



STAFF AGENDA MEMORANDUM

DATE OF MEETING: January 25, 2024

AGENDA ITEM: Diamond Games Contract – 6 Month Extension

PRESENTER: James Nielsen, Deputy Director / COO

ISSUE SUMMARY: Maryland Lottery and Gaming Control Agency (“Lottery”) entered into Contract #2014-02 on February 19, 2014 for the provision of Veterans’ Organization (VO) Instant Ticket Lottery Machine (ITLMs) and Related Services, to include: the design, development, installation, implementation, operation and maintenance of a central monitor and control system (ITLM Central System); ITLM design, development, installation, implementation, support, supplies and maintenance at VOs specified in the Lottery Law; instant ticket design, planning, production, security and storage in the contractor’s warehouse; and delivery of instant tickets to the VOs. The Contract, and its 5-year renewal option that was exercised, is for a period of ten years, ending on February 28, 2024.

The Contract’s Not to Exceed (“NTE”) amount was initially \$57,000,000 for the 5-year base term. One modification was approved in the amount of \$60,000,000 to exercise the 5-year renewal option bringing the total NTE to \$117,000,000.

The Lottery has been working with the Department of General Services on a Request for Information (“RFI”) to determine what interest there may be in the industry to bid on a Request for Proposals (“RFP”). The RFI advertisement and any resulting procurement process was delayed for several reasons and will not be completed prior to the expiration of the current Contract. In order to maintain the revenue ITLMs earn for the VOs, we recommend exercising Modification #2 to the Contract, which provides a 6-month extension to the Contract prior to the expiration of the Contract term. The extension period will run from February 29, 2024 to September 1, 2024. No increase to the NTE is needed for this extension.

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

- Approve Contract Modification #2 that exercises a 6-month extension.

STAFF RECOMMENDATIONS: Staff recommends approval of Contract Modification #2 for the 6-month extension.