The State shall have the right to use the same without restriction and without compensation to the Contractor other than that specifically provided by this Contract.

5.2 The Contractor agrees that at all times during the term of this Contract and thereafter, works created as a Deliverable under this Contract (as defined in **Section 7.2**), and services performed under this Contract shall be “works made for hire” as that term is interpreted under U.S. copyright law. To the extent that any products created as a Deliverable under this Contract are not works made for hire for the State, the Contractor hereby relinquishes, transfers, and assigns to the State all of its rights, title, and interest (including all intellectual property rights) to all such products created under this Contract, and will cooperate reasonably with the State in effectuating and registering any necessary assignments.

5.3 The Contractor shall report to the Contract Monitor, promptly and in written detail, each notice or claim of copyright infringement received by the Contractor with respect to all data delivered under this Contract.

5.4 The Contractor shall not affix any restrictive markings upon any data, documentation, or other materials provided to the State hereunder and if such markings are affixed, the State shall have the right at any time to modify, remove, obliterate, or ignore such warnings.

5.5 Upon termination or expiration of the Contract, the Contractor, at its own expense, shall deliver any equipment, software or other property provided by the State to the place designated by the Procurement Officer.

**6. Exclusive Use**

6.1 The State shall have the exclusive right to use, duplicate, and disclose any data, information, documents, records, or results, in whole or in part, in any manner for any purpose whatsoever, that may be created or generated by the Contractor in connection with this Contract. If any material, including software, is capable of being copyrighted, the State shall be the copyright owner and Contractor may copyright material connected with this project only with the express written approval of the State.

6.2 Except as may otherwise be set forth in this Contract, Contractor shall not use, sell, sub-lease, assign, give, or otherwise transfer to any third party any other information or material provided to Contractor by the Agency or developed by Contractor relating to the Contract, except as provided for in **Section 8**. **Confidential or Proprietary Information and Documentation**.

**7. Patents, Copyrights, and Intellectual Property**

7.1. All copyrights, patents, trademarks, trade secrets, and any other intellectual property rights existing prior to the Effective Date of this Contract shall belong to the party that owned such rights immediately prior to the Effective Date (“Pre-Existing Intellectual Property”). If any design, device, material, process, or other item provided by Contractor is covered by a patent or copyright or which is proprietary to or a trade secret of another, the Contractor shall obtain the necessary permission or license to permit the State to use such item or items pursuant to its rights granted under the Contract.

7.2 Except for (1) information created or otherwise owned by the Agency or licensed by the Agency from third parties, including all information provided by the Agency to Contractor; (2) materials created by Contractor or its subcontractor(s) specifically for the State under the Contract (“Deliverables”), except for any Contractor Pre-Existing Intellectual Property included therein; and (3) the license rights granted to the State, all right, title, and interest in the intellectual property embodied in the solution, including the know-how and methods by which the solution is provided and the processes that make up the solution, will belong solely and exclusively to Contractor and its licensors, and the Agency will have no rights to the same except as expressly granted in this Contract. Any SaaS Software developed by Contractor during the performance of the Contract will belong solely and exclusively to Contractor and its licensors. For all Software provided by the Contractor under the Contract, Contractor hereby grants to the State a non-exclusive, irrevocable, unlimited, perpetual, non-cancelable, and non-terminable right to use and make copies of the Software and any modifications to the Software. For all Contractor Pre-Existing Intellectual Property embedded in any Deliverables, Contractor grants to the State a license to use such Contractor Pre-Existing Intellectual Property in connection with its permitted use of such Deliverable. During the period between delivery of a Deliverable by Contractor and the date of payment therefor by the State in accordance with this Contract (including throughout the duration of any payment dispute discussions), subject to the terms and conditions contained herein, Contractor grants the State a royalty-free, non-exclusive, limited license to use such Deliverable and to use any Contractor Materials contained therein in accordance with this Contract.

7.3. Subject to the terms of **Section 10**, Contractor shall defend, indemnify and hold harmless the State and its agents and employees, from and against any and all claims, costs, losses, damages, liabilities, judgments and expenses (including without limitation reasonable attorneys’ fees) arising out of or in connection with any third party claim that the Contractor-provided products/services infringe, misappropriate or otherwise violate any third party intellectual property rights. Contractor shall not enter into any settlement involving third party claims that contains any admission of or stipulation to any guilt, fault, liability or wrongdoing by the State or that adversely affects the State’s rights or interests, without the State’s prior written consent.

7.4 Without limiting Contractor’s obligations under Section 5.3, if an infringement claim occurs, or if the State or the Contractor believes such a claim is likely to occur, Contractor (after consultation with the State and at no cost to the State): (a) shall procure for the State the right to continue using the allegedly infringing component or service in accordance with its rights under this Contract; or (b) replace or modify the allegedly infringing component or service so that it becomes non-infringing and remains compliant with all applicable specifications.

7.5 Except as otherwise provided herein, Contractor shall not acquire any right, title or interest (including any intellectual property rights subsisting therein) in or to any goods, Software, technical information, specifications, drawings, records, documentation, data or any other materials (including any derivative works thereof) provided by the State to the Contractor. Notwithstanding anything to the contrary herein, the State may, in its sole and absolute discretion, grant the Contractor a license to such materials, subject to the terms of a separate writing executed by the Contractor and an authorized representative of the State as well as all required State approvals.

7.6 Without limiting the generality of the foregoing, neither Contractor nor any of its subcontractors shall use any Software or technology in a manner that will cause any patents, copyrights or other intellectual property which are owned or controlled by the State or any of its affiliates (or for which the State or any of its subcontractors has received license rights) to become subject to any encumbrance or terms and conditions of any third party or open source license (including, without limitation, any open source license listed on http://www.opensource.org/licenses/alphabetical) (each an “Open Source License”). These restrictions, limitations, exclusions and conditions shall apply even if the State or any of its subcontractors becomes aware of or fails to act in a manner to address any violation or failure to comply therewith. No act by the State or any of its subcontractors that is undertaken under this Contract as to any Software or technology shall be construed as intending to cause any patents, copyrights or other intellectual property that are owned or controlled by the State (or for which the State has received license rights) to become subject to any encumbrance or terms and conditions of any open source license.

7.7 The Contractor shall report to the Agency, promptly and in written detail, each notice or claim of copyright infringement received by the Contractor with respect to all Deliverables delivered under this Contract.

7.8 The Contractor shall not affix (or permit any third party to affix), without the Agency’s consent, any restrictive markings upon any Deliverables that are owned by the State, and if such markings are affixed, the Agency shall have the right at any time to modify, remove, obliterate, or ignore such warnings.

**8. Confidential or Proprietary Information and Documentation**

8.1 Subject to the Maryland Public Information Act and any other applicable laws including, without limitation, HIPAA, the HI-TECH Act, and the Maryland Medical Records Act and regulations promulgated pursuant thereto, all confidential or proprietary information and documentation relating to either party (including without limitation, any information or data stored within the Contractor’s computer systems or cloud infrastructure, if applicable) shall be held in confidence by the other party. Each party shall, however, be permitted to disclose, as provided by and consistent with applicable law, relevant confidential information to its officers, agents, and Contractor Personnel to the extent that such disclosure is necessary for the performance of their duties under this Contract. Each officer, agent, and Contractor Personnel to whom any of the State’s confidential information is to be disclosed shall be advised by Contractor provided that each officer, agent, and Contractor Personnel to whom any of the State’s confidential information is to be disclosed shall be advised by Contractor of the obligations hereunder, and bound by, confidentiality at least as restrictive as those of set forth in this Contract..

8.2 The provisions of this section shall not apply to information that: (a) is lawfully in the public domain; (b) has been independently developed by the other party without violation of this Contract; (c) was already rightfully in the possession of such party; (d) was supplied to such party by a third party lawfully in possession thereof and legally permitted to further disclose the information; or (e) which such party is required to disclose by law.

**9. Loss of Data**

9.1 In the event of loss of any State data or records where such loss is due to the act or omission of the Contractor or any of its subcontractors or agents, the Contractor shall be responsible for restoring or recreating, as applicable, such lost data in the manner and on the schedule set by the Contract Monitor. The Contractor shall ensure that all data is backed up and recoverable by the Contractor. At no time shall any Contractor actions (or any failures to act when Contractor has a duty to act) damage or create any vulnerabilities in data bases, systems, platforms, and applications with which the Contractor is working hereunder.

