

## MARYLAND STATE LOTTERY AND GAMING CONTROL AGENCY

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

**FROM:** Leo Mamorsky, Evaluation Committee Chairperson  
Kate Airey, Evaluation Committee Co-Chairperson  
Robert Howells, Procurement Officer

**RE:** Recommendation for Award of the Instant Ticket Games & Related Services Contract #2019-05

**DATE:** April 5, 2021

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Based on the attached report, the Evaluation Committee and Procurement Officer recommend that:

- Pollard Banknote Limited be awarded the four (4) year (with one 3-year renewal option) Primary Contract for Instant Ticket Games & Related Services; and,
- Scientific Games International, Inc. and IGT Global Solutions Corporation each be awarded four (4) year (with one 3-year renewal option) Alternate Contracts for Instant Ticket Games & Related Services.

Your concurrence is requested 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* (Total Proposed Price - Annual Estimated) (RANK)</b>	<b>OVERALL RANK**</b>
Pollard Banknote Limited (“PBL”)	1	\$4,859,283 (1)	1
Scientific Games International, Inc. (“SGI”)	2	\$5,568,499 (3)	2
IGT Global Solutions Corporation (“IGT”)	3	\$4,914,605 (2)	3

\* Specified in RFP Attachment B-2: Financial Proposal Form as “Basis Of Award”

\*\* Technical factors and financial factors were given equal weight in determining the overall ranking.

**INSTANT TICKET GAMES AND RELATED SERVICES**  
**RFP #2019-05**  
**EVALUATION REPORT**

**I. PROCUREMENT OVERVIEW**

The Maryland State Lottery and Gaming Control Agency (“MLGCA”) issued a Request for Proposals (“RFP”) for Instant Ticket Games and Related Services (#2019-05) on January 22, 2020. The current Contract for these similar services is Instant Ticket Games and Related Services (#2013-01) which was awarded by BPW 8/21/2013 to the incumbent Contractors PBL (Primary) and SGI and IGT(Secondary).

The RFP was sent directly by e-mail to 11 vendors and was posted on eMaryland Marketplace Advantage and the MLGCA’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 proposed Product Plan specifically designed for Maryland, Ticket Catalogs and Ticket samples demonstrating the Offeror’s creative graphic and production capabilities, Production facilities and Recovery Plan, Anti-counterfeiting & Anti-alteration features, and creativity as demonstrated by presentation of the assigned Case Study. 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 February 5, 2020 at the MLGCA’s headquarters and was attended by seven individuals representing three vendors.

Six sets of Questions & Answers (Q&A#1 (2/12/2020), #2 (2/13/2020), #3 (2/18/2020), #4 (2/24/2020), #5 (2/25/2020) and #6 (2/27/2020)) and three Amendments (Amendment #1 (2/12/2020); Amendment #2 (2/19/2020); and Amendment #3 (2/25/2020)) were issued during the solicitation process prior to the Proposal Due Date.

The Proposal Due Date as stated in the RFP was March 4, 2020. In response to the RFP, three Offerors timely submitted proposals as indicated below:

- Pollard Banknote Limited (“PBL”)
- IGT Global Solutions Corporation (“IGT”)
- Scientific Games International, Inc. (“SGI”)

PBL, IGT and SGI all submitted proposals for the Primary Contract as well as for the Alternate Contract(s). PBL, IGT and SGI are established competitors in the field with several lotteries currently being serviced by each. Pollard is the incumbent Primary Contractor in Maryland; SGI and IGT are both incumbent Secondary Contractors.

The MLGCA is very familiar with the Instant Ticket providers through its daily activities involving lottery operations as well as participation in various industry trade organizations. There are presently only three companies supplying Instant Tickets to lotteries in North

America and all proposals received were from companies with extensive business throughout North America. In consideration of the foregoing market conditions, it is felt that the maximum competition possible was achieved with the three proposals that were received.

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

The Procurement Officer conducted a preliminary review of the Proposals submitted by PBL, IGT and SGI in order to verify compliance with all proposal submission requirements, proper packaging, format, and items required by RFP Section 7 – RFP Attachments and Appendices. PBL, IGT and SGI were determined to be in compliance with the submission requirements and each stated no Exceptions to the RFP.

