



**STATE OF MARYLAND
LOTTERY AND GAMING CONTROL AGENCY (MLGCA)**

REQUEST FOR PROPOSALS (RFP)

**LOTTERY CENTRAL MONITORING AND CONTROL SYSTEM AND
RELATED SERVICES**

RFP NUMBER: BPM057747

ISSUE DATE: JULY 2, 2026

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MINORITY BUSINESS ENTERPRISES ARE ENCOURAGED TO RESPOND TO THIS SOLICITATION.

STATE OF MARYLAND
MARYLAND LOTTERY AND GAMING CONTROL AGENCY
KEY INFORMATION SUMMARY SHEET

Request for Proposals	Lottery Central Monitoring and Control System and Related Services
Solicitation Number:	BPM057747
RFP Issue Date:	July 2, 2026
RFP Issuing Office:	Department of General Services on behalf of State Lottery and Gaming Control Agency (“MLGCA”, “Agency”, or “Lottery”)
Procurement Officer: Email: Phone Number:	Yasin Mohammed Department of General Services 301 W. Preston Street Baltimore, MD 21202 yasin.mohammed@maryland.gov (410) 767-3586
Proposals are to be sent to:	Submitted via eMMA
No Bid/Proposal Notice Feedback Form	*If you are not submitting a proposal for this solicitation, please submit a No Bid Proposal Notice with your reasons why. https://procurement.maryland.gov/wp-content/uploads/sites/12/2024/07/Attachment-1.-No-Bid_Proposal-Notice_Vendor-Feedback-Form-1-1.docx
Pre-Proposal Conference:	Thursday, July 16, 2026, 11:00 Local Time MLGCA Headquarters Address: 1800 Washington Boulevard, Baltimore, MD 21230 RSVP by July 12, 2026, by completing the form below. https://procurement.maryland.gov/wp-content/uploads/sites/12/2024/11/Attachment-2.-Pre-Bid_-Pre-Proposal-Conference-Response-Form-v2.pdf
Questions Due Date and Time:	July 30, 2026, 10:00 a.m. Local Time Submitted via this Link to Submit Questions (https://forms.gle/cHFPjDdBURdB2dBr8)

Proposal Due (Closing) Date and Time:	September 30, 2026, 2:00 p.m. Local Time
MBE Subcontracting Goal:	An overall Minority Business Enterprise (MBE) subcontract participation goal of 25 percent of the total contract dollar amount, including all renewal option terms, if any, has been established for this procurement. The overall MBE subcontract participation goal includes the following subgoals, which have been established for this procurement: <u>10</u> % for African American MBEs. <u>0</u> % for Asian American MBEs. <u>0</u> % for Hispanic American MBEs; and <u>10</u> % for Woman-Owned MBEs. Refer to Appendix 4 for information about the MBE program and goals.
VSBE Subcontracting Goal:	This solicitation includes a VSBE participation Goal of <u>1</u> % Refer to Appendix 5 for information about the VSBE program and goals.
Procurement Method:	A Contract will be awarded in accordance with the Competitive Sealed Proposals method under COMAR 21.05.03.
Multiple or Alternate Bids:	Multiple or alternate Proposals will not be accepted.
Contract Type:	Firm Fixed Price
Contract Duration:	Eleven (11) year base period, which includes 1 year of uncompensated conversion efforts. There is also one (1) five-year and one (1) twelve-month option period available.
Primary Place of Performance:	Lottery Retailer locations across Maryland and other locations, as proposed by the Offeror
SBR Designation:	No
Federal Funding:	No

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1 Minimum Qualifications

1.1 Offeror Minimum Qualifications

The Offeror must document in its Proposal that it satisfies the following Minimum Qualifications:

1.1.1 North American Lottery Experience

1.1.1.1 Experience. Within the previous three (3) years, the Offeror must have supplied a central monitoring and control system for at least one (1) North American provincial or state lottery.

1.1.1.2 Required Documentation. A complete description of all equipment and services, along with reference contacts for each listed lottery, must be included in the Offeror's Proposal

1.1.2 Currently in Operation

1.1.2.1 Submission. At the time the proposal is submitted, the proposed Lottery Central Monitoring and Control System ("LCMCS"), including all proposed software and hardware, must be in operation within a North American Lottery.

1.1.2.2 Installation. At the time of installation, newer, improved releases or models of the proposed products, their architecture, or their equivalents, may be used, provided they are approved in writing by the MLGCA.

1.1.3 Subcontractors to Fulfill Minimum Qualifications

Should the Offeror intend to fulfill Minimum Qualifications using Subcontractor experience, the Offeror's Proposal must include the operating agreement for the business relationship, including all financial terms.

1.1.4 Definition of LCMCS

Lottery Central Monitoring and Control System ("LCMCS") means a complete, integrated lottery central monitoring and control solution, whether provided as a single system, a series of interconnected systems, a modular platform, a suite of applications, or a comparable system architecture, that collectively performs the functions required to operate, monitor, control, support, and administer the Maryland Lottery's retail lottery operations. The LCMCS includes all associated software, hardware, terminals, telecommunications network components, data center infrastructure, interfaces, integrations, reporting tools, security controls, operational support systems, and related services necessary to meet the requirements of this RFP. A proposed LCMCS may consist of multiple systems or subsystems, provided that they operate together as a unified solution and satisfy all functional, technical, operational, security, and performance requirements applicable to the LCMCS.

2 Contractor Requirements: Scope of Work

2.1 Summary Statement

The Maryland Lottery and Gaming Control Agency (“MLGCA”) is issuing this Request for Proposals (“RFP”) to secure a contract between the selected Offeror and the State of Maryland (“State”). The primary objective of this procurement is to acquire a comprehensive lottery central monitoring and control system, including its full installation, implementation, operation, maintenance, and all associated services, as more fully described in this Section 2.

The State intends to enter a Contract with the selected Offeror to procure the products and services detailed in this RFP. The performance period and anticipated duration of the Contract consist of an eleven (11) year base term, which includes one (1) year of uncompensated conversion activities at the initiation of the Contract. Additionally, the Contract will include one (1) five-year Option Period, and a separate one (1) twelve-month Transition Option Period. All option periods are exercised at the State’s sole discretion. Should all options be exercised, the Contract would span 17 years.

This is a Single award Contract. See RFP **Section 6.5 Selection Procedures** for more Contract award information.

Two or more firms may join to submit a Proposal in response to this solicitation. In such instances, the Proposal must clearly outline the specific responsibilities assigned to each participating firm and include a signed operating agreement between the firms, which shall be provided with the Proposal. One firm must be designated as the lead firm. A single authorized official from one of the participating firms must be designated in the Proposal to act as the primary liaison between MLGCA and the joint group for all contractual issues.

The Contractor must maintain full responsibility for all Contract performance, irrespective of any subcontractor involvement. Whether operating directly or via subcontractors, an Offeror delivers every product and service and satisfies all requirements outlined in this RFP.

The Contract resulting from this RFP will be non-exclusive. Nothing in the Contract precludes the MLGCA from procuring similar or related services from another contractor. The MLGCA reserves the right to secure services directly from third parties to perform any services contemplated under the Contract. The Contractor will not be entitled to any fee for services performed by third parties.

The Contractor may be entitled to receive incentive payments for exceeding performance targets. The incentive will only be applied to complete State fiscal years.

2.2 Background and Purpose

2.2.1 Project Goals

2.2.1.1 Innovative Solutions to Maximize Sales and Revenues. The MLGCA’s core mission is to generate revenue to support good causes in Maryland, including education, public health, public safety, and the environment. To that end, the RFP and resulting Contract are intended to procure a complete, turnkey LCMCS from a Contractor focused on providing innovative concepts and solutions that will increase and maximize sales and revenues to the State.

MLGCA's current suite of products has produced revenue growth and generated significant funds for the State. MLGCA desires not just to maintain, but to build on this history of success and is seeking an Offeror who can assist us with innovative concepts and solutions to increase revenues to the State. These may include, but are not limited to, new game concepts, digital integration, gamified micro-formats, and advanced retail technology.

- 2.2.1.2 Maintain and Expand Existing Product Offerings.** MLGCA requires a Contractor that can maintain and expand its existing core products and programs that are offered and supported in the State.
- 2.2.1.3 Security.** The MLGCA's goal is to ensure the security of the LCMCS and maintain essential data backups, as the LCMCS will process Sensitive Data, generally referred to as Personally Identifiable Information ("PII"), such as names, addresses, bank account details, and tax identification numbers. (See IT Supplemental)
- 2.2.1.4 Complete LCMCS ("System").** MLGCA intends to acquire services, including but not limited to the implementation, operation, and maintenance of the LCMCS and its related systems. These services also include sales, marketing, accounting, and instant ticket inventory and distribution. Additionally, the scope of work includes the Software, Terminals, and a Telecommunications Network required to connect Retailers to the Primary Data Center ("PDC") and Back-up Data Centers ("BDC"), Lottery Headquarters, Internal Control Systems ("ICS"), and any other locations essential for LCMCS operations.
- 2.2.1.5 Exceed Projected Forecasts.** The Contractor is expected to implement, operate, and maintain an LCMCS that incorporates, at a minimum, the proposed best practices of the Lottery and the Contractor to achieve the Lottery's historical high revenues and aim to exceed revenue forecasts in the future.

2.2.2 MLGCA Background

- 2.2.2.1 General.** The MLGCA is an independent agency of the State of Maryland.
- 2.2.2.2 Statutory Authority.** The MLGCA operates pursuant to State Government Article, Title 9, Subtitle 1, Annotated Code of Maryland, which establishes the MLGCA's purpose, powers, duties, and procedural framework, as well as COMAR Title 36.
- 2.2.2.3 Agency Composition.** The MLGCA is composed of several administrative units or departments, all ultimately reporting to the MLGCA Director. Some MLGCA departments focus solely on regulatory responsibilities related to gaming, while others split their time between gaming and traditional lottery business matters. For purposes of this RFP, only the traditional lottery business operations are to be considered.
- 2.2.2.4 Commission.** There is a Maryland Lottery and Gaming Control Commission ("Commission") within the Agency that advises the Director of the Agency

on the operation and administration of the MLGCA and regulates casino and other gaming in Maryland.