9.2 In accordance with prevailing federal or state law or regulations, the Contractor shall report the loss of non-public data as directed in **RFP** **Section 3.7**.

9.3 Protection of data and personal privacy (as further described and defined in RFP Section 3.8) shall be an integral part of the business activities of the Contractor to ensure there is no inappropriate or unauthorized use of State information at any time. To this end, the Contractor shall safeguard the confidentiality, integrity and availability of State information and comply with the conditions identified in **RFP** **Section 3.7**.

**10. Indemnification and Notification of Legal Requests**

10.1. At its sole cost and expense, Contractor shall (i) indemnify and hold the State, its employees and agents harmless from and against any and all claims, demands, actions, suits, damages, liabilities, losses, settlements, judgments, costs and expenses (including but not limited to attorneys’ fees and costs), whether or not involving a third party claim, which arise out of or relate to the Contractor’s, or any of its subcontractors’, performance of this Contract and (ii) cooperate, assist, and consult with the State in the defense or investigation of any such claim, demand, action or suit. Contractor shall not enter into any settlement involving third party claims that contains any admission of or stipulation to any guilt, fault, liability or wrongdoing by the State or that adversely affects the State’s rights or interests, without the State’s prior written consent.

10.2. The State has no obligation: (i) to provide legal counsel or defense to the Contractor or its subcontractors in the event that a suit, claim or action of any character is brought against the Contractor or its subcontractors as a result of or relating to the Contractor’s obligations or performance under this Contract, or (ii) to pay any judgment or settlement of any such suit, claim or action. Notwithstanding the foregoing, the Contractor shall promptly notify the Procurement Officer of any such claims, demands, actions, or suits.

10.3. Notification of Legal Requests. In the event the Contractor receives a subpoena or other validly issued administrative or judicial process, or any discovery request in connection with any litigation, requesting State Pre-Existing Intellectual Property, of other information considered to be the property of the State, including but not limited to State data stored with or otherwise accessible by the Contractor, the Contractor shall not respond to such subpoena, process or other legal request without first notifying the State, unless prohibited by law from providing such notice The Contractor shall promptly notify the State of such receipt providing the State with a reasonable opportunity to intervene in the proceeding before the time that Contractor is required to comply with such subpoena, other process or discovery request. .

**11. Non-Hiring of Employees**

No official or employee of the State, as defined under Md. Code Ann., General Provisions Article, § 5-101, whose duties as such official or employee include matters relating to or affecting the subject matter of this Contract, shall, during the pendency and term of this Contract and while serving as an official or employee of the State, become or be an employee of the Contractor or any entity that is a subcontractor on this Contract.

**12. Disputes**

This Contract shall be subject to the provisions of Md. Code Ann., State Finance and Procurement Article, Title 15, Subtitle 2, and COMAR 21.10 (Administrative and Civil Remedies). Pending resolution of a claim, the Contractor shall proceed diligently with the performance of the Contract in accordance with the Procurement Officer’s decision. Unless a lesser period is provided by applicable statute, regulation, or the Contract, the Contractor must file a written notice of claim with the Procurement Officer within thirty (30) days after the basis for the claim is known or should have been known, whichever is earlier. Contemporaneously with or within thirty (30) days of the filing of a notice of claim, but no later than the date of final payment under the Contract, the Contractor must submit to the Procurement Officer its written claim containing the information specified in COMAR 21.10.04.02.

**13. Maryland Law Prevails**

13.1 This Contract shall be construed, interpreted, and enforced according to the laws of the State of Maryland.

13.2 The Maryland Uniform Computer Information Transactions Act (Commercial Law Article, Title 22 of the Annotated Code of Maryland) does not apply to this Contract or any purchase order, task order, or Notice to Proceed issued thereunder, or any software, or any software license acquired hereunder.

13.3 Any and all references to the Maryland Code, annotated and contained in this Contract shall be construed to refer to such Code sections as are from time to time amended.

**14. Nondiscrimination in Employment**

The Contractor agrees: (a) not to discriminate in any manner against an employee or applicant for employment because of race, color, religion, creed, age, sex, sexual orientation, gender identification, marital status, national origin, ancestry, genetic information, or any otherwise unlawful use of characteristics, or disability of a qualified individual with a disability unrelated in nature and extent so as to reasonably preclude the performance of the employment, or the individual’s refusal to submit to a genetic test or make available the results of a genetic test; (b) to include a provision similar to that contained in subsection (a), above, in any underlying subcontract except a subcontract for standard commercial supplies or raw materials; and (c) to post and to cause subcontractors to post in conspicuous places available to employees and applicants for employment, notices setting forth the substance of this clause.

**15. Contingent Fee Prohibition**

The Contractor warrants that it has not employed or retained any person, partnership, corporation, or other entity, other than a bona fide employee, bona fide agent, bona fide salesperson, or commercial selling agency working for the Contractor to solicit or secure the Contract, and that the Contractor has not paid or agreed to pay any person, partnership, corporation, or other entity, other than a bona fide employee, bona fide agent, bona fide salesperson, or commercial selling agency, any fee or any other consideration contingent on the making of this Contract.

**16. Non-Availability of Funding**

If the General Assembly fails to appropriate funds or if funds are not otherwise made available for continued performance for any fiscal period of this Contract succeeding the first fiscal period, this Contract shall be canceled automatically as of the beginning of the fiscal year for which funds were not appropriated or otherwise made available; provided, however, that this will not affect either the State’s or the Contractor’s rights under any termination clause in this Contract. The effect of termination of the Contract hereunder will be to discharge both the Contractor and the State from future performance of the Contract, but not from their rights and obligations existing at the time of termination. The Contractor shall be reimbursed for the reasonable value of any nonrecurring costs incurred but not amortized in the price of the Contract. The State shall notify the Contractor as soon as it has knowledge that funds may not be available for the continuation of this Contract for each succeeding fiscal period beyond the first.

**17. Termination for Default**

If the Contractor fails to fulfill its obligations under this Contract properly and on time, or otherwise violates any provision of the Contract, the State may terminate the Contract by written notice to the Contractor. The notice shall specify the acts or omissions relied upon as cause for termination. All finished or unfinished work provided by the Contractor shall, at the State’s option, become the State’s property. The State shall pay the Contractor fair and equitable compensation for satisfactory performance prior to receipt of notice of termination, less the amount of damages caused by the Contractor’s breach. If the damages are more than the compensation payable to the Contractor, the Contractor will remain liable after termination and the State can affirmatively collect damages. Termination hereunder, including the termination of the rights and obligations of the parties, shall be governed by the provisions of COMAR 21.07.01.11B.

**18. Termination for Convenience**

The performance of work under this Contract may be terminated by the State in accordance with this clause in whole, or from time to time in part, whenever the State shall determine that such termination is in the best interest of the State. The State will pay all reasonable costs associated with this Contract that the Contractor has incurred up to the date of termination, and all reasonable costs associated with termination of the Contract. However, the Contractor shall not be reimbursed for any anticipatory profits that have not been earned up to the date of termination. Termination hereunder, including the determination of the rights and obligations of the parties, shall be governed by the provisions of COMAR 21.07.01.12A (2).

**19. Delays and Extensions of Time**

19.1 The Contractor agrees to prosecute the work continuously and diligently and no charges or claims for damages shall be made by it for any delays or hindrances from any cause whatsoever during the progress of any portion of the work specified in this Contract.

19.2 Time extensions will be granted only for excusable delays that arise from unforeseeable causes beyond the control and without the fault or negligence of the Contractor, including but not restricted to, acts of God, acts of the public enemy, acts of the State in either its sovereign or contractual capacity, acts of another Contractor in the performance of a contract with the State, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, or delays of subcontractors or suppliers arising from unforeseeable causes beyond the control and without the fault or negligence of either the Contractor or the subcontractors or suppliers.

**20. Suspension of Work**

The State unilaterally may order the Contractor in writing to suspend, delay, or interrupt all or any part of its performance for such period of time as the Procurement Officer may determine to be appropriate for the convenience of the State.

