

## MARYLAND STATE LOTTERY COMMISSION

**TO:** E. Randolph Marriner, Chairperson, Maryland State Lottery and Gaming Control Commission  
Gordon Medenica, Director, Maryland Lottery and Gaming Control Agency

**FROM:** Jim Nielsen, Evaluation Committee Chairperson  
Robert Howells, Procurement Officer

**RE:** Central Monitor and Control System for a Video Lottery Terminal Program (#2021-06)

**DATE:** February 16, 2021

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The Evaluation Committee and Procurement Officer recommend that the seven-year contract (with two 2-year Renewal Options) for Central Monitor and Control System for a Video Lottery Terminal Program be awarded to:

IGT Global Solutions Corporation

Your concurrence is requested in order to proceed with this recommendation to the Department of General Services and the Board of Public Works.

### FINAL RANKING

<b>OFFEROR</b>	<b>TECHNICAL RANK</b>	<b>FINANCIAL OFFER (7-year base term)* (RANK)</b>	<b>OVERALL RANK**</b>
IGT Global Solutions Corporation ("IGT")	1	\$26,931,024.00 (1)	1
SG Gaming, Inc. (SGG")	2	\$35,074,616.00 (2)	2

\* Specified in RFP – Financial Proposal as “Basis Of Award”

\*\* Technical factors were given greater weight than financial factors in determining the overall ranking.

**CENTRAL MONITOR AND CONTROL SYSTEM FOR A VIDEO LOTTERY  
TERMINAL PROGRAM - RFP #2021-06**

**EVALUATION REPORT**

**I. PROCUREMENT OVERVIEW**

The Maryland State Lottery and Gaming Control Commission (“Commission”) issued a Request for Proposals (“RFP”) for Central Monitor and Control System for a Video Lottery Terminal Program (#2021-06) on October 1, 2020. The current Contract for these similar services is Central Monitor and Control System for a VLT Program #2009-11 which was awarded by BPW 1/6/2010 to the incumbent Contractor GTECH/IGT Corporation (which subsequently changed its name to IGT Global Solutions Corporation).

The RFP was sent directly by e-mail to 11 vendors, 2 of which were MBEs, and was posted on eMaryland Marketplace Advantage and the Lottery's website where it could be viewed by other interested parties. A copy of the RFP was also sent to the Governor’s Office of Minority Affairs.

It was determined that a RFP, as opposed to an Invitation for Bids, was the appropriate solicitation method for this procurement. The technical specifications are highly complex and could not be prepared in a manner that would permit an award based solely on the most favorable bid price without discussion, clarification and a Q&A process. A RFP allows for a complete evaluation of the offeror’s understanding of the problem, the technical specifications of its proposed Central System and a thorough evaluation of its experience with similar projects. Each proposal should be considered and evaluated on its technical merits and response to the specifications and then on price.

A Pre-Proposal Conference was held on October 21, 2020 by Video Teleconference and was attended by 12 individuals representing 3 companies, including 1 MBE. Other parties may have been in attendance that did not confirm their attendance in advance.

Three sets of Questions & Answers (Q&A#1, #2, and #3) and two Amendments (Amendment #1 and #2) were issued during the solicitation process prior to the Proposal Due Date.

The Proposal Due Date stated in the RFP was December 2, 2020. In response to the RFP, two (2) Offerors timely submitted proposals as indicated below:

IGT Global Solutions Corporation (“IGT”)  
SG Gaming, Inc. (“SGG”)

IGT and SGG are established competitors in the field with several VLT programs currently being serviced by each.

The MLGCA is very familiar with the VLT central system providers through its daily activities involving gaming and lottery operations as well as participation in various industry trade organizations. There are presently only three companies supplying VLT central monitor and control systems to lotteries in North America. Both proposals received

were from companies with extensive business throughout North America. The third company has only a single customer that we are aware of and although it was directly solicited it chose not to submit a proposal. In consideration of the foregoing market conditions, it is felt that the maximum competition possible was achieved with the two proposals that were received.

## **II. PROCUREMENT OFFICER’S REVIEW**

The Procurement Officer conducted a preliminary review of the Proposals submitted by both IGT and SGG in order to verify compliance with all proposal submission requirements, proper packaging, format, and items required by Section 7 – RFP Attachments and Appendices.

Both IGT and SGG were determined to be in compliance with the submission requirements. IGT stated no Exceptions to the RFP. SGG stated seven Exceptions to the RFP’s contractual requirements, the resolution of which was deferred until after further evaluation of the Proposal to determine whether it was likely to be otherwise eligible for award.

Since both IGT and SGG are already licensed by the Commission as a Manufacturer, no further License related submissions were required.