2.2.2.5 Creation of the Lottery. The Lottery, which was expanded and renamed MLGCA when casino gaming was approved in the State, was established by the General Assembly through the enactment of Chapter 365 of Laws of Maryland of 1972 and the voters' approval of a constitutional amendment that same year. The amendment was ratified on November 7, 1972, and operations commenced on January 2, 1973.

2.2.2.6 Expansion of Gaming. In 2007, during the special session of the Maryland General Assembly, House Bill 4 and Senate Bill 3 were enacted to legalize Video Lottery Terminals ("VLTs"). In 2012, Senate Bill 1 – Gaming Expansion – Video Lottery Terminals and Table Games – passed the 2012 second special session of the Maryland General Assembly. Voters approved this bill in November 2012 – provisions include: the addition of table games to existing casinos and future casinos; a sixth casino; an increase in the maximum number of VLTs allowed in the State; and 24-7 casino operations.

2.2.2.7 Incentive Program. Currently, the incentive program provides a payment of 1% of the amount by which current-year audited sales exceed the most recent three (3) year average sales. The incentive applies only to the complete State fiscal year.

2.2.3 Current MLGCA Lottery Offerings and Services

2.2.3.1 Games – Generally. The MLGCA's current portfolio includes Draw games (including monitor games), Instant or scratch games, and Fast Play.

2.2.3.2 Draw Games. Draw games are further categorized as Daily Draw (Pick 3, Pick 4, Pick 5, and Bonus Match 5), Cash Pop (drawn four times daily), Jackpot (Multi-Match, Mega Millions, Powerball), and Monitor (Keno and Racetrax®). Details about each of these games are included in Section 2.3.3.

2.2.3.3 Scratch Games. Scratch games, or Instant Games, are printed tickets with play data covered with latex.

2.2.3.4 Fast Play. Fast Play games are produced by a lottery terminal where predetermined game results are printed on demand from a finite pool of randomly generated results for that specific game.

2.2.3.5 Other Services. Other services, as explained later, include: My Lottery Rewards ("MLR") Players Club, Terminal installation and repair, communications network, retailer and staff training, website and App support.

2.2.3.6 Warehouse Integration. The LCMCS must include tools for Contractor and Agency staff to manage scratch tickets produced by other vendors. Functionality includes, but is not limited to, inventory control, order taking, interfacing with third-party commercial carriers (delivery services), and Contractor-supplied warehouse sorting equipment, sales and financial reporting, and prize validations.

2.2.4 State Staff and Roles

In addition to the Procurement Officer and Contract Monitor, the State shall designate an informal committee, led by the Contract Monitor, to interface with the Contractor across all areas of planning, implementation, and conversion. The key functional areas include:

- A. Business Case development/requirements gathering.
- B. Software specification development and approval.
- C. Conversion planning tasks and timelines.
- D. Selection of desired equipment and optional services, if any.
- E. Acceptance testing, supported by a third-party for conversion.
- F. Interfacing with the outgoing vendor for data transfers; and
- G. Training plans.

2.2.5 Other State Responsibilities

- 2.2.5.1 Draw Game Drawings.** MLGCA or other entities conduct the drawings, except for MLGCA's current offerings of Keno, Racetrax, and Cash Pop, which must be vendor-provided, random-number generator (RNG)-based drawings.
- 2.2.5.2 Goods and Services Provided Under Other Contracts.** MLGCA, through other contracts, provides point-of-sale materials and other promotional items, unless otherwise invoiced and provided for within the Marketing Fund as directed and approved by MLGCA.
- 2.2.5.3 Information and Data.** The State is responsible for providing the limited required information, data, documentation, and test data to facilitate the Contractor's performance of the work. It will provide such additional assistance and services as are specifically outlined in this RFP.
- 2.2.5.4 Coordination.** MLGCA will coordinate with the outgoing Contractor to provide retailer information, historical data, and uncashed winning tickets.
- 2.2.5.5 Debit Card Processing.**
 - A. The State Treasurer's Office ("STO") must approve banking aspects and banking arrangements associated with the resulting Contract.
 - B. The Contractor shall not retain fees or deduct fees that are due to the State. The Contractor shall send the MLGCA the full amount of fees due to the MLGCA.
 - C. The Contractor shall use a State-approved payment processing process and retain lottery revenues in an STO-approved bank and bank account. To the extent required by the STO, the MLGCA shall receive the benefits of the State under any existing contractual arrangement established by the STO, such as using State-approved payment processing providers for debit card transactions. Accordingly, MLGCA shall not be responsible for the payment of transaction processing fees associated with debit lottery transactions.

- 2.2.5.6 Sales Staff Device Configuration.** For the sales force automation tool devices, MLGCA IT staff shall image all devices and install software that limits what can be installed on them.

2.3 Responsibilities and Tasks

2.3.1 Additional Primary Tasks – To be Included in the Contract

- 2.3.1.1 Secure Communications Network.** The Contractor shall provide a redundant, primarily cellular communications network.
- 2.3.1.2 Conversion Plan and Support.** The Contractor shall meet the go-live date with 100% LCMCS operability. Full LCMCS system functionality shall be in place by the go-live date. The switch from the current incumbent system must minimize business disruption. The Contractor shall provide a comprehensive report of the conversion plan before implementation.
- 2.3.1.3 Field Service Plan.** The Contractor shall provide all field service staff and equipment.
- 2.3.1.4 Staffing.** The Contractor shall provide all staff for conversion and ongoing Contract performance.
- 2.3.1.5 System Security.** The Contractor shall maintain the system security of the LCMCS.
- 2.3.1.6 Promotion Capabilities.** The Contractor shall take over the management and operations of any ongoing promotions that the MLGCA has already launched and allow for a seamless player experience for the Maryland Lottery Rewards Program.
- 2.3.1.7 Training and Demonstration Center.** The Contractor shall provide and maintain a retail training and demonstration center for use by the MLGCA.
- 2.3.1.8 New Equipment.** All equipment furnished shall be new and not refurbished.

2.3.2 Contractor Space

2.3.2.1 General Space Requirements

- A. General. The Contractor shall supply all necessary facilities and space required to fulfill its contractual duties for both staff and operations. This requirement includes, but is not limited to, data centers, warehouses, testing and operations centers, and any additional specialized areas specified in the RFP.
- B. Co-Location Permitted. Some functional area space may be co-located within the MLGCA Headquarters at Montgomery Park Business Center, 1800 Washington Boulevard, Baltimore, MD 21230.
- C. Costs. The Contractor shall be responsible for its costs related to, but not limited to, the acquisition, build-out, furnishings, maintenance, utilities, and cleaning of all building space required to fulfill the Contract terms. Any tenant improvements shall be at the Contractor's expense.

- D. Design and Layout. The design and layout of all Sites shall be pre-approved by MLGCA, and it shall not be identified externally as being the premises of the Contractor.

2.3.2.2 Near Lottery Headquarters

- A. Distance. Operations Offices and testing locations shall be located within five (5) miles of MLGCA Headquarters.
- B. Current MLGCA Headquarters. MLGCA is currently located at the Montgomery Park Business Center. Information on the cost per square foot and the layout of the available space at Montgomery Park can be obtained from the building owner. The current contact for this information is Emily Urban (Stein) 410-779-1290 (direct line), 443-895-0364 (cell), Himmelrich Associates, Inc., 1340 Smith Avenue, Suite 330, Baltimore, MD 21209.

2.3.2.3 Data Center Sites for LCMCS

- A. General. The Contractor shall maintain a Primary Data Center (“PDC”) and at least one remote hot Backup Data Center (“BDC”).
- B. Data Center Requirements. See section 2.3.6.

2.3.2.4 Other In-State Sites to Support LCMCS and Sales Teams

- A. General. The Contractor shall maintain various Sites throughout the State to facilitate scheduling and the delivery of LCMCS equipment and supplies to Retailers throughout the State.
- B. Other Sites to Support LCMCS - Requirements. The Offeror shall identify all sites, both within and outside Maryland, that will support MLGCA's business, including the location and primary function of each site. MLGCA will not specify the minimum number of sites or locations required. All sites shall comply with the Multi-State Lottery Association (“MUSL”) rules, as applicable. Any warehouse space more than 20 miles from Baltimore must include at least 150 sq. ft. of office space available for use by MLGCA Sales Staff.
- C. Training and Demonstration Center. The training center is to be in, adjacent to, or within 5 miles of the MLGCA Headquarters and available for Lottery use on 24-hour notice. The space and equipment shall be available for the life of the Contract. The lottery equipment in the demonstration center does not need to be connected permanently. This space should be designed and developed as a lottery retail location. Its intended functions comprise:
1. Facilitating staff training and equipment orientation through terminal operation.
 2. Serving as a venue for demonstrations involving prospective retailers or other stakeholders; and
 3. Acting as a filming set for television advertisements. The facility must accommodate supplemental lighting for commercial production, although the Contractor will not be responsible for providing such equipment.

2.3.3 Retailer Equipment, Supplies, and Hardware

2.3.3.1 Retailer Terminals

- A. General. The Contractor shall provide a range of Retailer terminals to meet the diverse requirements of businesses throughout Maryland. While the Lottery does not specify any particular terminal models, all terminals shall support advertising monitors, jackpot signs, ticket checkers, and monitor-games monitors. The following data reflects the current deployment figures for these terminals:

Type of Terminal	Installed as of 3/31/2026	Expected Future Needs *
Full-Size Clerk Selling	3800	5400
Intermediate Clerk Selling	660	
Small Footprint Clerk Selling	275	
Non-selling Terminal for Self-Service Reporting and Validations	290	500
Full-Service Self-Service	1880	2400
Reduced Height Full-Service Self-Service	100	200
Draw Only Self-Service	240	500

* These figures are estimates and represent the maximum number to be provided within the base fee.

