

Maryland Lottery and Gaming Control Commission

STAFF AGENDA MEMORANDUM

DATE OF MEETING: October 27, 2022

AGENDA ITEM: Maryland State Lottery and Gaming Control Agency “Random Number Generator (RNG) System for MLGCA (#2022-15) – SmartPlay International, Inc.

PRESENTER: James Nielsen, Deputy Director / COO

ISSUE SUMMARY: This Contract is for MLGCA to purchase four (4) identical independent Random Number Generator Systems (2 live production Systems, a test System, and a disaster recovery back-up System) to be used to conduct MLGCA Lottery Drawings.

The Contractor will provide all hardware, software and related services and training necessary to develop, install, implement, certify, operate and maintain a complete state-of-the-art turnkey RNG System.

The MLGCA currently conducts Drawings for five of its Draw Games using traditional ball machines: Pick 3, Pick 4, Pick 5, MultiMatch and Bonus Match 5. The new RNG System, which will replace the ball machines will accommodate these games, and will be capable of modifications to the games if necessary. The new RNG System will also be able to accommodate any new games which may be added to the MLGCA’s portfolio of Draw Games in the future.

It is of paramount importance to the MLGCA to ensure that every Drawing is conducted in a truly random, secure, auditable, transparent manner to maintain a high level of player confidence and trust in the integrity of the Drawing process and the MLGCA. After reviewing all technical and financial considerations, oral presentations and system demonstrations, and upon considering evaluation factors as set forth in the RFP, it was determined that SmartPlay International, Inc., ranked #1, providing the best value and most advantageous offer to the state.

SmartPlay is clearly the leader in RNG systems in North America. It has extensive experience and currently provides a variety of RNG drawing services to more than 30 North American lotteries, including many with extensive game portfolios and multiple daily draws, comparable in size and scope to the MLGCA. SmartPlay’s full-service turnkey "start to finish" RNG solutions include graphic animation of the drawing results and is capable of distribution of those results to various media outlets on day-one of the contract -- all at a significantly lower price.

SmartPlay’s 4-year base contract term has an estimated total amount of \$382,170.00 and a 4-year renewal option estimate of \$150,000 for a total price of \$532,170.00. For comparison, the competing Offeror’s 4-year base contract term had an estimated total of \$565,000 and a 4-year renewal option estimate of \$580,000 for a total price of \$1,145,000, significantly higher than SmartPlay’s.

This Contract has been submitted to the Department of General Services and, subject to Commission approval, is tentatively scheduled to appear on the November 16, 2022 BPW agenda.

COMMISSION ACTION REQUIRED/REQUESTED: Discussion, consideration, and possible action.

STAFF RECOMMENDATIONS: Staff recommends approval.