

## REQUEST FOR INFORMATION (RFI)

# **VETERANS' ORGANIZATION INSTANT TICKET LOTTERY MACHINES AND RELATED SERVICES**

### RESPONSES TO WRITTEN QUESTIONS January 24, 2024

This list of questions and responses is being issued to clarify certain information contained in the above-named Request for Information (RFI). Nothing in the State's responses to these questions is to be construed as agreement to or acceptance by the State of any statement or interpretation on the part of the entity asking the question.

The following are questions submitted pursuant to the RFI and the Maryland Lottery and Gaming Control Agency's ("MLGCA" or "Lottery") responses to those questions:

1. **QUESTION: INTRODUCTION** - "The Maryland Lottery and Gaming Control Agency ("MLGCA") is seeking interest and availability of contractors for MLGCA to procure the design, development, installation, implementation, operation and maintenance of a complete, turn-key, Instant Ticket Lottery Machine (ITLM) Central System and related services needed to carry out an ITLM Program."

Will the MLGCA consider a procurement that awards more than one ITLM provider a contract ?

**ANSWER: No. The MLGCA intends to award a single contract to support the entire program.**

2. **QUESTION:** Page 6, Section C.3 – Will the MLGCA clarify the current distribution of sales? The chart suggests the Net Proceeds are split 50% Post/ 30% Contractor/ 20% Lottery.

- Who is the beneficiary of the sales commission?
- Who is the beneficiary of the cashing fee?
- Is the 50/30/20 breakdown calculated before or after the payment of sales commissions and cashing fees?
- Is the 30% of the Net paid to the Contractor the result of a price offered in a competitive procurement? If not, what method is used to calculate the percentage paid to the contractor?

**ANSWER: Sales and cashing commissions accrue to the Veteran's organizations. They currently retain an amount equivalent to 50% of the net proceeds. Contractor fees are also paid from the commissions, leaving 20% for the Lottery.**

3. **QUESTION:** Page 6 Section VI - “This RFI is a means of determining if there are any entities currently offering or willing to offer the type of equipment, systems and services currently provided to ITLM Facilities and if they have the experience and expertise to do so.”

- So that potential respondents may offer the best possible responses to this RFI, will the MLGCA please share some additional details about its plans for an RFP?
- When does the current contract expire?
- In the event there are delays in procuring a new solution, are there extension options available under the existing agreement?
- If this RFI does not yield responses from companies that may be “willing to offer the equipment systems, and services currently provided’, how will the MLGCA support the program?

**ANSWER:** The contract expires in February.

25. A contract extension for 6 months is on the Commission agenda for January

Options to continue support of the program are under review.

4. **QUESTION:** Based on MLGCA annual reports, this program generates meaningful revenue for the veteran’s organizations that host the games as well as the state. Has the MLGCA considered expanding the program, via legislation, to additional charitable or fraternal organizations?

Additionally, in the time since this program originated technology has improved such that “pre-printed” tickets are no longer the only choice for devices delivering an ITLM experience. Has the MLGCA considered, via legislation, changes to existing law that could result in a competitive bidding environment, better product selection for veteran’s organizations, and increased revenue for the organizations and the state?

**ANSWER:** MLGCA will not sponsor legislation to expand the program; however, in past legislative sessions, proposed bills have been introduced to expand the program.

The MLGCA, itself, will not sponsor legislation to repeal the statutory requirement noted in State Government Article §9-112(d)(6) that the element of chance be consistent with the holding in *Chesapeake Amusements Inc. v. Riddle*, 363 MD. 16 (2001).