- B. Installation. The Contractor is responsible for installing terminals, supplemental hardware, and LCMCS connections at Retailer sites. To ensure an aesthetically functional and “professional” appearance, all installations must be performed without any loose wiring visible to the public.
- C. Upgrades. As new games or features are introduced, the Contractor is responsible for developing and installing all required software upgrades. Throughout the term of the Contract, the MLGCA may require technology terminal upgrades to keep pace with industry advancements. To maintain a positive image of the MLGCA and ensure that internal components and software remain current and supported, Offerors should include a plan to refresh terminals after 5 years of operation.
- D. Ease of Use. Both clerk-operated and self-service terminals shall be fast, reliable, and designed with intuitive user interfaces. Paper replacement in these systems shall be simple and straightforward.
- E. Language Options. Currently, clerk terminals have a Korean language option. The Lottery may require that self-service terminals include functionality to display player instructions in Spanish or another language.
- F. ADA Compliance. Self-Service terminals and customer interfaces must be ADA-compliant.

2.3.3.2 Retailer Responsibilities (Not Contractor)

- A. General. Before a Contractor work order for the installation of lottery equipment can be created, a Retailer shall ensure that specific equipment and conditions are provided.
- B. Quad Outlet. The Retailer shall provide a quad electrical outlet at the terminal location.

- C. Access for Wires. The Retailer shall be responsible for completing all necessary hole drilling on the countertops or side panels for equipment cable runs before the lottery equipment is installed.
- D. Outlet Distance. The Retailer shall ensure that outlets are within 5 ft of terminals, signs, monitors, and other lottery equipment that requires power. Power strips are permitted only where permitted by the applicable code.
- E. Loss or Damage. Retailers shall be liable for any loss or damage to the Contractor-provided equipment, including the cost of repairing or replacing it.
- F. Replacement of Keys. Retailers shall be responsible for the costs of replacing keys for self-service lottery equipment.
- G. In-Wall Wiring. If a Retailer requires in-wall wiring for terminals, monitors, and peripherals, the Retailer is responsible for installing it.
- H. Retailer Supplied Monitors. For monitor games, any Retailer-provided monitor shall be safely mounted with the necessary electrical components and Contractor-approved signal boosters, splitters, or video cables terminating at the video component or terminal.

2.3.3.3 Monitors

- A. General. For Retailer locations, the Contractor shall provide and install monitors of various sizes to display Keno, a horse racing game (currently Racetrax™), and any other monitor games that the Lottery may offer in the future. A separate monitor for advertising near the terminal is also required.
- B. Monitor-Game Monitors. As directed by the Agency, the Contractor is responsible for installing at least one high-definition (HD) monitor for every Lottery monitor game at any Retailer that submits a request. Upon request, the Agency can provide photographs or sample layouts showing existing monitor setups at Retailer locations.
- C. Advertising Monitors. For each terminal, the Contractor shall install a minimum of one HD advertising display monitor. These monitors shall function as digital menu boards capable of displaying real-time messaging and advertising content dedicated to Lottery promotions and products, including scratch games, Fast Play games, and jackpots.
- D. Mounting Brackets. As requested by the Agency and at no additional cost, the Contractor shall provide various types of monitor mounting brackets (e.g., fixed or articulating) for Retailer locations.
- E. Retailer Supplied Monitors. For monitor games, the Contractor shall support any Retailer-provided monitors that the Retailer has safely mounted with the necessary electrical components and Contractor-approved signal boosters, splitters, or video cables terminating at the video component or terminal.
- F. Monitor Installation Not Required. The Contractor will not be required to install a monitor if:
 - 1. Mounting brackets are more than 12 ft. high.
 - 2. Ceiling mounts are required.

3. It is more than 25 ft. from the terminal or control device; and
4. It is more than 5 ft. from an electrical outlet (power strips are not an acceptable alternative to an outlet).

G. Current Monitors Deployed. MLGCA utilizes a variety of HD monitor sizes at Retailer locations based on each location's needs.

2.3.3.4 Other Retailer Equipment and Supplies

- A. General. The Contractor shall acquire, warehouse, install, relocate, maintain, repair, and replace all existing Retailer equipment, including peripheral equipment and supplies required under the Contract.
- B. Debit-Card Readers. All self-service equipment shall include a debit card reader. The Contractor shall provide a turn-key debit processing system that integrates with the State-approved payment processing provider that the STO has contracted with to hold State funds. The turnkey processing system shall include, but not be limited to, staff to conduct reconciliations and resolve complaints. The Contractor shall use the contract established by the STO for payment processing to ensure that State funds remain with a State-approved banking institution. Accordingly, MLGCA will not be responsible for payment of transaction processing fees associated with lottery debit transactions.
- C. Debit PIN Pads. Upon the MLGCA's request, the Contractor is responsible for providing debit PIN pads for clerk-operated terminals. This requirement assumes that such hardware would be limited to one unit per site and installed exclusively at locations without self-service terminals. Based on these criteria, the estimated total is approximately 2,000 Privacy PIN pads.
- D. Customer Transaction Display. The Contractor shall provide a customer transaction display for each terminal. Currently, a separate standing display is used.
- E. Signs. As directed by the MLGCA, the Contractor shall provide and install signage at Retailer locations. The signage includes lighted logo signs and two- or three-sided jackpot signs that display multiple jackpot amounts. Currently, 3,700 hanging jackpot signs and 2,500 logo signs are deployed. The Contractor shall install any additional signage provided by the Lottery.
- F. Logo Updates. The Contractor shall be financially responsible for updating all signage and materials, including all retailer consumable materials, at the Agency's discretion, whenever logos for the Agency or any games offered by the MLGCA are modified.
- G. Play Stations. To facilitate the display of play slips, brochures, and pencils, the Contractor shall provide 3,500 ADA-compliant play stations for installation at Retailer locations. The Contractor shall also supply all such materials displayed.
- H. Ticket Checkers. The Contractor shall provide both wired and wireless ticket checkers for Retailer locations, ensuring each clerk terminal is equipped with one unit.
- I. Cash Drawers. The Contractor shall provide 4,500 cash drawers.

- J. Other Supplies. To support the lottery business, the Contractor shall acquire, warehouse, and deliver various Retailer supplies. These items include, but are not limited to, pencils, play slips, ticket stock, and notepaper pads featuring the Lottery logo.
- K. Accessibility. Upon the Retailer's request, the Contractor shall be responsible for supplying equipment that addresses accessibility needs or accommodates Retailers with visual impairments.
- L. Approval of Equipment and Supplies. Before any equipment or consumables can be used at a Retailer location, they must receive Agency approval. All equipment shall undergo testing by an independent testing laboratory, for example, Underwriters Laboratories.

2.3.4 Lottery Games to be Supported by the Contractor

2.3.4.1 Support Existing Lottery Games

- A. General. The Contractor and the LCMCS shall support all current Maryland Lottery games as of the date of the execution of the Contract.
- B. In-State Draw Games Using Smart Play RNG. Through a contract with Smart Play, MLGCA currently uses a Random Number Generator (“**RNG**”) to conduct several draw games, including Pick 3, Pick 4, Pick 5, Multi-Match, and Bonus Match 5.
- C. Multi-State Games. The current multi-state games offered by the Lottery are Mega Millions and Powerball. Any game modifications or line extensions the Lottery decides to adopt must be supported for these offerings.
- D. Fast Play. Fast Play games offered by the Lottery include standard and progressive jackpot prize games. Support for these games includes developing the Fast Play artwork, game design, and prize structure. The Contractor’s support of Fast Play games shall: permit selection and release of new games as scheduled by MLGCA; provide for results to be determined from a pool of “tickets”; and be designed in a manner and style similar to scratch tickets. The Contractor shall conduct a trademark search and provide a legal opinion letter for every Fast Play game produced for MLGCA. Requirements include:
 - 1. *Trademark and Service Mark Search*. The Contractor or competent outside trademark counsel hired by the Contractor at Contractor’s expense shall conduct all appropriate trademark, service mark, trade name, and trade design searches for all game names used throughout the term of the Contract.
 - a) *Legal Opinion*. A written legal opinion regarding the permissible use of each game name based upon a search of registrations and applications for registration filed with the United States Patent and Trademark Office, applicable state agencies, and other pertinent sources must be submitted for MLGCA’s approval. This legal opinion must satisfy the MLGCA’s standards, including but not limited to the scope and terms of the opinion. The Contractor must submit that opinion to the MLGCA prior to completing any development specifications. The Contractor shall provide

the services required by this section at no additional cost to the MLGCA. (Note: Any trademarks and service marks owned by the MLGCA need not be searched.) Nothing in this paragraph shall diminish the warranty or limit the liability of the Contractor as otherwise provided herein.

- b) *Artwork and Design.* Upon the MLGCA's request, the Contractor or its outside trademark counsel shall also conduct all appropriate intellectual property searches regarding any artwork, any design, and any other aspect of the Fast Play game.
 - c) *Second Chance Games and Promotions.* The written legal opinion shall also address whether use of the name, and any other requested aspect of the Fast Play game, is permissible in second-chance games and other promotions by the MLGCA.
 - d) *Updated Opinion.* If determined necessary by the MLGCA, Contractor shall provide an updated opinion at any time prior to the actual use of the name or other aspect of the Fast Play game.
 - e) *Name Already in Use.* If the name or design (or other aspect of the Fast Play game) is currently in use or subject to a trademark or other intellectual property right, the Contractor or its trademark counsel shall, at the request of the MLGCA, use reasonable efforts to obtain the consent of the trademark or other intellectual property right owner to use by the MLGCA. If the Contractor is unable to obtain the consent of the owner, the parties shall designate a substitute game name or names acceptable to the MLGCA, for which Contractor or Contractor's outside trademark counsel shall conduct further searches as provided in this Section.
 - f) *Registration of New Marks.* Pursuant to **Attachment M**, new trademarks and service marks developed for the MLGCA shall be the property of the MLGCA and will be registered by the Contractor in the name of the MLGCA at its direction. The Contractor must obtain written approval from the MLGCA prior to incurring any registration cost. The Contractor shall keep all marks current, active, and protected during the term of the Contract and any extension thereof.
2. *Licensing Agreements.* The Contractor, when required by the MLGCA, shall obtain and be responsible for any necessary licensing agreement for any game to be printed during the term of the Contract. The Contractor must obtain approval from the MLGCA for any licensing fee before incurring any costs associated with it. The Contractor is responsible for submitting MLGCA-approved licensing fees to the MLGCA for payment. The MLGCA shall not be charged for any additional fees by the Contractor for the services performed to secure these licensing agreements.
3. *Fast Play Ticket Artwork.* The Contractor shall provide development specifications for each Fast Play game to be offered for approval by the MLGCA. The designs shall be vetted by the Contractor's programmers prior to being included in the development specifications. The Contractor shall use

the approved game artwork to create the files necessary for self-service vending machines and Fast Play game menu screens.