**21. Pre-Existing Regulations**

In accordance with the provisions of Section 11-206 of the State Finance and Procurement Article, Annotated Code of Maryland, the regulations set forth in Title 21 of the Code of Maryland Regulations (COMAR 21) in effect on the date of execution of this Contract are applicable to this Contract.

**22. Financial Disclosure**

The Contractor shall comply with the provisions of Section 13-221 of the State Finance and Procurement Article of the Annotated Code of Maryland, which requires that every business that enters into contracts, leases, or other agreements with the State or its agencies during a calendar year under which the business is to receive in the aggregate, $100,000 or more, shall within 30 days of the time when the aggregate value of these contracts, leases or other agreements reaches $100,000, file with the Secretary of State of Maryland certain specified information to include disclosure of beneficial ownership of the business.

**23. Political Contribution Disclosure**

The Contractor shall comply with Election Law Article, Title 14, Annotated Code of Maryland, which requires that every person that enters into a procurement contract with the State, a county, or a municipal corporation, or other political subdivision of the State, during a calendar year in which the person receives a contract with a governmental entity in the amount of $200,000 or more, shall file with the State Board of Elections statements disclosing: (a) any contributions made during the reporting period to a candidate for elective office in any primary or general election; and (b) the name of each candidate to whom one or more contributions in a cumulative amount of $500 or more were made during the reporting period. The statement shall be filed with the State Board of Elections: (a) before execution of a contract by the State, a county, a municipal corporation, or other political subdivision of the State, and shall cover the 24 months prior to when a contract was awarded; and (b) if the contribution is made after the execution of a contract, then twice a year, throughout the contract term, on or before: (i) May 31, to cover the six (6) month period ending April 30; and (ii) November 30, to cover the six (6) month period ending October 31. Additional information is available on the State Board of Elections website: <http://www.elections.state.md.us/campaign_finance/index.html>.

**24. Retention of Records**

The Contractor and subcontractors shall retain and maintain all records and documents in any way relating to this Contract for (i) three (3) years after final payment by the State hereunder, or (ii) any applicable federal or State retention requirements (such as HIPAA) or condition of award, , whichever is longer, and shall make them available for inspection and audit by authorized representatives of the State, as designated by the Procurement Officer, at all reasonable times. The Contractor shall provide copies of all documents requested by the State, including, but not limited to itemized billing documentation containing the dates, hours spent and work performed by the Contractor and its subcontractors under the Contract. All records related in any way to the Contract are to be retained for the entire time provided under this section.

**25. Right to Audit**

25.1 The State reserves the right, at its sole discretion and at any time, to perform an audit of the Contractor’s performance under this Contract. An audit is defined as a planned and documented independent activity performed by qualified personnel, including but not limited to State and federal auditors, to determine by investigation, examination, or evaluation of objective evidence from data, statements, records, operations and performance practices (financial or otherwise) the Contractor’s compliance with the Contract, including but not limited to adequacy and compliance with established procedures and internal controls over the services performed pursuant to the Contract.

25.2 Upon three (3) Business Days’ notice, the State shall be provided reasonable access to Contractor’s records to perform any such audits. The Agency may conduct these audits with any or all of its own internal resources or by securing the services of a third party accounting or audit firm, solely at the Agency’s election. The Agency may copy any record related to the services performed pursuant to the Contract. The Contractor agrees to fully cooperate and assist in any audit conducted by or on behalf of the State, including, by way of example only, making records and employees available as, where, and to the extent requested by the State and by assisting the auditors in reconciling any audit variances. Contractor shall not be compensated for providing any such cooperation and assistance.

25.3 The right to audit shall include any of the Contractor’s subcontractors including but not limited to any lower tier subcontractor(s). The Contractor shall ensure the Agency has the right to audit such subcontractor(s).

**26. Compliance with Laws**

The Contractor hereby represents and warrants that:

1. It is qualified to do business in the State and that it will take such action as, from time to time hereafter, may be necessary to remain so qualified;
2. It is not in arrears with respect to the payment of any monies due and owing the State, or any department or unit thereof, including but not limited to the payment of taxes and employee benefits, and that it shall not become so in arrears during the Term;
3. It shall comply with all federal, State and local laws, regulations, and ordinances applicable to its activities and obligations under this Contract; and
4. It shall obtain, at its expense, all licenses, permits, insurance, and governmental approvals, if any, necessary to the performance of its obligations under this Contract.

**27. Cost and Price Certification**

27.1 The Contractor, by submitting cost or price information certifies that, to the best of its knowledge, the information submitted is accurate, complete, and current as of the date of its Proposal.

27.2 The price under this Contract and any change order or modification hereunder, including profit or fee, shall be adjusted to exclude any significant price increases occurring because the Contractor furnished cost or price information which, as of the date of its Proposal, was inaccurate, incomplete, or not current.

**28. Subcontracting; Assignment**

The Contractor may not subcontract any of its obligations under this Contract without obtaining the prior written approval of the Procurement Officer, nor may the Contractor assign this Contract or any of its rights or obligations hereunder, without the prior written approval of the Procurement Officer, each at the State’s sole and absolute discretion; provided, however, that a Contractor may assign monies receivable under a contract after written notice to the State. Any subcontracts shall include such language as may be required in various clauses contained within this Contract, exhibits, and attachments. The Contract shall not be assigned until all approvals, documents, and affidavits are completed and properly registered. The State shall not be responsible for fulfillment of the Contractor’s obligations to its subcontractors.

**29. Limitations of Liability**

29.1 Contractor shall be liable for any loss or damage to the State occasioned by the acts or omissions of Contractor, its subcontractors, agents or employees as follows:

(a) For infringement of patents, trademarks, trade secrets and copyrights as provided in **Section 5 “Patents, Copyrights, Intellectual Property”** of this Contract;

(b) Without limitation for damages for bodily injury (including death) and damage to real property and tangible personal property; and

(c) For all other claims, damages, loss, costs, expenses, suits or actions in any way related to this Contract and regardless of the basis on which the claim is made, Contractor’s liability shall not exceed two (2) times the total value of the Contract or $1,000,000, whichever is greater. The above limitation of liability is per incident.

(d) In no event shall the existence of a subcontract operate to release or reduce the liability of Contractor hereunder. For purposes of this Contract, Contractor agrees that all subcontractors shall be held to be agents of Contractor.

29.2 Contractor’s indemnification obligations for Third party claims arising under Section 6 (“Indemnification”) of this Contract are included in this limitation of liability only if the State is immune from liability. Contractor’s indemnification liability for third party claims arising under Section 6 of this Contract shall be unlimited if the State is not immune from liability for claims arising under Section 6.

29.3. In no event shall the existence of a subcontract operate to release or reduce the liability of Contractor hereunder. For purposes of this Contract, Contractor agrees that it is responsible for performance of the services and compliance with the relevant obligations hereunder by its subcontractors.

**30. Commercial Nondiscrimination**

30.1 As a condition of entering into this Contract, Contractor represents and warrants that it will comply with the State’s Commercial Nondiscrimination Policy, as described under Title 19 of the State Finance and Procurement Article of the Annotated Code of Maryland. As part of such compliance, Contractor may not discriminate on the basis of race, color, religion, ancestry, national origin, sex, age, marital status, sexual orientation, sexual identity, genetic information or an individual’s refusal to submit to a genetic test or make available the results of a genetic test or on the basis of disability, or otherwise unlawful forms of discrimination in the solicitation, selection, hiring, or commercial treatment of subcontractors, vendors, suppliers, or commercial customers, nor shall Contractor retaliate against any person for reporting instances of such discrimination. Contractor shall provide equal opportunity for subcontractors, vendors, and suppliers to participate in all of its public sector and private sector subcontracting and supply opportunities, provided that this clause does not prohibit or limit lawful efforts to remedy the effects of marketplace discrimination that have occurred or are occurring in the marketplace. Contractor understands that a material violation of this clause shall be considered a material breach of this Contract and may result in termination of this Contract, disqualification of Contractor from participating in State contracts, or other sanctions. This clause is not enforceable by or for the benefit of, and creates no obligation to, any third party.