## **III. EVALUATION COMMITTEE**

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

Leo Mamorsky, Managing Director and Chief Marketing Officer (Chairperson)  
Kate Airey, Director, Product Development (Co-Chairperson)  
John Martin, Chief Revenue Officer  
Leslie Mitchell, Instant Product Manager  
Bert Hash, Commissioner, MLGCC

## **IV. TECHNICAL EVALUATION - PRIMARY CONTRACT**

### **A. Minimum Requirements**

All Technical Proposals were first reviewed by the Procurement Officer and Evaluation Committee to determine if the Offeror Minimum Qualifications specified in Section 1.1 of the RFP had been met (NASPL experience, North American production facility, and minimum production capacity) and to determine compliance with the submission requirements. All proposals were determined to be in compliance with this Section.

### **B. Oral Presentations/Discussions/Case Study Presentation**

As part of the evaluation process, in early/mid March 2020 the MLGCA was in the process of scheduling oral presentations, discussions and presentation of Case Studies with each of the three Offerors during the week of March 23, 2020. Shortly thereafter the lockdown of both State and vendor operations along with travel restrictions were imposed due to the Coronavirus pandemic. As a result, all meetings were indefinitely postponed on March 18, 2020 and the evaluation process was suspended.

On October 13, 2020 the Offerors were notified of the MLGCA's intention to resume this procurement process. Offerors were further notified that in accordance with Section 4.11 of the RFP, Proposals were irrevocable for 180 days from the date of submission and that period of time had expired. Therefore, the MLGCA requested that each Offeror extend the period of

irrevocability for its original Proposal for an additional period of 180 days expiring approximately April 30, 2021 and that they could include in their response any revisions to the Proposal that became necessary due to the pandemic delay. All three Offerors agreed to this extension of the period of irrevocability.

During the period February 1 – 5, 2021 the Evaluation Committee conducted Case Study presentations and oral Discussions (in accordance with Section 4.10 of the RFP) with all three Offerors by TeleConference. The Offerors were provided in advance a list of questions on January 7, 2021 covering specific topic areas of the proposals that the Committee would address during the Discussions. The Offerors were advised that the Discussions would not be limited to only the advance questions and they should be prepared to address all areas of their proposals.

Subsequent to the Case Study presentations and oral Discussions, the Offerors were provided with an opportunity to provide written confirmation of oral representations made during the subject meeting, as necessary.

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.

The Evaluation Committee's findings regarding the evaluation of the Offerors' Technical proposals are summarized below.

### **C. Evaluation Criteria (Primary Contract)**

The RFP identified the following Criteria to be used to evaluate each Technical Proposal for the **Primary** contract, 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.

1. Product Plan for Maryland (5.3.3.7) and Additional Business Enhancements (5.3.3.10)  
(Note: sub-criteria "Enhancements" shall have lesser weight than sub-criteria "Product Plan")
2. Game Capability (5.3.3.3) and Ticket Catalogs (5.3.3.5)
3. Case Study (Originality of Name, Concept, Theme; Visual Impact; Commercial Potential; Quality of Presentation) (5.3.3.8)
4. Overview of Game Production Methods (5.3.3.1); Anti-Counterfeiting and Anti-Alteration Features (5.3.3.2); and Ticket Samples and Laboratory Reports (5.3.3.4)
5. Assigned Personnel's Background and Experience, with specific emphasis on the Dedicated Account Representative's qualifications (5.3.4), and Subcontractors (5.3.10)

6. Offeror’s Background, Experience and Capabilities (5.3.5); References (5.3.6), Current/Prior State Contracts (5.3.7), Financial Capability (5.3.8), and Legal Action Summary (5.3.11)
7. Delivery of Instant Tickets to Retailers (5.3.3.9)
8. Production Facility/Business Recovery Plan (5.3.3.6)
9. Economic Benefit (5.3.12)

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

**D. Committee’s Ranking as to Technical Evaluation Criteria (Primary Contract)**

**INITIAL TECHNICAL RANKING**

<b>OFFEROR</b>	<b>TECHNICAL RANK</b>
PBL	1
SGI	2
IGT	3

**E. Summary of the Evaluation Committee’s findings (Primary Contract) for each of the Offeror’s proposals.**

All Offerors submitted proposals that met the required specifications and were overall acceptable. The Technical Criteria items that held the most weight in terms of scoring were 1. Product Plan, 2. Game Capability/Ticket Catalogs and 3. Case Studies, of which, Pollard scored the highest. Also, the Committee felt that PBL out performed the other two Offerors in the oral 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 Proposed Price-Annual Estimated (I + II)” as specified on Attachment B-2: Financial Proposal Form (Category A-Primary Contract). This is an estimated 1-year contract amount based on a financial model included in the RFP as a basis for calculation and comparison of financial offers.