4. *Advertising Monitor Interrupter Screen.* The Contractor shall develop functionality that enables a full menu of available Fast Play games to interrupt the scheduled show on Retailer advertising monitors in retail locations when the Retailer selects the Fast Play menu. The Contractor shall maintain the graphics of games as directed by the Lottery based on game launches and closures.
5. *Independent Review.* The Contractor shall engage an independent Certified Public Accountant, acceptable to the MLGCA, experienced in lottery operations, to review the procedures and controls employed by the Contractor during the software development of each Fast Play Game. The Certified Public Accountant shall submit a secure PDF report directly to the MLGCA detailing the related findings and specific tests conducted on the Contractor's development process. These evaluations and tests shall include, at a minimum, an assessment and review of the controls for the seeding methods used to generate winners across High, Mid, and Low Tier prize levels, as well as non-winners, in accordance with the final approved prize structure.
- E. Monitor Games. MLGCA currently offers Keno, Keno Bonus, Keno Super Bonus, Packaged Keno to Go, Racetrax™, and Racetrax™ Bonus monitor games. To support monitor games, the Contractor shall provide and utilize automated random number drawing equipment certified by GLI. Additionally, the Contractor shall update graphics as directed by the Lottery to maintain fresh and appealing winning number drawing displays.
- F. Cash Pop™. The Lottery offers a third-party owned game, Cash Pop, drawn 4 times a day. The Lottery pays license fees to the third party.
- G. Instant Ticket Scratch Games. The Contractor shall support all scratch games released by the Lottery, including The Big Spin. This support shall include the graphics required for advertising monitors at Retailer locations.
- H. Timing for Release. The Contractor shall implement all requested game modifications in accordance with a schedule agreed upon with the Agency, including User Acceptance Testing ("UAT"). The Contractor shall launch each game within 120 days of the Agency's approval of the specifications.
- I. Step-Down of Games. For both retail and subscription sales, the LCMCS shall have the capability to gradually reduce the number of advance drawings available for purchase when the Lottery determines to modify a product or end a product on sale.

2.3.4.2 Develop and Support Future Lottery Games

- A. General. The Contractor shall be required to implement any new game the Agency may choose to offer at no additional direct cost to the Agency.
- B. Costs. Contractor costs to launch new games shall be recovered through the sale of the new Lottery game based on the agreed-upon fixed percentage of sales.

- C. Specialized Hardware. Additional specialized hardware not included in this RFP may be required by the Agency. Specialized hardware shall be paid for by the Agency.
- D. Licensing. The Agency may request certain licensed properties that are subject to third-party (non-Contractor) licensing fees. Third-party licensing fees that are required but not included in Offeror's proposal shall be paid for by the Agency.
- E. Development. The Contractor shall be responsible for developing specifications for Lottery approval, developing required software, performing acceptance testing, and designing ticket layouts and play slips, for final Lottery approval.
- F. Timing for Release. The Contractor shall launch all requested games in accordance with a schedule agreed upon with the Agency, including UAT. In no event will a game launch exceed 120 days after the Agency approves the specifications.
- G. Training. The Contractor shall be responsible for providing any Retailer training needed for new games.

2.3.5 Instant Ticket Warehousing

2.3.5.1 General Information – Outside the Scope of this Contract–Note: The Contractor is not responsible for work described in this 2.3.4.3 Section.

- A. Agency Staff. The Agency staffs the instant ticket (scratch ticket) shipping operation from its Baltimore headquarters warehouse.
- B. Costs of Shipping Instant Scratch Tickets. Under the current Instant Ticket Contract, the primary scratch ticket contractor is responsible for all shipping costs for instant scratch tickets. The primary printer must supply all shipping materials, including containers such as Gaylords, boxes, and envelopes, as well as labels and label printers that produce labels acceptable by the delivery company.

2.3.5.2 Instant Ticket Ordering

The Contractor shall have processes for Retailers to order new inventory and have it delivered to the Retailer, including:

- A. Pick and Pack System. The Contractor shall provide hardware and software with an interface to an Agency-approved common carrier. This includes, but is not limited to, PCs, document printers, scanners, and the supporting communications network located within the Lottery warehouse. The Contractor shall support connecting to and using label printers to produce shipping labels. The current carrier is Falcon, but United Parcel Service (UPS) is also an alternative.
- B. Additional Carriers. The Agency may decide to use more than one carrier. The Contractor shall have a process that distinguishes between orders within the Agency's warehouse and one that facilitates the delivery of those items.
- C. Sorter System. The Contractor shall provide a warehouse instant ticket order sorter system to support the Agency's growing scratch game sales. Ideally, the sorter should accommodate tickets 12" and longer, 8"x8" tickets, and other

oversized products. At a minimum, the sorter system shall include a return station and 7 fully equipped packing stations, including, but not limited to, PCs, scanners, and manifest printers.

- D. Real-Time Integration. The Agency requires real-time inventory control and integration with its sales and Retailer ordering systems.
- E. Inventory Statuses. The Contractor's LCMCS shall support, at a minimum, the following instant ticket pack statuses:

Stolen	Available – Unopened Packs	Available – Returned Packs	Allocated to Shipment
In Transit	Fully Sold/Settled	Omitted	Voided by Security
Missing	Received by Retailer	Activated for Sale	Destroyed
Promotional (cashable)	Not Available – Fully Unsold	Defective	Damaged

The LCMCS shall support additional statuses as directed by the Agency, or as offered by the Contractor.

- F. Reissuance of Packs. The LCMCS shall support a simple process for returning unopened packs of instant tickets to inventory and for their subsequent reissuance to other Retailers.

2.3.6 Central System Requirements

2.3.6.1 Maryland Operations Center.

- A. General. The primary site for day-to-day systems operation shall be located within 5 miles of the MLGCA's Baltimore Lottery Headquarters.
- B. Back-up Operations. Under normal failover scenarios, the Maryland Operations Center staff are expected to maintain system functionality from either the Primary Data Center ("PDC") or Backup Data Center ("BDC"). If the Maryland Operations Center is unavailable, trained staff at a secondary location must be prepared to assume all operational responsibilities.

2.3.6.2 Primary Data Center ("PDC").

- A. General. The Contractor shall provide a fully equipped PDC with all hardware, software, and infrastructure needed to operate the entire LCMCS.
- B. Environmental Considerations. The PDC must comply with all DoIT, MLGCA, and MUSL security, power, and environmental requirements. There must be redundant communications network paths and Uninterruptible Power Systems (UPS) capable of supporting 150% of the maximum expected load.

2.3.6.3 Remote Backup Data Center ("BDC")

- A. General. The Contractor shall provide a redundant remote hot BDC, fully equipped with all hardware, software, and infrastructure needed to operate the entire LCMCS. The BDC may be located outside of Maryland. A hot BDC is defined as an operating system that receives a mirror image of all transactions on a real-time basis from the active system, with the capability to automatically take

over processing in the event of a failure at the PDC, with minimal service disruption to the LCMCS, and with no loss or corruption of data.

- B. No Interruption. The BDC shall ensure continuous operation of the LCMCS without interruption.
- C. MLGCA Backup Data Center. The Contractor shall supply a separate, dedicated, minimum 200-square-foot secure space in the BDC or another mutually agreed-upon data center for MLGCA's backup servers and other equipment. This space shall meet the same requirements as the PDC, including security, power, network, and environmental requirements.
- D. Environment Considerations. The BDC shall comply with all DoIT, MLGCA, and MUSL security, power, and environmental requirements. There shall be redundant communications network paths and Uninterruptible Power Systems (UPS) capable of supporting 150% of the maximum expected load.

2.3.6.4 Ticket Scanning Messaging

- A. Non-Winning Tickets. The Lottery and Contractor shall jointly develop standard messages that will be displayed on all devices when non-winning tickets are scanned. Different messages are required when draws remain on a ticket.
- B. Winning Tickets. The Lottery and Contractor shall jointly develop standard messages that will be displayed on all devices when winning tickets are scanned. Messages will vary depending on whether draws remain or have concluded. For jackpot games, the Lottery may dictate that the annuity value is displayed, or that the message is "Jackpot".
- C. Retailer Advertising Display. The Contractor and the Lottery shall jointly develop images and messaging for Retailer advertising displays regarding the award of promotional tickets or vouchers, as well as Big Spin scratch game prizes.

2.3.6.5 Additional Game Requirements

- A. Non-Winning Tickets. Following the final drawing on a ticket, the LCMCS shall maintain non-winning ticket data within the system for a minimum of 182 days.
- B. MUSL Game Requirements. The LCMCS shall be MUSL Rule 2-compliant, with a dual-security number that is not recorded on the host, and shall validate a ticket when the bar code can't be scanned.
- C. Instant Scratch Game Settlement Options. The LCMCS shall be able to settle instant ticket packs by charging Retailers upon activation, 60 days after activation, or upon reaching a game-specific threshold percentage of validations, typically 80% of low-tier validations. The LCMCS shall be configurable to adjust the settlement terms at the Lottery's request. For Retailers using single-ticket accounting, settlement occurs on a per-ticket basis at the time the ticket is sold.

2.3.7 Instant (Scratch) Ticket Ordering Program

2.3.7.1 General

- A. TelSell System. To facilitate Retailers' identification of ticket delivery needs, the MLGCA requires a telephone-based ordering system. The Contractor shall provide a full-function order creation and processing system for scratch games that interfaces with the warehouse operation and common carriers. The TelSell system shall assist staff in recommending optimal orders for retailers.
- B. Staffing. The Contractor shall provide a system and staffing to make and receive Retailer calls to place orders.
- C. Supporting Other Languages. The Contractor shall have a manner to support and service Retailers who are Korean, Spanish-speaking, or any other language determined by MLGCA.