30.3 As a condition of entering into this Contract, upon the request of the Commission on Civil Rights, and only after the filing of a complaint against Contractor under Title 19 of the State Finance and Procurement Article of the Annotated Code of Maryland, as amended from time to time, Contractor agrees to provide within 60 days after the request a complete list of the names of all subcontractors, vendors, and suppliers that Contractor has used in the past four (4) years on any of its contracts that were undertaken within the State of Maryland, including the total dollar amount paid by Contractor on each subcontract or supply contract. Contractor further agrees to cooperate in any investigation conducted by the State pursuant to the State Commercial Nondiscrimination Policy as set forth under Title 19 of the State Finance and Procurement Article of the Annotated Code of Maryland, and to provide any documents relevant to any investigation that are requested by the State. Contractor understands that violation of this clause is a material breach of this Contract and may result in Contract termination, disqualification by the State from participating in State contracts, and other sanctions.

30.4 The Contractor shall include the language from 30.1, or similar clause approved in writing by the Agency, in all subcontracts.

**31. Prompt Pay Requirements**

31.1 If the Contractor withholds payment of an undisputed amount to its subcontractor, the Agency, at its option and in its sole discretion, may take one or more of the following actions:

(a) Not process further payments to the Contractor until payment to the subcontractor is verified;

(b) Suspend all or some of the Contract work without affecting the completion date(s) for the Contract work;

(c) Pay or cause payment of the undisputed amount to the subcontractor from monies otherwise due or that may become due to the Contractor;

(d) Place a payment for an undisputed amount in an interest-bearing escrow account; or

(e) Take other or further actions as appropriate to resolve the withheld payment.

31.2 An “undisputed amount” means an amount owed by the Contractor to a subcontractor for which there is no good faith dispute. Such “undisputed amounts” include, without limitation: (a) retainage which had been withheld and is, by the terms of the agreement between the Contractor and subcontractor, due to be distributed to the subcontractor; and (b) an amount withheld because of issues arising out of an agreement or occurrence unrelated to the agreement under which the amount is withheld.

31.3 An act, failure to act, or decision of a Procurement Officer or a representative of the Agency concerning a withheld payment between the Contractor and a subcontractor under this **section 31**, may not:

(a) Affect the rights of the contracting parties under any other provision of law;

(b) Be used as evidence on the merits of a dispute between the Agency and the Contractor in any other proceeding; or

(c) Result in liability against or prejudice the rights of the Agency.

31.4 The remedies enumerated above are in addition to those provided under COMAR 21.11.03.13 with respect to subcontractors that have contracted pursuant to the MBE program.

31.5 To ensure compliance with certified MBE subcontract participation goals, the Agencymay, consistent with COMAR 21.11.03.13, take the following measures:

(a) Verify that the certified MBEs listed in the MBE participation schedule actually are performing work and receiving compensation as set forth in the MBE participation schedule. This verification may include, as appropriate:

i. Inspecting any relevant records of the Contractor;

ii. Inspecting the jobsite; and

iii. Interviewing subcontractors and workers.

Verification shall include a review of:

i. The Contractor’s monthly report listing unpaid invoices over thirty (30) days old from certified MBE subcontractors and the reason for nonpayment; and

ii. The monthly report of each certified MBE subcontractor, which lists payments received from the Contractor in the preceding thirty (30) days and invoices for which the subcontractor has not been paid.

(b) If the Agency determines that the Contractor is not in compliance with certified MBE participation goals, then the Agency will notify the Contractor in writing of its findings, and will require the Contractor to take appropriate corrective action. Corrective action may include, but is not limited to, requiring the Contractor to compensate the MBE for work performed as set forth in the MBE participation schedule.

(c) If the Agency determines that the Contractor is in material noncompliance with MBE Contract provisions and refuses or fails to take the corrective action that the Agency requires, then the Agency may:

i. Terminate the Contract;

ii. Refer the matter to the Office of the Attorney General for appropriate action; or

iii. Initiate any other specific remedy identified by the Contract, including the contractual remedies required by any applicable laws, regulations, and directives regarding the payment of undisputed amounts.

(d) Upon completion of the Contract, but before final payment or release of retainage or both, the Contractor shall submit a final report, in affidavit form under the penalty of perjury, of all payments made to, or withheld from, MBE subcontractors.

**32. Living Wage**

If a Contractor subject to the Living Wage law fails to submit all records required under COMAR 21.11.10.05 to the Commissioner of Labor and Industry at the Department of Labor, Licensing and Regulation, the Agency may withhold payment of any invoice or retainage. The Agency may require certification from the Commissioner on a quarterly basis that such records were properly submitted.

**33. Use of Estimated Quantities**

Unless specifically indicated otherwise in the State’s solicitation or other controlling documents related to the Scope of Work, any sample amounts provided are estimates only and the Agency does not guarantee a minimum or maximum number of units or usage in the performance of this Contract.

**34. Risk of Loss; Transfer of Title**

Risk of loss for conforming supplies, equipment, materials and Deliverables furnished to the State hereunder shall remain with the Contractor until such supplies, equipment, materials and Deliverables are received and accepted by the State, following which, title shall pass to the State.

**35. Effect of Contractor Bankruptcy**

All rights and licenses granted by the Contractor under this Contract are and shall be deemed to be rights and licenses to “intellectual property,” and the subject matter of this Contract, including services, is and shall be deemed to be “embodiments of intellectual property” for purposes of and as such terms are used and interpreted under § 365(n) of the United States Bankruptcy Code (“Code”) (11 U.S.C. § 365(n) (2010)). The State has the right to exercise all rights and elections under the Code and all other applicable bankruptcy, insolvency and similar laws with respect to this Contract (including all executory statement of works). Without limiting the generality of the foregoing, if the Contractor or its estate becomes subject to any bankruptcy or similar proceeding: (a) subject to the State’s rights of election, all rights and licenses granted to the State under this Contract shall continue subject to the respective terms and conditions of this Contract; and (b) the State shall be entitled to a complete duplicate of (or complete access to, as appropriate) all such intellectual property and embodiments of intellectual property, and the same, if not already in the State’s possession, shall be promptly delivered to the State, unless the Contractor elects to and does in fact continue to perform all of its obligations under this Contract.

**36. Miscellaneous**

36.1 Any provision of this Contract which contemplates performance or observance subsequent to any termination or expiration of this Contract shall survive termination or expiration of this Contract and continue in full force and effect.

36.2 If any term contained in this Contract is held or finally determined to be invalid, illegal, or unenforceable in any respect, in whole or in part, such term shall be severed from this Contract, and the remaining terms contained herein shall continue in full force and effect, and shall in no way be affected, prejudiced, or disturbed thereby.

36.3 The headings of the sections contained in this Contract are for convenience only and shall not be deemed to control or affect the meaning or construction of any provision of this Contract.

36.4 This Contract may be executed in any number of counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. Signatures provided by facsimile or other electronic means, e,g, and not by way of limitation, in Adobe .PDF sent by electronic mail, shall be deemed to be original signatures.

**37. Contract Monitor and Procurement Officer**

37.1 The Contract Monitor is the State representative for this Contract who is primarily responsible for Contract administration functions, including issuing written direction, invoice approval, monitoring this Contract to ensure compliance with the terms and conditions of the Contract, monitoring MBE and VSBE compliance, and achieving completion of the Contract on budget, on time, and within scope. The Contract Monitor may authorize in writing one or more State representatives to act on behalf of the Contract Monitor in the performance of the Contract Monitor’s responsibilities. The MLGCA may change the Contract Monitor at any time by written notice to the Contractor.

37.2 The Procurement Officer has responsibilities as detailed in the Contract, and is the only State representative who can authorize changes to the Contract. The MLGCA may change the Procurement Officer at any time by written notice to the Contractor.