## **III. EVALUATION COMMITTEE**

The Commission appointed an Evaluation Committee composed of the following MLGCA individuals to conduct an evaluation of the proposals and make a recommendation for contract award:

Jim Nielsen, Deputy Director/COO (Chairperson)  
James Logue, Managing Director, Gaming  
Jennifer Wetherell, Director, Electronic Gaming Device Operation  
Jeff Patchen, CIO  
Margie Boettinger, VLT Account Supervisor - Finance

## **IV. TECHNICAL EVALUATION**

The Evaluation Committee’s findings regarding the evaluation of the Offerors’ Technical Proposals are summarized below.

### **A. Qualifying Proposals**

Both proposals were first reviewed by the Procurement Officer to determine if the Offeror Minimum Qualifications specified in Section 1.1 of the RFP had been met and to determine compliance with the submission requirements of the RFP. Both Offerors were determined to be in compliance with this Section.

### **B. Oral Presentations/Discussions**

As part of the evaluation process, the Evaluation Committee conducted Oral Presentations/Discussions with both Offerors by Video Teleconference – IGT on January 27, 2021 and SGG on February 1, 2021. Each Offeror was provided in advance with a list of questions covering specific topic areas of the proposals to which they provided written answers. The Offerors were advised that the Discussions would not be limited to only these advance questions and they should be prepared to address these and other questions regarding all areas of their proposals that the Committee may have.

**C. Site Visits**

Site visits were not conducted 1) due to the pandemic restrictions but also 2) because the Committee felt that for these particular services all needed information could be otherwise obtained and site visits would not provide any substantial benefit.

**D. Evaluation Criteria**

The RFP identified the following Criteria to be used to evaluate each Technical Proposal, which 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).

The Evaluation Committee utilized a consensus method to arrive at a technical ranking for each of the Evaluation Criteria.

**E. Committee's Ranking as to Technical Evaluation Criteria**

**TECHNICAL RANKING**

<b>OFFEROR</b>	<b>TECHNICAL RANK</b>
IGT	1
SGG	2

**F. Summary of the Evaluation Committee's findings for each Evaluation Criterion for each of the Offeror's proposals.**

Both Offerors submitted proposals that met the required specifications and were overall acceptable. For Criteria #4 and 5, both Offerors were ranked equally. For Criterion #1, 2 and 3, IGT was ranked somewhat higher. IGT had a modest technical advantage in six (6) sub-criteria which resulted in it being ranked first. In general, the Committee felt that IGT also out performed SGG in the presentations.

**V. FINANCIAL EVALUATION**

Following the completion of the evaluation of Technical Proposals, the Financial Proposals were opened. Financial proposals were ranked from the lowest (best) price to the highest price, based on the Offeror's "Total Estimated 7-Year Contract Price" as specified in the Financial Proposal – Financial Proposal Sheet (Summary). A financial model was included in the RFP as a basis for calculation and comparison of financial offers.

**FINANCIAL RANKING**

<b>OFFEROR</b>	<b>FINANCIAL OFFER (7-year base term)</b>	<b>RANK</b>
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SGG	\$35,074,616.00	2

**VI. BEST AND FINAL OFFERS**

After review of the Technical Proposals, Oral Presentations/Discussions, Offeror Clarifications, the limited time available, and review of the Financial Proposals, the Procurement Office determined that a Best and Final Financial Offer ("BAFO") would likely provide no benefit to the State. The successful Offeror (incumbent) has offered a lower price than the existing contract and the second ranked financial Offeror is extremely unlikely to reduce its substantially higher price enough to be competitive.

**VII. OVERALL RANKING**

Considering price and the evaluation factors set forth in the RFP, the Evaluation Committee has determined the overall ranking of the proposals as listed below and believes that the #1 overall ranked proposal offers the best value—the most advantageous offer to the State:

<b>OFFEROR</b>	<b>TECHNICAL RANK</b>	<b>FINANCIAL OFFER (7-year base term) (RANK)</b>	<b>OVERALL RANK*</b>
IGT	1	\$26,931,024.00 (1)	1
SGG	2	\$35,074,616.00 (2)	2

\* Technical factors were given greater weight than financial factors in determining the overall ranking.

Based on the above result, the Evaluation Committee and Procurement Officer recommend award of the Contract resulting from the RFP for Central Monitor and Control System for a Video Lottery Terminal Program (#2021-06) to the Offeror specified below, a responsible Offeror whose proposal has been determined to be the most advantageous to the State considering price and the evaluation factors set forth in the Request for Proposals, in accordance with COMAR 21.05.03.03F:

IGT Global Solutions Corporation