2.3.7.2 Key Features of the Ticket Ordering Program

- A. Game Allocations. The Contractor shall create initial game allocations for monthly launches based on individual Retailer sales data, number of game facings, and the specific games being launched.
- B. Auto-Ordering. The Contractor shall have the capability in the LCMCS to create an order for a Retailer without Retailer interaction. These orders are based on estimates of available inventory at the Retailer and games available for distribution.
- C. On-Demand. The Contractor shall have the capability in the LCMCS to accept and fulfill terminal-generated orders from Retailers.
- D. Walk-In Orders. The Contractor shall have the capability in the LCMCS to accept and fulfill walk-in orders from Agency District Managers.

2.3.7.3 Additional Technical Proposal Responses Needed

Describe the features and functions used to efficiently and precisely update ticket statuses to “stolen” to prevent cashing. This should address procedures for both with and without single-ticket accounting activated.

2.3.8 My Lottery Rewards™ (“MLR”)

2.3.8.1 General

- A. Complete Program. The Contractor shall provide a complete player rewards program using the MLR name. This program shall include a dedicated website and mobile app where players and members can complete all required functions (e.g., joining the program, establishing an account and wallet, receiving prize payments, entering and checking tickets, accumulating points, redeeming points for merchandise, entering drawings, receiving and redeeming free play or discount play or buy X get Y coupons, and viewing a real-time activity dashboard).
- B. Current MLR Program. The MLGCA’s MLR Program is a rewards program that administers second chance contests, points for drawings, points for prizes, and

other drawings and promotions for the Agency based on the entry of non-winning scratch tickets and any draw ticket. The MLR Program also facilitates the Lottery's subscription processing. The app shall include a ticket checker feature that allows both MLR Program members and non-members to verify whether their tickets have won a prize.

- C. Innovation and Engagement. The Contractor shall be responsible for the ongoing administration of the MLR Program. This responsibility entails providing technical and marketing support teams that prioritize innovation and proactivity, ensuring they consistently propose enhancements to boost program participation, engagement, effectiveness, and performance.
- D. Transition. The Contractor shall capture or transfer all player information and any existing rewards balances from the legacy system into the new system. To ensure a seamless transition, the implementation of the Contractor's updated Overall Rules and Drawing Procedures shall address any active promotions migrating to the new system and include provisions to inform players of the revised terms and conditions. The transition of existing promotions shall be executed to minimize any potential player disruption. (Additional note: the Lottery shall own all data relative to the MLR loyalty program upon contract termination, including all member contact information, previous activity, and current account balances. All of these shall be required to transition the program to a new vendor or platform successfully.)

2.3.8.2 Program Components

- A. Administration of All Drawings. The Contractor shall administer all drawings offered through the MLR Program and shall create the necessary rules and procedures that outline their processes. The coordination of these drawings and their schedules averages 100 drawings annually. The administration of the drawings includes auditing services, support services, communicating results to the Lottery, and posting results on the MLR Program website.
- B. Portal: The Contractor shall provide an entry portal and drawing support services for second-chance drawings, points for drawings, and any other drawings that are held for MLR members.
- C. Variable Drawing Entry Methods. The Contractor shall have the capability to support different entry mechanisms, including, but not limited to, specific dollar amounts, ticket counts, and ticket types.
- D. Achievements Administration. The system shall support all types of achievements – spend threshold (total spent or spend by product or game), number of tickets, remainder rollover (spend \$50 for an entry achievement – if the player had \$40 towards a \$50 achievement and entered a \$20 ticket, \$10 goes to the entry and \$10 starts a new tally), and others recommended by the Offeror.
- E. Prize Budget and Fulfillment. Prizes offered through the MLR Program shall be paid for and fulfilled by the Contractor, unless MLGCA and the Contractor agree in advance that specific prizes shall be fulfilled differently. The Contractor shall be responsible for addressing any customer service issues related to Prize fulfillment from the MLR Program. The monthly budget for prizes, coupons, etc.,

to be provided by the Contractor shall be \$375,000, with an annual inflationary increase of 3%. The amount charged to the Lottery for merchandise shall be the actual retail price, and coupons shall be charged based on the liability cost of the game awarded.

- F. Updates. The Contractor shall facilitate the efficient updating of website content, including programs, promotions, drawing rules, and graphics provided by the MLGCA. At the direction of the MLGCA, the Contractor shall ensure that all updates and ad hoc requests are fulfilled promptly.
- G. Customer Service. The Contractor shall be responsible for offering comprehensive customer service support to address MLR member inquiries regarding their accounts, the program, or technical issues with the mobile app and website. The Contractor shall ensure all inquiries receive a response within 24 hours.
- H. Vouchers and Coupons. The Contractor shall have the capability to issue and process game vouchers, subscription vouchers (if applicable), and coupons for free games or other promotional discounts redeemable through the LCMCS.
- I. Subscriptions. The MLR system shall be able to process vouchers purchased at retail and accept debit card payments for online subscription purchases. The MLR shall also be able to process prize payouts to a wallet through an MLR customer account.
- J. Mobile App. The Contractor shall provide and support a dedicated loyalty MLR Program mobile app. The MLR app shall facilitate all member functionalities available via the website, with the added capability to scan eligible tickets for direct entry into the program.
- K. iLottery. If iLottery is introduced, even if another vendor provides it, MLR must be designed to accept iLottery purchases and to provide for player awards and achievements. The platforms shall be fully integrated.

2.3.8.3 Reporting

- A. Data Management and Analysis. The Contractor shall be responsible for the management and comprehensive analysis of all data collected by MLGCA through MLR. MLGCA prefers in-depth data exploration and analysis, such as evaluating the cross-play behavior of Pick 4 ticket holders to determine their engagement with other ticket types. Analysis shall also assess player engagement with promotions and whether individuals actively utilize their draw and prize points or merely let them accumulate. For further details, refer to the “Additional Systems” section below.
- B. Data Reporting. The Contractor shall be responsible for delivering MLR activity data to the MLGCA monthly, or as requested by MLGCA. The MLGCA requires the following specific metrics:
 - 1. Membership statistics, including the total number of members, the number of active members, and the number of new members;
 - 2. Usage data for the mobile app and website, categorized by activity, as well as the number of new app downloads;

3. Comprehensive promotional reporting, detailing entry counts, the number of unique entrants, and the total rewards distributed;
 4. MLR Program ticket information, specifically the details and total retail value of tickets entered; and
 5. Data trends as identified and requested by the MLGCA.
- C. Improvements. Based on an analysis of player feedback and monthly data, the Contractor shall recommend improvements or changes to the MLR Program.
- D. Dashboards. The Contractor shall provide a monthly dashboard report to program members that summarizes their activity. The Contractor shall also provide the MLGCA with a monthly dashboard summarizing program activity. These dashboards are due to program members and the MLGCA by the tenth of the month for the prior month.

2.3.8.4 Customer Relationship Management During the solicitation stage, all email communications shall be directed only to the email address designated for the Procurement Officer. After award, all email communications shall be directed only to the Contract Monitor, the Procurement Officer, or another individual expressly identified in writing by the Contract Monitor or Procurement Officer.

- A. General. The Contractor shall establish a robust customer relationship management (CRM) program within the MLR Program to target both current and prospective members. This program shall provide deep, valuable insights into consumer behavior and purchasing trends, enabling MLGCA to refine customer engagement strategies and drive revenue growth. Existing methods include comprehensive push notification and email strategy tailored to various customer journeys.
- B. Communication. The Contractor shall provide information in a manner that allows members to find information about current and upcoming program promotions in an engaging, easy-to-understand way. The system shall include a feature enabling MLR members to subscribe to daily jackpot notifications for specific games, based on threshold levels established by the Lottery.
- C. Hotline. The Contractor shall provide a player hotline for MLR Program matters that is available 7 days a week.

2.3.9 Website and Apps Support

- 2.3.9.1 General.** To ensure the Lottery's apps and website remain current, the Contractor shall be responsible for supplying the necessary information feeds to facilitate seamless, real-time updates as required.
- 2.3.9.2 Ticket Checker.** The Contractor shall support ticket checker functionality for all MLGCA-authorized applications.
- 2.3.9.3 Data Feeds.** As directed by MLGCA, the Contractor shall provide specific data feeds to the website and authorized MLGCA mobile apps. Currently, the Lottery website processes these data files by merging them with local

data to generate and export a JSON file, which is then shared between the Lottery website and the Lottery app and published on both.

2.3.9.4 e-Play slips. The Contractor shall support e-play slips created on the mobile apps for use on Retailer clerk terminals and self-service terminals. The Contractor shall track usage of the e-play slips and provide monthly updates to the Lottery. Currently, the e-play slips, and functionality is provided via iFrame.

2.3.9.5 Additional Technical Proposal Responses Needed. Describe industry best practices regarding the ability and benefit of capturing device identification during mobile ticket scans, along with recommended implementation processes. The system shall document the specific Retailer location whenever a ticket is scanned on a ticket checker device.

2.3.10 Third-Party System and Support

The Contractor shall enter into contracts with an MLGCA-approved vendor(s) for any required third-party system or tests. All costs shall be the responsibility of the Contractor.

2.3.11 Internal Control System (“ICS”)

2.3.11.1 General. The Contractor shall procure an ICS that is currently in use by a North American Lottery. A third party shall provide the ICS and shall meet the functionality and reporting requirements of MUSL and the Mega Millions Consortium.

2.3.11.2 Costs. The Contractor shall absorb all costs associated with the development and use of the third-party ICS.

2.3.11.3 PII Not Transferred. The Contractor shall ensure that all product sales, cancellations, and validations are balanced in the ICS, but claimant PII shall not be transferred to the ICS.

2.3.11.4 MUSL ICS. In the event that the MLGCA chooses to interface with a MUSL-provided ICS, in addition to a Maryland-specific ICS, the Contractor shall provide the software, hardware, and network connectivity required to supply data to the MUSL ICS.

2.3.12 Analytic (SAS) Tool

2.3.12.1 General. The Contractor shall provide an analytics tool to allow the Lottery to identify unusual claim patterns.

2.3.12.2 Current Tool. MLGCA currently uses a proprietary SAS tool to meet this requirement. While alternative solutions for analytic tools may be acceptable to the MLGCA, MLGCA recognizes that the current provider has a deep understanding of the lottery industry and player claiming patterns that may indicate illicit behaviors.