**38. Notices**

All notices hereunder shall be in writing and either delivered personally or sent by certified or registered mail, postage prepaid, as follows:

If to the State:

James Logue

Maryland Lottery and Gaming Control Agency (MLGCA)

Montgomery Park Business Center

1800 Washington Boulevard, Suite 330

Baltimore, MD 21230

Phone Number: 410-230-5588

Email: James.Logue@Maryland.gov

With a copy to:

Robert Howells

Maryland Lottery and Gaming Control Agency (MLGCA)

Montgomery Park Business Center

1800 Washington Boulevard, Suite 330

Baltimore, MD 21230

Phone Number: 410-230-8789

Email: Robert.Howells@Maryland.gov

If to the Contractor:

(Contractor’s Name)

(Contractor’s primary address)

Attn: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

[[Delete the following if a parent company guarantee is inapplicable:]]

Parent Company Guarantor

Contact: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Attn: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**39. Liquidated Damages for MBE**

39.1 The Contract requires the Contractor to comply in good faith with the MBE Program and Contract provisions. The State and the Contractor acknowledge and agree that the State will incur damages, including but not limited to loss of goodwill, detrimental impact on economic development, and diversion of internal staff resources, if the Contractor does not comply in good faith with the requirements of the MBE Program and MBE Contract provisions. The parties further acknowledge and agree that the damages the State might reasonably be anticipated to accrue as a result of such lack of compliance are difficult to ascertain with precision.

39.2 Therefore, upon issuance of a written determination by the State that the Contractor failed to comply in good faith with one or more of the specified MBE Program requirements or MBE Contract provisions, the Contractor shall pay liquidated damages to the State at the rates set forth below. The Contractor expressly agrees that the State may withhold payment on any invoices as a set-off against liquidated damages owed. The Contractor further agrees that for each specified violation, the agreed upon liquidated damages are reasonably proximate to the loss the State is anticipated to incur as a result of such violation.

(a) Failure to submit each monthly payment report in full compliance with COMAR 21.11.03.13B (3): $25.00per day until the monthly report is submitted as required.

(b) Failure to include in its agreements with MBE subcontractors a provision requiring submission of payment reports in full compliance with COMAR 21.11.03.13B (4): $500.00per MBE subcontractor.

(c) Failure to comply with COMAR 21.11.03.12 in terminating, canceling, or changing the scope of work/value of a contract with an MBE subcontractor and amendment of the MBE participation schedule: the difference between the dollar value of the MBE participation commitment on the MBE participation schedule for that specific MBE firm and the dollar value of the work performed by that MBE firm for the Contract.

(d) Failure to meet the Contractor’s total MBE participation goal and sub goal commitments: the difference between the dollar value of the total MBE participation commitment on the MBE participation schedule and the MBE participation actually achieved.

(e) Failure to promptly pay all undisputed amounts to an MBE subcontractor in full compliance with the prompt payment provisions of the Contract: $100.00 per day until the undisputed amount due to the MBE subcontractor is paid.

39.3 Notwithstanding the assessment or availability of liquidated damages, the State reserves the right to terminate the Contract and exercise any and all other rights or remedies which may be available under the Contract or Law.

**40. Parent Company Guarantee (If applicable)**

If a Contractor intends to rely on its Parent Company in some manner while performing on the State Contract, the following clause should be included and completed for the Contractor’s Parent Company to guarantee performance of the Contractor. The guarantor/Contractor’s Parent Company should be named as a party and signatory to the Contract and should be in good standing with SDAT.

(Corporate name of Contractor’s Parent Company) hereby guarantees absolutely the full, prompt, and complete performance by (Contractor) of all the terms, conditions and obligations contained in this Contract, as it may be amended from time to time, including any and all exhibits that are now or may become incorporated hereunto, and other obligations of every nature and kind that now or may in the future arise out of or in connection with this Contract, including any and all financial commitments, obligations, and liabilities. (Corporate name of Contractor’s Parent Company) may not transfer this absolute guaranty to any other person or entity without the prior express written approval of the State, which approval the State may grant, withhold, or qualify in its sole and absolute subjective discretion. (Corporate name of Contractor’s Parent Company) further agrees that if the State brings any claim, action, lawsuit or proceeding against (Contractor), (Corporate name of Contractor’s Parent Company) may be named as a party, in its capacity as Absolute Guarantor.

**41. Compliance with federal Health Insurance Portability and Accountability Act (HIPAA) and State Confidentiality Law**

HIPAA clauses do not apply to this Contract.

**42. 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.

**43. Annual Financial Statement Audits**

The Contractor shall have an annual financial statement audit conducted by an independent Certified Public Accounting ("CPA") firm. These audits shall be conducted in accordance with auditing standards generally accepted in the United States of America. The Contractor shall incur the cost of the financial statement audit. A copy of the Contractor’s annual financial statement audit, including the opinion, shall be provided directly to the MLGCC upon completion of each audit.

The Contractor shall provide the MLGCC with Securities and Exchange Commission (SEC) 10-K reports (or the appropriate non-U.S. equivalent) as they are issued, together with any other reports required pursuant to Section 13 of the Securities and Exchange Act of 1934, as amended.

**44. Good Faith**

The parties agree to cooperate fully in good faith and to assist each other to the extent reasonable and practicable to accomplish the objectives set forth in this Contract.

**45. News/Press Releases**

The MLGCC is the only entity authorized to issue news releases relating to this Contract and performance thereunder. The Contractor shall not issue any news or press releases or any commercial advertising pertaining to this Contract or to the MLGCC or MLGCA without the prior written approval of the Procurement Officer.

**46. Adverse Interest**

The Contractor agrees that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of its services hereunder. The Contractor further agrees that in the performance of this Contract it will not knowingly employ, directly or indirectly, any person having such an interest.

**47. Non-Exclusive Rights**

The Contract shall be non-exclusive and nothing in this Contract shall preclude the MLGCC from procuring similar services from another vendor. The MLGCC reserves the right to secure directly the services of third parties to perform any services secured under this Contract. The Offeror will not be entitled to payment of any fee or otherwise for any services performed by these third parties.

**SIGNATURES ON NEXT PAGE**

IN WITNESS THEREOF, the parties have executed this Contract as of the date hereinabove set forth.

|  |  |
| --- | --- |
| **CONTRACTOR**  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | **STATE OF MARYLAND**  **MARYLAND LOTTERY AND GAMING CONTROL COMMISSION (MLGCC)** |
|  |  |
| By:  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | By: E. Randolph Marriner,  Chairman  Date\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| Date\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |  |
| **PARENT COMPANY (GUARANTOR) (if applicable)** |  |
| \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |  |
| By: |  |
| \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |  |
| Date\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| Approved for form and legal sufficiency  this \_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_\_.  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Assistant Attorney General |  |
|  | |
| APPROVED BY BPW: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_  (Date) (BPW Item #) | |
|  | |

Attachment N. Contract Affidavit

See link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/Attachment-N-ContractAffidavit.pdf>.

Attachment P. Proposal Bond

**Page 1 of 2**

Bond No. \_\_\_\_\_\_\_\_\_

KNOW ALL MEN BY THESE PRESENTS, that we, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(Offeror)

as Principal, hereinafter called the Principal, and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(Bonding Company)

a corporation duly organized under the laws of the state of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, as Surety, hereinafter called the Surety, are held and firmly bond unto the State of Maryland, hereinafter called "State" for the sum of **Five Hundred Thousand and 00/100 Dollars ($500,000)**, for the payment of which sum, the said Principal and the said Surety bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has submitted a proposal for a **Central Monitor and Control System for a Video Lottery Terminal Program (#2021-06)** to provide a Video Lottery Central System and associated services.

NOW, THEREFORE, if the Principal, upon acceptance by the State of its proposal identified above, within the period specified herein for acceptance for one hundred-eighty (180) days, shall execute such further contractual documents, if any, and give such bond(s) as may be required by the terms of the proposal as accepted within the time specified (ten (10) days if no period is specified) after receipt of the forms, or in the event of failure so to execute such further contractual documents and give such bonds, if the Principal shall pay the State for any cost of procuring the work which exceeds the amount of its proposal, then the above obligation shall be void and of no effect.

The Surety executing this instrument hereby agrees that its obligation shall not be impaired by any extension(s) of the time for acceptance of the proposal that the Principal may grant to the State, notice of which extension(s) to the Surety being hereby waived; provided that such waiver of notice shall apply only with respect to extensions aggregating not more than ninety (90) calendar days in addition to the period originally allowed for acceptance of the proposal.

**THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.**

**Page 2 of 2**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

In Presence of: **INDIVIDUAL PRINCIPAL**

Witness\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_as to\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(SEAL)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

In Presence of: **CO-PARTNERSHIP PRINCIPAL**

Witness

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(SEAL)

(Name of Co-Partnership)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ as to BY: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(SEAL)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ as to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(SEAL)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ as to\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(SEAL)

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**CORPORATE PRINCIPAL**

Attest: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(Name of Corporation)

AFFIX

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ BY: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ CORPORATE

Corporate Secretary President SEAL

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**SURETY**

Attest: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(Name of Surety)

AFFIX

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ BY: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ CORPORATE

Secretary President SEAL

Bonding Agent’s Name \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Agent’s Address \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Business Address of Surety \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Attachment O. DHS Hiring Agreement

This solicitation does not require a DHS Hiring Agreement.

Attachment Q. Litigation/Protest Bond

BOND NO. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

KNOW ALL MEN BY THESE PRESENTS THAT \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ having its principal office at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ as Principal and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ authorized to transact business in the State of Maryland, as Surety and held and firmly bound to the State of Maryland, as obligee in the sum of **Five Hundred Thousand and 00/100 Dollars ($500,000)**. As a condition of the Maryland State Lottery and Gaming Control Agency’s Request for Proposals #2021-06, this bond must be supplied with the Proposal with provision that a claim may be made upon this bond in accordance with Section 4.38.2 of the Maryland State Lottery and Gaming Control Agency’s Request for Proposals #2021-06 for “Central Monitor and Control System for a Video Lottery Terminal Program”.

PRINCIPAL AND SURETY bind themselves, their heirs, assigns, executors and administrator, jointly and severally, conditioned that this obligation shall remain in full force and effect for a period of one (1) year from the Deadline for Receipt of Proposals.

Provided, however, the Surety shall not be liable for the sum greater than the penal sum of this bond.

IN WITNESS WHEREOF, the said Principal’s hand and seal have been set hereunto and the said Surety has caused these presents to be signed by its Attorney to become effective on this, the \_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_, 2020.

WITNESS: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ BY: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

TITLE: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

SURETY: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

WITNESS: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ BY: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

TITLE: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Attachment R. Performance Bond

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Principal Business Address of Principal

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Surety Obligee: STATE OF MARYLAND

a corporation of the State of \_\_\_\_\_\_ By and through the following

and authorized to do business in Administration: Lottery & Gaming Control

the State of Maryland

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Penal Sum of Bond (express in words and figures)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ , 20\_\_\_

Date Bond Executed

Contract Number: #2021-06 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ , 20\_\_\_

Description of Contract: Date of Contract

Central Monitor and Control System for a Video Lottery Terminal Program

KNOW ALL MEN BY THESE PRESENTS, That we, the Principal named above and Surety named above, are held and firmly bound unto the Obligee named above in the Penal Sum of this Performance Bond stated above, for the payment of which Penal Sum we bind ourselves, our heirs, executors, administrators, personal representatives, successors, and assigns, jointly and severally, firmly by these presents. However, where Surety is composed of corporations acting as co-sureties, we, the co-sureties, bind ourselves, our successors and assigns, in such Penal Sum jointly and severally as well as severally only for the purpose of allowing a joint action or actions against any or all of us, and for all other purposes each co-surety binds itself, jointly and severally with the Principal, for the payment of such sum as appears above its name below, but if no limit of liability is indicated, the limit of such liability shall be the full amount of the Penal Sum.

WHEREAS, Principal has entered into or will enter into a contract with the State of Maryland, by and through the Administration named above acting for the State of Maryland, which contract is described and dated as shown above, and incorporated herein by reference. The contract and all items incorporated into the contract, together with any and all changes, extensions of the time, alterations, modifications, or additions to the contract or to the work to be performed thereunder or to the Plans, Specifications, and Special Provisions, or any of them, or to any other items incorporated into the contract shall hereinafter be referred to as "the Contract."

**PAGE 2 OF 3**

WHEREAS, it is one of the conditions precedent to the final award of the Contract that these presents be executed.

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 unless and until the following terms and conditions are meet:

1. Principal shall well and truly perform the Contract; and

2. Principal and Surety shall comply with the terms and conditions contained in this Performance Bond.

Whenever Principal shall be declared by the Administration to be in default under the Contract, the Surety may, within 15 days after notice of default form the Administration, notify the Administration of its election to either promptly proceed to remedy the default or promptly to complete the contract in accordance with and subject to its terms and conditions. In the event the Surety does not elect to exercise either of the above stated options, then the Administration thereupon shall have the remaining contract work completed, Surety to remain liable hereunder for all expenses of completion up to but not exceeding the penal sum stated above.

The Surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Contract or to the work to be performed thereunder or the Specifications accompanying the same shall in any way affect its obligations on the Performance Bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the Contract or to the work or to the Specifications.

This Performance Bond shall be governed by and construed in accordance with the laws of the State of Maryland and any reference herein to Principal or Surety in the singular shall include all entities in the plural who or which are signatories under the Principal or Surety heading below.

IN WITNESS WHEREOF, Principal and Surety have set their hands and seals to this Performance Bond. If any individual is a signatory under the Principal heading below, then each such individual has signed below on his or her own behalf, has set forth below the name of the firm, if any, in whose name he or she is doing business, and has set forth below, then all members of each such partnership or joint venture have signed below, each member has set forth below the name of the partnership or joint venture, and each member has set forth below his or her title as general partner, limited partner, or member of joint venture, whichever is applicable. If any corporation is a signatory under the Principal or Surety heading below, then each such corporation has caused the following: the corporation's name to be set forth below, a duly authorized representative of the corporation to affix below the corporation's seal and to attach hereto a

**PAGE 3 OF 3**

notarized corporate resolution or power of attorney authorizing such action, and each such duly authorized representative to sign below and to set forth below his or her title as a representative of the corporation. If any individual acts as a witness to any signature below, then each such individual has signed below and has set forth below his or her title as a witness. All of the above has been done as of the Date of Bond shown above.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

In Presence of: **INDIVIDUAL PRINCIPAL**

Witness

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ as to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(SEAL)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

In Presence of: **CO-PARTNERSHIP PRINCIPAL**

Witness

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (SEAL) (Name of Co-Partnership)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ as to BY :\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(SEAL)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ as to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(SEAL)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ as to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(SEAL)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**CORPORATE PRINCIPAL**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Attest: (Name of Corporation)

AFFIX

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ BY:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_CORPORATE

Corporate Secretary President SEAL

**SURETY**

Attest:

AFFIX

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ BY: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_CORPORATE

Signature SEAL

Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(Business Address of Surety)

Bonding Agent's Name ­­­­­­­­­­­­­­­­­­­­­­\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Agent's Address \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Attachment S. Authorization for Release of Information

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Insert Name of Offeror) has submitted a proposal in response to RFP #2021-06 issued by the Maryland Lottery and Gaming Control Commission (“MLGCC”). As part of the MLGCC’s evaluation of the proposal, it will be contacting other entities that have had business relationships with Offeror.

This document, signed by an authorized representative of Offeror, demonstrates the desire of Offeror to:

1. Allow representatives of the MLGCC unfettered access to any and all monitoring reports, licensing or certification documents, and records of evaluations related to the experiences of Offeror in its prior or current contracts for lottery related services, as well as the experiences of any of its parent or subsidiary corporations or other entities with which it has been associated;

2. Allow the same access afforded by the previous section 1 above to apply to situations in which Offeror may have functioned as a subcontractor;

3. Grant representatives of the MLGCC unfettered access to discuss openly the performance of Offeror related to the experiences set out in sections 1 and 2 above; and

4. Expressly authorize that any and all of the information conveyed to representatives of the MLGCC be kept in confidence by the MLGCC without any expectation or requirement that the content of such information shall ever be released to Offeror or any other entity, except where otherwise required by law.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name & Title:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(Name of Offeror)

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Appendix 1. Abbreviations and Definitions

For purposes of this RFP, the following abbreviations or terms have the meanings indicated below:

1. Acceptable Use Policy (AUP) - A written policy documenting constraints and practices that a user must agree to in order to access a private network or the Internet.
2. Access – The ability or the means necessary to read, write, modify, or communicate data/information or otherwise use any information system resource.
3. Ad Hoc Reports - Reports generated as needed as opposed to on a production schedule.
4. Applicant – An entity that submits a Proposal in response to this RFP and applies for a Manufacturer's License; an entity or individual who applies for any License.
5. Associated Equipment – Hardware located on the Licensee’s premises that is connected to the Central System for the purpose of performing communication, validation, or other functions, but not including the communication facilities of a regulated utility or the VLTs.
6. Average Payout Percentage – The average percentage of money used by Players to play a VLT that is returned to Players of that VLT.
7. Background Investigation – A security, criminal, and credit investigation of a person who applies for or who is granted a License under the VLT Law.
8. Back-up Data Center ("BDC") - The secondary centralized storage facility used by an application service provider, which manages and distributes software-based services and solutions to customers across a wide area network from a central data center. For purposes of the Commission's Central System, the BDC is the real-time functional duplicate of the Primary Data Center (PDC). It is geographically separate from the PDC, to prevent a disaster from affecting both Centers at the same time.
9. Back-up Site – The location where the Back-up Data Center is located.
10. Back-up System – The Back-up/redundant environment that comprises the components of the System, taken as a single physical and/or logical group, that are designated as being redundant to the Primary System. The Back-up System is responsible for the accurate processing of a transaction in a secure manner if the Primary System is not functional.
11. Banking Table Games – a table game in which a player competes against a facility operator rather than against another player.
12. Business Day(s) – The official working days of the week to include Monday through Friday. Official working days excluding State Holidays (see definition of “Normal State Business Hours” below).
13. Central Monitor and Control System (“Central System”) – The hardware, software and network components which link and support all required video lottery terminals and the central site, provided to and controlled by the Commission to which VLTs communicate for the purposes of:

(1) Information retrieval;

(2) Retrieval of the win and loss determination from VLTs; and

(3) Programs to activate and disable VLTs.

1. COMAR – Code of Maryland Regulations available on-line at <http://www.dsd.state.md.us/COMAR/ComarHome.html>. Regulations governing the MLGCA are found in COMAR Title 36. Regulations governing the State procurement process are found in COMAR Title 21.
2. Commission - The Maryland State Lottery and Gaming Control Commission (“MLGCC”)
3. Connectivity - A system’s or device’s ability to link with other systems or devices, including third party systems or devices.
4. Contract – The Contract awarded to the successful Offeror pursuant to this RFP. The Contract will be in the form of **Attachment M**.
5. Contract Monitor – The State representative for this Contract who is primarily responsible for Contract administration functions, including issuing written direction, invoice approval, monitoring this Contract to ensure compliance with the terms and conditions of the Contract, monitoring MBE and VSBE compliance, and achieving completion of the Contract on budget, on time, and within scope. The Contract Monitor may authorize in writing one or more State representatives to act on behalf of the Contract Monitor in the performance of the Contract Monitor’s responsibilities. The MLGCA may change the Contract Monitor at any time by written notice to the Contractor.
6. Contractor – The selected Offeror that is awarded a Contract by the State.
7. Contractor Personnel – Employees and agents and subcontractor employees and agents performing work at the direction of the Contractor under the terms of the Contract awarded from this RFP.
8. Data Breach – The unauthorized acquisition, use, modification or disclosure of State data, or other Sensitive Data. Sensitive Data means PII;PHI; other proprietary or confidential data as defined by the State, including but not limited to “personal information” under Md. Code Ann., Commercial Law § 14-3501(e) and Md. Code Ann., St. Govt. § 10-1301(c) and information not subject to disclosure under the Public Information Act, Title 4 of the General Provisions Article; and information about an individual that (1) can be used to distinguish or trace an individual‘s identity, such as name, social security number, date and place of birth, mother‘s maiden name, or biometric records; or (2) is linked or linkable to an individual, such as medical, educational, financial, and employment information.
9. Days – Means calendar days unless otherwise specified.
10. Dealer Controlled Electronic Table Game - a table game or table game equipment that:
    1. Requires a live dealer to operate it;
    2. Utilizes electronics as part of the games operation to collect and store game outcome, accounting and other significant event data; and
    3. Permits wagering to be conducted electronically at a table game that is operated by a dealer.
    4. A “Dealer Controlled Electronic Table Game” may not utilize random number generators to determine the outcome of a game of chance.
11. Director - Director of the Maryland State Lottery and Gaming Control Agency.
12. Effective Date – The date the Contract is signed by the MLGCC following any required State approvals.
13. Electronic Table Games – Fully automated, i.e. no live dealer interaction, table games. These are considered VLTs for reporting and tax purposes.
14. eMMA – eMaryland Marketplace Advantage (see RFP Section 4.2).
15. Enterprise License Agreement (ELA) – An agreement to license the entire population of an entity (employees, on-site contractors, off-site contractors) accessing a software or service for a specified period of time for a specified value.
16. Failover - Hardware, software or manually initiated method of continuing System processing in the event of System, component, application, communications or operation failure(s), in as short a time as possible and with little or no impact to the VLT network. The remaining system(s) shall immediately assume the load in case of failure in one system, without loss or corruption of any data and transactions received prior to the time of the failure.
17. Go-Live Date – Upon termination of the Implementation Period, the date when the Contractor’s Central System commences live operations and assumes responsibility for the Statewide monitoring and control of the VLT program.
18. Gross Terminal Revenue (“GTR”) - Equals wagers less payouts less promotional credits up to the threshold as defined by the Commission, plus or minus any adjustments.
19. Implementation Period - The period of time from the Effective Date of this Central Monitor and Control System Contract (#2021-06) until the expiration date of the current Central Monitor and Control System Contract (#2009-11) with IGT, during which time the Contractor shall install the system including all required components, and prepare to commence operations and assume responsibility for the statewide monitoring and control of the VLT program. The Contractor shall not be paid or accrue the right to any payments from the State during the Implementation Period.
20. Information System – A discrete set of information resources organized for the collection, processing, maintenance, use, sharing, dissemination, or disposition of information.
21. Information Technology (IT) – All electronic information-processing hardware and software, including: (a) maintenance; (b) telecommunications; and (c) associated consulting services.
22. Key Personnel – All Contractor Personnel identified in the RFP as such that are essential to the work being performed under the Contract. See RFP Sections 3.10.
23. License – A License required under the VLT Law.
24. Licensee – An entity that has been issued a License required under VLT Law.
25. Local Time – Time in the Eastern Time Zone as observed by the State. Unless otherwise specified, all stated times shall be Local Time, even if not expressly designated as such.
26. Loss Carryforward – In the event a Facility pays more to players in a gaming day than the amount wagered, a gaming revenue loss will occur. A Facility may offset positive gaming revenues earned on up to seven subsequent days in a total amount equal to the loss.
27. Manufacturer –A person:

(1) That is engaged in the business of designing, building, constructing, assembling, manufacturing, or distributing a Central System, VLTs, Associated Equipment or software, or the cabinet in which a VLT is housed;

(2) That produces a product that is intended for sale, lease, or other assignment to the Commission or a Licensee; and

(3) That contracts with the Commission or a Licensee for the sale, lease, or other assignment of a product described in (1) above.

1. MLGCA -Maryland State Lottery and Gaming Control Agency, also sometimes referred to as the Lottery or Agency.
2. Minority Business Enterprise (MBE) – Any legal entity defined at COMAR 21.01.02.01B (54) which is certified by the Maryland Department of Transportation under COMAR 21.11.03.
3. Nonbanking Table Game - a table game in which a player competes against another player and in which the Facility operator collects a rake.
4. Normal State Business Hours - Normal State business hours are 8:00 a.m. – 5:00 p.m. Monday through Friday except when State Government offices are closed for business.
5. Notice to Proceed (NTP) – A written notice from the Procurement Officer that work under the Contract, project, Task Order or Work Order (as applicable) is to begin as of a specified date. The NTP Date is the start date of work under the Contract, project, Task Order or Work Order. Additional NTPs may be issued by either the Procurement Officer or the Contract Monitor regarding the start date for any service included within this contract with a delayed or non-specified implementation date.
6. NTP Date – The date specified in a NTP for work on Contract, project, Task Order or Work Order to begin.
7. Offeror – An entity that submits a Proposal in response to this RFP.
8. Participation Game - A VLT in which the manufacturer receives a percentage of the win from the VLT.
9. Personally Identifiable Information (PII) – Any information about an individual maintained by the State, including (1) any information that can be used to distinguish or trace an individual identity, such as name, social security number, date and place of birth, mother’s maiden name, or biometric records; and (2) any other information that is linked or linkable to an individual, such as medical, educational, financial, and employment information.
10. Player – An individual who plays a VLT or an Electronic Table Game at a Facility licensed by the Commission.
11. Primary Operations Site – The location from which the System(s) are operated.
12. Primary System or Primary Data Center ("PDC") - The components of the Central System, taken as a single physical and/or logical group, that are designated as being primarily responsible for the accurate processing of a transaction in a secure manner.
13. Proceeds –
14. The part of the amount of money bet through VLTs that is not returned to successful Players but is otherwise allocated under the law.