**INITIAL FINANCIAL RANKING**

<b>OFFEROR</b>	<b>TOTAL PROPOSED PRICE Annual Estimated</b>	<b>RANK</b>
PBL	\$ 4,989,144	(1)
IGT	\$ 5,116,209,	(2)
SGI	\$ 6,144,132	(3)

**VI. BEST AND FINAL OFFERS**

After review of the Technical Proposals, Case Study presentations, oral Discussions and written confirmation of oral representations made during the Discussions, and the answers to additional questions from the Evaluation Committee, and review of the Financial Proposals, the Procurement Officer determined that it was in the best interest of the State to permit all qualified Offerors to revise their initial Proposals by submitting Best and Final Offers.

On February 23, 2021 Best and Final Offers (“BAFO”) were requested from all Offerors. The scope of the BAFO was technical and financial - Offerors could submit a Technical BAFO, a Financial BAFO, or both. Offerors were also advised that due to the delay caused by the pandemic and associated shut-downs of both State and industry operations, Offerors may utilize the BAFO as an opportunity for revisions that may have become necessary due to this delay.

By the Due Date of March 3, 2021, each Offeror responded to the BAFO request and submitted both Technical and Financial BAFOs. The Technical BAFOs provided various updates and clarifications, but did not change the rankings. The Financial BAFOs provided more favorable prices from all Offerors, but did not change the rankings. Based upon the Financial BAFOs, the Financial Rankings were determined to be:

**BAFO FINANCIAL RANKING**

<b>OFFEROR</b>	<b>TOTAL PROPOSED PRICE Annual Estimated</b>	<b>RANK</b>
PBL	\$ 4,859,283	(1)
IGT	\$ 4,914,605	(2)
SGI	\$ 5,568,499	(3)

**VII. OVERALL RANKING-PRIMARY CONTRACT**

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>TOTAL PROPOSED PRICE Annual Estimated (RANK)</b>	<b>OVERALL RANK*</b>
<b>PBL</b>	1	\$ 4,859,283 (1)	1
<b>SGI</b>	2	\$ 5,568,499 (3)	2
<b>IGT</b>	3	\$ 4,914,605 (2)	3

\* Technical factors and Financial factors were given equal weight in determining the overall ranking.

**VIII. TECHNICAL QUALIFICATION-ALTERNATE CONTRACT(S)**

The RFP identified the following Criteria to be used to evaluate each Technical Proposal for the Alternate contract(s), which are listed below in descending order of importance. Unless stated otherwise, any sub-criteria within each criterion have equal weight.

1. Game Capability (5.3.3.3); Ticket Catalogs (5.3.3.5); and Additional Business Enhancements (5.3.3.10)
2. Overview of Game Production Methods (5.3.3.1); Anti-Counterfeiting and Anti-Alteration Features (5.3.3.2); and Ticket Samples and Laboratory Reports (5.3.3.4)
3. Offeror’s Background, Experience and Capabilities (5.3.5); References (5.3.6), Current/Prior State Contracts (5.3.7), Financial Capability 5.3.8), and Legal Action Summary (5.3.11)
4. Assigned Personnel’s Background and Experience (5.3.4), and Subcontractors (5.3.10)
5. Production Facility/Business Recovery Plan (5.3.3.6)

Both SGI and IGT were determined to meet the technical qualifications for an Alternate Contract.

**IX. RECOMMENDATION FOR CONTRACT AWARD**

Based on the above result, the Evaluation Committee and Procurement Officer recommend award of the **Primary Contract** resulting from the RFP for Instant Ticket Games and Related Services (#2019-05) 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:

Pollard Banknote Limited

The Evaluation Committee and Procurement Officer also recommend award of *Alternate Contracts* for Instant Ticket Games and Related Services (#2019-05) to the Offerors specified below, both responsible Offerors whose proposals have been determined to be technically qualified considering the evaluation factors set forth in the Request for Proposals:

- Scientific Games International, Inc.
- IGT Global Solutions Corporation

**X. BOARD OF PUBLIC WORKS**

It is anticipated that this Contract will be submitted to the Department of General Services for inclusion to appear on the BPW Agenda for its June 16, 2021 meeting.