2.3.12.3 Reasonable Alternative. If the Offeror proposes an alternative to the SAS tool, it shall detail how it compares with the SAS tool for identifying unusual claims.

2.3.13 System Penetration Testing

- 2.3.13.1 General.** The Contractor shall provide annual system penetration testing using an MLGCA-approved third-party. See **IT Supplemental**.
- 2.3.13.2 Different Providers.** The Contractor shall not use the same provider to perform more than two consecutive penetration tests.

2.3.14 SOC Audits

Annual SOC audits are required. See **IT Supplemental**.

2.3.15 Other Testing and Information

- 2.3.15.1 MUSL and Mega Millions.** The Contractor shall support all testing required by MUSL and the Mega Millions Consortium.
- 2.3.15.2 Maryland Department of Information Technology (“DoIT”).** The Contractor shall support all testing required by DoIT as described in the IT Supplemental.
- 2.3.15.3 Legislative Auditors.** The Contractor shall supply data, reports, and other information required by the Office of Legislative Audits.

2.3.16 Sales Force Automation Tool

2.3.16.1 General

- A. Complete System. The Contractor shall provide an end-to-end Salesforce automation system for the Lottery Sales Department.
- B. Software and Hardware. The Contractor shall provide the system software and hardware for a full-function tool that meets the needs of the Lottery Sales Department as provided below. This full-function tool shall accommodate the requirements of all management and Lottery Sales staff and include portable devices, such as tablets or small laptops.

2.3.16.2 System Components

At a minimum, the sales force automation system shall be able to provide the following features and functionality for the Lottery Sales Department:

- A. Access. Permission-based access shall be user-specific.
- B. Flexibility. Flexible functionality for user administration, work assignment, and news updates, while also serving as a document repository for Lottery District Managers and field staff.
- C. Reporting. Comprehensive reporting for all Retailer data points, enabling staff to:
1. Record leads;
 2. Log communications and site visits;
 3. Organize follow-up schedules; and
 4. Maintain Retailer information, such as location, scratch game facings, owner contact information, and other attributes (excluding official ownership of record changes).

- D. Inventory Tracking. Near real-time tracking of scratch ticket inventory at the retail and Warehouse levels.
- E. Statistical Information. Shall be able to maintain terminal game statistics and basic game information.
- F. Automated. Fully automated forms that shall be auto-populated or can be manually filled in.
- G. Email Integration. Permits users to email documents to various departments via the system.
- H. Survey. Survey sales staff.
- I. Alert. Generates notifications triggered by various factors, including new game launches, game activations, and underperforming games, among others.
- J. Integrated. Interfaces with a separate Retailer portal application system and with other LCMCS databases.
- K. Updates. Updates data within the system at least daily; however, real-time updates are preferred where connectivity is sufficient.
- L. Platform Agnostic. Compatible with multiple platforms, being platform agnostic, allowing for seamless operation across tablets, PCs, or State-issued mobile phones.

2.3.16.3 Device Requirements

- A. General. As detailed previously, the Contractor shall be responsible for supporting the Lottery Sales Department. This includes providing IT support devices for approximately 60 to 75 users and devices, encompassing all district managers and sales staff at Lottery Headquarters.
- B. Minimum Specifications. As of the Contract start date, the minimum device specifications include 8 GB of memory, 128 GB of storage, and a 12-inch screen. These requirements are subject to upgrades when the platform is refreshed.
- C. Cellular Costs. The Contractor shall pay cellular service costs.
- D. Configuration by MLGCA. MLGCA IT staff shall image all devices and install software that limits what can be installed on them.
- E. Accessories. For every device, the Contractor shall supply a carrying case, a screen protector, a keyboard, and either a mouse or a stylus. Additionally, charging cables suitable for both AC and automotive outlets shall be provided, ensuring the equipment is fit for field use.
- F. Replacements. The Contractor shall be responsible for replacing any products or devices lost, stolen, damaged, or defective.
- G. Refreshed Devices. After implementation, the Contractor shall refresh equipment every 5 years.
- H. Software Programs. Other software to be included on the device shall be Microsoft programs, including Word, Excel, and Publisher.

2.3.17 Communications Network – Retailer and Inter-Site Backbone

2.3.17.1 Cellular

- A. General. For Retailer communications, the Contractor shall be required to provide a primarily cellular communications network.
- B. New Locations. Within 14 days or fewer, the Contractor shall facilitate the installation of communications and sales equipment at the new location and provide training.
- C. Placement of Equipment. The Contractor shall limit the placement of communications network equipment on rooftops.
- D. Speed. The Contractor shall provide high-speed network connectivity between the Contractor sites and the Lottery, including the Lottery ICS backup site and the Warehouse in Baltimore. One Gigabit per second (Gbps) is the expected minimum speed. Download speeds shall be sufficient to meet the Lottery's needs.

2.3.17.2 Providers

- A. General. The Contractor shall provide redundant providers for 95+% of the communications network (i.e., dual communication).
- B. Alternatives. The Contractor shall have alternative communication network solutions in areas where cellular service is inadequate. The alternative shall provide speeds and latency that will support Lottery sales.
- C. Management. The Contractor shall be required to manage all communications providers.
- D. Communication Failures. The Contractor shall be responsible for liquidated damages for any downtime and sales losses associated with communication failures. See **Appendix 12**.

2.3.17.3 Connectivity. The network shall be fully integrated and interconnected with all Lottery systems and tools, including the warehouse.

2.3.18 Conversion

2.3.18.1 General Requirements

- A. Processing of Tickets. The incoming Contractor shall work with the incumbent vendor to permit the processing of winning tickets from the legacy system. The Contractor must be able to process winning tickets for 182 days following: the last draw date on a ticket, the sale date for a Fast Play game, and the announced end of game for a scratch ticket.
- B. Data Imported – 7 Years. The legacy system data shall be imported into the new system. This data shall include, but is not limited to, the following records from the last seven years:
 - 1. Daily sales by Retailer and game;
 - 2. Sweep history for Retailer accounts and banking information;
 - 3. Retailer ownership details;
 - 4. Prizes and claims paid;

- 5. Annuity and bond databases; and
- 6. Additional checks issued by Finance or other Agency departments.
- C. Third Party Testing. To assist in the pre-conversion system testing and system certification, the Contractor shall retain and compensate a third-party laboratory. The MLGCA shall approve the laboratory and possess documented experience in the comprehensive end-to-end testing of modern lottery systems.

2.3.18.2 Specific Game Requirements

- A. Fast Play Games. The Contractor shall ensure that any accumulated progressive Fast Play jackpot funds at conversion are transferred to new progressive jackpot games. The LCMCS shall accommodate these transfers.
- B. Draw and Monitor Games. The Contractor shall ensure that all draw game data is maintained for previous drawings on the Maryland Lottery website and app and shall continue to publish those results without interruption.
- C. Instant Scratch Ticket Games. While this RFP does not cover the provision of instant scratch ticket games, the LCMCS shall be able to process all instant ticket transactions. Additionally, the LCMCS shall be required to update available prizes for every game and maintain pack history for all ticket packs.

2.3.19 Additional Systems and Programs Within the LCMCS

2.3.19.1 General

- A. Fully Integrated. A seamless integration across all systems and tools shall be required to ensure that updates to records are communicated in near real-time. Regardless of which system is updated, the update must automatically propagate to every other integrated system in near real-time (no more than five (5) minutes).
- B. Real-Time Communication. To ensure the accuracy of data on scratch ticket orders and warehouse and retailer inventory, the Contractor shall provide real-time synchronization and communication across all software systems. This requirement applies regardless of whether the system has been fully integrated into the baseline lottery system.

2.3.19.2 Social Security Number (SSN) Validation

- A. General. To ensure identity accuracy, the LCMCS shall implement an SSN validation procedure whenever an SSN is requested. This process involves a security verification to confirm that the SSN is legitimate and active, and that it matches the individual's submitted name and date of birth.
- B. Applicability. The SSN validation process shall be used for every function within the LCMCS that requires an SSN, such as claiming a prize, creating an MLR account, and purchasing a subscription.
- C. Users. The SSN validation process shall occur whenever the LCMCS necessitates the entry of an SSN to complete a required system function; it shall apply to players enrolling in the MLR Program, CRC staff, and XCAP Retailers.

2.3.19.3 Agent Administration System

- A. General. The Agent Administration System captures all the MLGCA's Retailer licensing information, including ITLM Facilities. The Contractor shall be responsible for establishing procedures and shall provide processes for:
 - 1. Onboarding new Retailers;
 - 2. Managing ownership changes for existing Retailers; and
 - 3. Handling Retailer terminations.
- B. Minimize Data Entry. The system shall be streamlined to minimize the number of data entry points for Agency staff.
- C. Alerts. To ensure Agency staff are informed of pending tasks in their queue, the system shall notify specific Agency staff by providing transaction alerts when tasks or information are updated or added.

2.3.19.4 XCAP™ Program

- A. General. This program allows select Retailers to fulfill prize payments of \$600 or more, up to \$5,000, in cash or with a Retailer's business check. Although the Lottery's existing system is captured below, Offerors are encouraged to propose alternatives.
- B. Paperless Entry Claims. The terminals provided by the Contractor shall include functionality for scanning winning tickets and government-issued identification to facilitate the generation of claim forms. The process shall allow the terminal to produce a draft claim for player review and approval, ensuring accuracy before finalization.
- C. Claim File. The LCMCS shall be designed to facilitate the capture of all data as a part of the claim file, making it accessible to the Lottery's Accounting Division and the Customer Resource Center ("CRC"). The claim file shall remain accessible on demand while being restricted from and inaccessible to XCAP™ Retailers.
- D. Other Interfaces – State Debt. The LCMCS that XCAP™ Retailers process claims through shall support an interface with the Maryland Department of Human Services ("DHS") and Maryland Department of Budget and Management's Central Collections Unit ("CCU") to cross-check updated lists of individuals with various State debt to block payment of a claim by an XCAP™ Retailer.
- E. Other Interfaces – VEP List. The LCMCS shall support an interface with the Commission's Voluntary Exclusion List for Lottery that is a part of the Lottery's Voluntary Exclusion Program ("VEP"). By referencing social security numbers (SSN) against the VEP List, the system shall prevent XCAP™ Retailers from processing a claim and fulfilling prize payments to individuals listed on the Commission's Lottery Voluntary Exclusion List.
- F. Other Interfaces – Security Block. The system shall be designed to interface with a list of SSNs managed by Lottery Security to identify and block an XCAP Retailer's ability to fulfill the payment of prizes over \$600 to specific claimants. Currently, when a player attempts to claim a ticket over \$600 at an XCAP™ location, the SSN is checked against the Security list. If there is a match, the

payment is blocked, and the claimant shall be instructed to claim their prize at Lottery Headquarters. Unless Security releases the block, the prize cannot be paid.