(2) “Proceeds” does not include money given away by an Operation Licensee as free promotional play and used by Players to bet in a VLT. The exclusion may not exceed a percentage established by the Commission by regulation of the Proceeds received in the prior fiscal year by the Operation Licensee.

1. Procurement Officer – Prior to the award of any Contract, the sole point of contact in the State for purposes of this RFP. After Contract award, the Procurement Officer has responsibilities as detailed in the Contract **(Attachment M),** and is the only State representative who can authorize changes to the Contract. The MLGCA may change the Procurement Officer at any time by written notice to the Contractor.
2. Progressive Jackpot – A prize that increases as one or more VLTs are connected to a Progressive Jackpot System.
3. Progressive Jackpot System – A system capable of linking one or more VLTs in one or more licensed Facilities and offering one or more common Progressive Jackpots.
4. Proposal – As appropriate, either or both of the Offeror’s Technical or Financial Proposal.
5. Protected Health Information (PHI) – Information that relates to the past, present, or future physical or mental health or condition of an individual; the provision of health care to an individual; or the past, present, or future payment for the provision of health care to an individual; and (i) that identifies the individual; or (ii) with respect to which there is a reasonable basis to believe the information can be used to identify the individual.
6. Report - Information produced by the System that is viewed via display, printed, or saved to a file depending on the needs of the Commission.
7. Request for Proposals (RFP) – This Request for Proposals issued by the Maryland Lottery and Gaming Control Agency (MLGCA), with the RFP Number and date of issuance indicated in the Key Information Summary Sheet, including any amendments thereto.
8. Scheduled Reports - Reports that come included with the Contractor's proposal or created for the Commission and that are produced on a regular production schedule.
9. Security Incident – A violation or imminent threat of violation of computer security policies, Security Measures, acceptable use policies, or standard security practices. “Imminent threat of violation” is a situation in which the organization has a factual basis for believing that a specific incident is about to occur.
10. Security or Security Measures – The technology, policy and procedures that a) protects and b) controls access to networks, systems, and data.
11. Sensitive Data - Means PII;PHI; other proprietary or confidential data as defined by the State, including but not limited to “personal information” under Md. Code Ann., Commercial Law § 14-3501(e) and Md. Code Ann., St. Govt. § 10-1301(c) and information not subject to disclosure under the Public Information Act, Title 4 of the General Provisions Article; and information about an individual that (1) can be used to distinguish or trace an individual‘s identity, such as name, social security number, date and place of birth, mother‘s maiden name, or biometric records; or (2) is linked or linkable to an individual, such as medical, educational, financial, and employment information.
12. Software - The object code version of computer programs licensed pursuant to this Contract. Embedded code, firmware, internal code, microcode, and any other term referring to software that is necessary for proper operation is included in this definition of Software. Software includes all prior, current, and future versions of the Software and all maintenance updates and error corrections. Software also includes any upgrades, updates, bug fixes or modified versions or backup copies of the Software licensed to the State by Contractor or an authorized distributor.
13. Software as a Service (SaaS) - A software licensing and delivery model in which software is licensed on a subscription basis and is centrally hosted. For the purposes of this RFP, the terms SaaS and PaaS are considered synonymous and the term SaaS will be used throughout this document.
14. Solution - All Software, deliverables, services and activities necessary to fully provide and support the RFP scope of work. This definition of Solution includes all System Documentation developed as a result of this Contract. Also included are all Upgrades, patches, break/fix activities, enhancements and general maintenance and support of the Solution and its infrastructure.
15. State – The State of Maryland and, within the context of its use, also the MLGCA.
16. Source Code – Executable instructions for Software in its high level, human readable form which are in turn interpreted, parsed and/or compiled to be executed as part of a computing system.
17. System Availability – The period of time the Solution works as required excluding non-operational periods associated with planned maintenance.
18. System Documentation – Those materials necessary to wholly reproduce and fully operate the most current deployed version of the Solution in a manner equivalent to the original Solution including, but not limited to:
    1. Source Code: This includes source code created by the Contractor or subcontractor(s) and source code that is leveraged or extended by the Contractor for use in the Contract;
    2. All associated rules, reports, forms, templates, scripts, data dictionaries and database functionality;
    3. All associated configuration file details needed to duplicate the run time environment as deployed in the current deployed version of the system;
    4. All associated design details, flow charts, algorithms, processes, formulas, pseudo-code, procedures, instructions, help files, programmer’s notes and other documentation;
    5. A complete list of Third Party, open source, or commercial software components and detailed configuration notes for each component necessary to reproduce the system (e.g., operating system, relational database, and rules engine software);
    6. All associated user instructions and/or training materials for business users and technical staff, including maintenance manuals, administrative guides and user how-to guides; and
    7. Operating procedures.
19. Telecommunications Network – A statewide data transport system that connects equipment in VLT Facilities to the Primary and Back-up Sites.
20. Third Party Software – Software and supporting documentation that:
    1. are owned by a third party, not by the State, the Contractor, or a subcontractor;
    2. are included in, or necessary or helpful to the operation, maintenance, support or modification of the Solution; and
    3. are specifically identified and listed as Third Party Software in the Proposal.
21. Total Proposal Price - The Offeror’s total price for goods and services in response to this RFP, included in the Financial Proposal Attachment B – Financial Proposal Form.
22. Upgrade - A new release of any component of the Solution containing major new features, functionality and/or performance improvements.
23. UPS – Uninterruptible Power Supply system
24. Veteran-owned Small Business Enterprise (VSBE) – A business that is verified by the Center for Verification and Evaluation (CVE) of the United States Department of Veterans Affairs as a veteran-owned small business. See Code of Maryland Regulations (COMAR) 21.11.13.
25. Video Lottery – Means gaming or betting conducted using a VLT.
26. Video Lottery Employee (“Employee”) – An employee who holds a gaming License.
27. Video Lottery Facility (“Facility”) – A Facility at which Players play VLTs, also sometimes referred to as Casino.
28. Video Lottery Operation License (“Operation License”) – A License issued to a person to operate a Video Lottery Facility that allows Players to operate VLTs.
29. Video Lottery Terminal (“VLT”)
    1. A “Video Lottery Terminal” is any machine or other device that, on insertion of a bill, coin, token, voucher, ticket, coupon, or similar item, or on payment of any consideration:
       1. is available to play or simulate the play of any game of chance in which the results, including the options available to the Player, are randomly determined by the machine or other device; and
       2. by the element of chance, may deliver or entitle the Player who operates the machine or device to receive cash, premiums, merchandise, tokens, or anything of value, whether the payout is made automatically from the device or in any other manner.
    2. “Video Lottery Terminal” includes a machine or device:
30. that does not directly dispense money, tokens, or anything of value to winning players; and
31. described under paragraph (1) above that uses an electronic credit system making the deposit of bills, coins, or tokens unnecessary.
    1. “Video Lottery Terminal” does not include an authorized slot machine operated by an eligible organization under Title 12, Subtitle 3 of the Criminal Law Article.
32. Video Lottery Terminal Program – Includes the operation of a central computer system supporting Video Lottery Terminals, games and Software.
33. VLT Law – The Maryland Video Lottery Terminal Law, State Government Article, Title 9, Subtitle 1A, Annotated Code of Maryland.

Appendix 2. Offeror Information Sheet

See link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/Appendix2-Bidder_OfferorInformationSheet.pdf>.