- G. Retailer Commissions. Retailers shall receive the standard cashing commission for payments made through the XCAP™ Program.

2.3.19.5 Claims/ Alternative Cashing Methods

- A. Alternative Cashing. The Contractor shall provide alternative solutions for cashing in prize winnings other than those currently used by the MLGCA. These solutions, at a minimum, shall be functional for use by the CRC staff located at the Lottery's Headquarters. Examples are Venmo, Zelle, PayPal, or ACH.
- B. Mobile Cashing.
1. *General.* A method for mobile cashing of prize winnings, which must be accounted for by the LCMCS, shall be provided by the Contractor.
 2. *Mobile Cashing on an App.* The Contractor shall provide a secure deposit of up to \$600 into a claimant's bank account.
 3. *No Offsets.* If there are no offsets to claimant's winnings, the Contractor shall provide a secure deposit of funds into a claimant's bank account of between \$600 to \$5,000.

2.3.19.6 Claims / Checkwriter – Lottery Headquarters and Agency Claim Centers

- A. General. Neither the Lottery nor any Agency Claim Center (e.g., casinos) shall directly pay any prize of \$25,000 or greater. The State Comptroller pays these prizes based on Special Request Transmittal ("SRT") files created by the LCMCS. All prizes of any amount issued on the check-writer system shall be checked against the State Debt offsets and VEP List.
- B. Paperless Entry of Claims. The Contractor's terminals shall be able to scan winning tickets, a driver's license, or other government ID, and tax identification (such as an SSN card) provided by a claimant. The SSN provided shall go through SSN validation. The scans made by the terminal shall be viewable by CRC staff or Agency Claim Center staff (e.g., casino staff) who can then print a claim form so that a claimant may verify and approve the information on it.
- C. No Cashing Commissions. The payments made through the CRC or an Agency Claim Center shall be made against the Lottery Working Fund Checking Account. There is no cashing commission associated with claims made in this manner.
- D. Claim File. The Contractor's system shall include all data captured in the claim file that is accessible by the Lottery's Accounting Division and the CRC. This information shall be available on demand and may only be accessible to Finance, CRC, or the Agency Claim Center (e.g., casino) that cashed the prize.
- E. Other Interfaces – State Debt. The system that processes CRC or Agency Claim Center claims shall support an interface with DHS and CCU to cross-check updated lists of individuals with various State debts to reduce the amount to be issued. If the prize amount after being reduced by tax withholding, if any, is

larger than the debt(s), the balance shall be paid to the claimant by their method of choice. The system shall allow notice to be provided to DHS and CCU, indicating the amount withheld, and shall print a notice for the claimant identifying the reason funds were withheld.

- F. Other Interfaces – VEP List. The system shall support an interface with the Commission’s Voluntary Exclusion List, which is part of the Lottery’s VEP. Participants on the Commission’s Lottery Voluntary Exclusion List who attempt to claim at the CRC or an Agency Claim Center (e.g., casino) are considered to have had the prize paid. Still, the funds shall be deposited into the Problem Gambling Fund, not to the claimant. No payment shall be issued, and the system shall print a letter notifying the person that the prize was withheld.
- G. Override Capability. The LCMCS shall facilitate SSN validation, enabling CRC staff to verify names and SSNs attached to any liabilities and claimants. This comparison functionality ensures data accuracy. The system shall provide the Supervisor or Manager with the system authority to override any mismatches or errors identified during the process.
- H. Other Interfaces - Security Block. The system shall be designed to interface with a list of SSNs managed by Lottery Security to identify and block an XCAP Retailer’s ability to fulfill the payment of prizes over \$600 to specific claimants. Currently, when a player attempts to claim a ticket over \$600 at an XCAP™ location, the SSN is checked against the Security list. If there is a match, the payment is blocked, and the claimant is instructed to claim their prize at Lottery Headquarters. Unless Lottery’s Security Unit releases the block, and the prize cannot be paid.
- I. Bank File Support. The Contractor’s system shall support bank files (positive pay) and the State SRT financial system file interface. The system shall allow for a file extraction or download.
- J. Equipment and Supplies. The Contractor shall provide all equipment necessary for the system to process claims and issue checks using the Lottery bank account for the CRC and Agency Claim Centers (e.g., casinos), as well as for other alternative cashing procedures. This equipment shall include, but is not limited to, computers, terminals, scanners, separate printers for checks, W2Gs, and other documents, and supplies needed for that equipment. The Lottery shall supply check stock.
- K. Maintenance of Equipment for System. The Contractor shall be responsible for performing all required maintenance for the equipment.
- L. Limitation on Claims. The Contractor’s system shall limit the amount that a claimant may be paid at an Agency Claim Center (e.g., casino) to \$25,000, or other amount specified by the Agency, per day; and only to U.S. residents.
- M. Multiple Claimants. The Contractor’s system shall have the capability to calculate and manage the distribution of gross, federal, and state tax withholdings, net amounts, and liability offsets for tickets with multiple claimants. The payments owed to other claimants remain unaffected even if one claimant is subject to withholdings for offsets or is on the Lottery VEP list.

- N. Multiple Tickets. The system shall allow the consolidation of multiple winning tickets from a single claimant into a single check payment.
- O. Claims other than Cash. The Contractor's system shall facilitate the processing of claims for promotions and "other" categories, such as merchandise, while ensuring that all relevant tax reporting is provided.
- P. Taxes Paid by Agency or Claimant. The Contractor's system shall support claims where either the Agency or the claimant pays the taxes.
- Q. Username Tracking. The Contractor's system shall print the terminal user's name on all claims processed at the CRC or an Agency Claim Center (e.g., casino).
- R. Annuity Claims. The Contractor's system shall be capable of managing the claim processing for annuity claimants, encompassing check issuance, SRT file inclusion, or annuity payments. For initial disbursements, a CRC check shall be issued for amounts up to \$25,000, while an SRT file shall be generated for any payments over \$25,000. All subsequent payments shall be added to the Annuitant database to facilitate annual distribution.

2.3.19.7 Claims and Retailer Tax Reporting

- A. W-2G Processing. The Contractor's system shall support W-2G processing and reissuance of W-2Gs for claimants for the prior seven (7) years.
- B. 1099 Processing. The Contractor's system shall support 1099 processing and reissuance of 1099s for Retailers.
- C. Self-Service Retrieval. The Contractor's system shall allow Retailers and claimants to retrieve their own 1099s or W-2Gs securely.

2.3.19.8 Back-Office – Finance Requirements

- A. Accounting and Checkwriter. The Contractor's system shall support a multi-step approval process for checks issued by the Lottery's Accounting Division by multiple users, as follows:
 - 1. System functions shall include input, approve, and print. The approved path must include Reject, Send Back, and Approve.
 - 2. System support query of all checks issued for the CRC and the Lottery's Accounting Division shall include date, name, check number, and claim number.
 - 3. System shall support voiding of all checks issued for the CRC and the Lottery's Accounting Division.
 - 4. The system shall support bank files (Positive Pay) for all Agency bank accounts.
- B. Accounting Bond Database. The Contractor's system shall support the data and future payments for all current purchased bonds, including, but not limited to, CUSIP, purchase date, par amount, fair value amount, maturity date, principal, and interest. The system shall also support the addition of any newly purchased bonds.
- C. Accounting and CRC Annuitant Database. The Contractor's system shall support maintaining the data associated with all current annuitant claimants, including,

but not limited to, name, mailing address, date the prize was won, date the prize was claimed, beneficiary, quarterly payment, and quarter for payment. This information shall be available through queries and file extractions.

- D. Retailer – Accounts Receivable. The Contractor's system shall support weekly and on-demand ACH/EFT sweeps for any or all Retailers. The file currently consists of 3 parts: debits, credits, and net amount to the State Treasurer's Office. The system shall allow adjustments to a Retailer's invoice with an approval path. This can be obtained manually and via an Excel file import. The weekly Retailer sweep shall exclude Agency Claim Centers (e.g., casinos) claim checkwriter terminals because those checks are issued against the Lottery Working Fund Checking Account.
- E. Accounting Sales Reconciliations. The Contractor's system shall generate daily files for sales, commissions, and liabilities for upload to Microsoft Dynamics SL. Additionally, it shall produce monthly liability reports categorized by game and draw, detailing prizes won, unclaimed prizes, or other parameters defined by the Lottery.

2.3.19.9 Subscription Program

- A. Online Sales and Vouchers. As a result of the 2025 amendment to State Government Article § 9-111(e) of the Annotated Code of Maryland, individuals are now permitted to purchase subscriptions through the Internet. The statute further outlines a subscription voucher system under which Retailers may sell vouchers to fund subscription purchases. Under this framework, Retailers are entitled to sales commissions on initial voucher sales and on subscription renewals occurring before expiration, for a period of 24 months from the first renewal. Consequently, the Contractor's system shall be required to support online subscription purchases via debit card payment and enable Retailers to sell subscription vouchers and receive the commissions established by law. If other forms of payment arise, the system shall be able to accommodate these forms.
- B. When Subscription Plays Added. Subscription plays shall not be entered into a drawing at the time of purchase. Instead, subscription entries shall be added when retail transactions are processed after the close of the previous drawing. Lottery VEP participants may not purchase subscriptions. Players must provide their Social Security number to purchase or renew a subscription.
- C. Currently: No Wallet Purchases. Funds in wallets shall not be used to purchase or extend a subscription. Wallets are zeroed out through the issuance of a check when the balance reaches \$100 or, on player demand, or upon expiration of all the player's subscriptions.
- D. Daily Files. The Contractor's system shall create daily files of all subscription payments.
- E. Player Social Security Numbers / Offsets. For every prize paid directly by the Lottery or through the SRT process, the claimant's SSN shall be checked against child support and CCU databases before payment can be made.

- F. Voluntary Exclusion Program. Individuals identified on the Lottery VEP List shall be prohibited from initiating new subscriptions or redeeming existing subscription vouchers. If an active subscriber joins the Lottery VEP Program, their subscription shall be terminated. A check shall be issued to the individual covering both a refund for upcoming drawings and any unpaid prizes already won prior to the individual joining the Lottery VEP Program.
- G. Queries and Reports - Subscriptions. The system provided by the Contractor shall allow the Lottery to generate reports and perform queries on both active and expired subscriptions. Supported search parameters shall include player name, game, subscription number, player number, check number, subscription price, or any other criteria the Lottery identifies. For instance, if a \$52 check deposited on January 5 is returned for insufficient funds, the system shall enable the Lottery to query specifically \$52 checks from that date.
- H. Queries and Reports - Deposits. The Contractor's system shall support queries or reports concerning deposits, organized by parameters such as game, user, date, and totals. Additionally, it shall accommodate daily and intraday reporting, as well as any other criteria specified by the Lottery.
- I. Discounts. The Contractor's system shall support subscription discounts. Discounts shall be applied at the end of a subscription, not prorated over its life.
- J. Overpayments. The Contractor's system shall support overpayments to a player's subscription, with the excess amount transferred to the player's wallet. There must be detailed reporting of such an occurrence. However, a subscription voucher shall apply only to the game, frequency, and duration for which it was purchased.
- K. Cancellations. The Contractor's system shall provide support for the "cancellation" of active subscriptions. It shall be capable of identifying the specific game, the cancellation amount, the subscription number, and any winnings accrued before cancellation that have not yet been transferred to the wallet. Additionally, the system shall enable the Lottery to distinguish between winnings and prorated subscription amounts.
- L. Refunds. In the event of a game change, the Contractor's system shall be capable of refunding subscriptions or permitting the continued use of the same numbers as necessary.

2.3.19.10 Retailer Portal

- A. Paperless Application. The Contractor shall supply a paperless application tool for Retailers.
- B. Multiple Application Types. The system shall support multiple application types, including: new retailer applications; new ownership and changes in business structure; business name, bank account, or location changes; corporate locations, including Corporate Headquarters, first chain locations, and additional locations; XCAP™ status and requests for additional terminals.

- C. Alerts. System alerts shall inform Lottery staff when an action is required to process a Retailer application. There shall also be alerts if an application is “aging” one day after ninety (90) days.
- D. Sales Reporting. The Contractor shall provide a system capable of allowing Retailers to view and analyze their specific sales data.
- E. Surveys. The Retailer Portal shall provide the capability for conducting Retailer surveys.
- F. Tax Reports. The system shall allow Retailers to retrieve their own 1099 documents or other tax records.
- G. Responsible Gaming (“RG”) Toolkit. If the Lottery develops an RG toolkit, it shall be accessible through the Retailer Portal.

2.3.19.11 Business Intelligence System (“BIS”)

- A. General. A Business Intelligence System (“BIS”) is currently utilized by the Lottery. The Contractor shall be required to supply a BIS that will be fully integrated with the warehouse and all other existing systems and processes.
- B. Trained Analysis. To support the BIS, the Contractor shall provide a dedicated, qualified analyst. This individual shall be responsible for report preparation and will provide training assistance to other users of the system.
- C. Reporting. The BIS shall have the capability to generate on-demand reports that analyze various elements, including trade styles, promotions, and games. Additional details are provided in **Appendix 4**.

2.3.19.12 Sales Threshold Monitoring

- A. General. The Contractor shall track Retailer sales thresholds and execute specific protocols, including alerting Agency personnel via email when certain conditions are met. System-driven automation for these notifications shall be preferred over manual initiation by the Contractor’s personnel.
- B. Suspend Sales. The Contractor’s system shall have the capability to suspend sales for specific games—presently Keno and Racetrax—whenever a Retailer’s daily sales for that game hit \$10,000, triggering an email alert to Lottery Security and designated Agency staff. Although this threshold shall apply to most Retailers, the system shall allow it to be configured on an individual Retailer basis.
- C. Notice to Lottery Security. While a select group of Retailers are authorized to exceed a daily sales cap of \$10,000, the Contractor’s system shall provide notifications to Lottery Security and designated Agency staff. Such alerts shall be triggered whenever these specific retailers reach current sales benchmarks of \$15,000, \$25,000, \$30,000, or \$45,000, but these amounts are configurable by the Lottery at any time.
- D. Fast Play Progressive Top Prize. The Contractor’s system shall notify designated Agency staff when a Fast Play progressive top prize is hit.

- E. Fast Play Sales. The Contractor's system shall send an email notification to designated Agency staff whenever a Retailer's daily Fast Play game sales surpass \$10,000.
- F. No More Top Prizes. The Contractor's system shall notify designated Agency staff when a scratch game has zero top prizes remaining.
- G. Stolen Tickets – Cashing Attempts. The Contractor's system shall prohibit the cashing of tickets reported as stolen and shall alert designated Agency staff in the event of an attempt to cash such tickets.

2.3.20 Other Requirements

- 2.3.20.1 Mega Millions Consortium and MUSL Requirements.** The Contractor shall meet all current and future requirements of the MUSL and the Mega Millions Consortium.
- 2.3.20.2 UAT Lab.** Within the Baltimore Operations Center and situated no more than five miles from Lottery Headquarters, the Contractor shall be required to establish a fully equipped User Acceptance Test ("UAT") lab. This facility shall be reserved exclusively for the use of Lottery staff and shall be outfitted with one unit of every communications device and terminal currently deployed.
- 2.3.20.3 Terminals and Signage – Demonstration Mode.** The Contractor shall maintain one of each type of deployed terminal and all deployed signs at Lottery Headquarters in a training or demonstration mode for Lottery Sales staff. This shall be separate from the required Training and Demonstration Facility and the associated devices located therein. To support live data displays of Retailer advertising, jackpot signs, and monitor game monitors, additional non-selling terminals shall be provided in four locations within the Lottery Headquarters.
- 2.3.20.4 Drawing Equipment.** The Contractor shall have automated drawing equipment for Keno, a horse racing game, and Cash Pop, certified by an approved third-party lab.
- 2.3.20.5 Single Ticket – Accounting.** The Contractor shall have the ability for select Retailers to offer single scratch ticket game accounting. This shall not be system-wide.
- 2.3.20.6 Annual Reporting.** The Contractor shall be responsible for generating annual W-2G forms for the Comptroller and the IRS, and for identifying all reportable prizes. While the Lottery handles the daily printing and mailing of W-2Gs to claimants paid by XCAP™ Retailers, the Contractor shall produce a 1099 file incorporating third-party ITLM data and manage the printing of Retailer 1099s.
- 2.3.20.7 ID Cards.** To facilitate check-in and check-out procedures at Retailer locations, the Contractor shall supply scannable ID cards for Lottery staff, particularly Field Sales Staff. These cards shall also allow Lottery staff to oversee the management of scratch game inventory.

2.3.20.8 Reportable Data. On a daily and weekly basis, the Contractor shall provide a variety of data that shall be reported to the Agency’s accounting system (currently MS Dynamics SL) and the State’s Financial Management Information System or the appropriate ERP system in place during the contract performance period.

2.3.20.9 Self-Service Terminal Data. The Contractor shall provide out-of-stock management reporting for self-service terminals, using real-time data, for both Retailers and Sales staff. Information shall be accessible via mobile devices.

2.3.20.10 Training. For both the conversion and all subsequent new Retailers, the Contractor shall be responsible for providing training through in-person classroom sessions and online platforms. Additionally, the Contractor shall conduct training for Lottery staff prior to the start of the conversion.

2.3.21 Marketing and Promotions

2.3.21.1 Marketing Fund. The Contractor shall provide an initial annual, non-lapsing Marketing Fund of \$850,000, with 3% annual inflation. These funds shall be used at the Lottery’s discretion for marketing services or equipment that will be procured by the Contractor and owned by the Lottery.

2.3.21.2 General Marketing Support. To support the growth of the Lottery’s sales and revenues, the Contractor shall take an active role in all aspects of sales and marketing. Participation shall include, but is not limited to:

- A. Analyzing sales and trends;
- B. Analyzing MLGCA game offerings and making recommendations for changes;
- C. Helping to design innovative promotions and analyze the effectiveness of those promotions;
- D. Providing periodic reporting of industry findings;
- E. Assisting the MLGCA in formulating the slate of games, game changes, and game promotions to be introduced in the coming twelve (12) months and assisting in monitoring and analyzing their progress;
- F. Delivering an annual “State of the Industry” presentation that features a comprehensive review of industry trends, including financial data, marketing strategies, and sales performance, while highlighting new games, media, and relevant technological advancements;
- G. Participating in strategic planning sessions.
- H. Developing ongoing relationships with other lotteries to understand the rationale behind their sales programs, marketing plans, and game ideas.
- I. Recommending new merchandising ideas for the MLGCA;
- J. Aiding in staffing MLGCA sponsorships; and
- K. Helping to conduct MLGCA and Retailer conferences.

2.3.21.3 Promotions

- A. General. The MLGCA is an active marketing and promotions agency. The Lottery runs numerous diverse campaigns to bolster sales.
- B. Concurrent. The Contractor shall be able to support multiple concurrent promotions.
- C. All Game Segments. The Contractor shall be able to provide promotions in all game segments, as well as those that support the My Lottery Rewards Program.
- D. No Commission. The Contractor does not collect a commission or percentage of “sales” on promotional tickets or free plays.

2.3.21.4 Keno Recap and Display Screens

- A. General. Between drawing animation displays, the Contractor shall display marketing screens; certain screens will use graphics from Retailer advertising screens.
- B. Hot and Cold Numbers. As part of the Keno results show and apps, the Contractor shall provide real-time tracking and display hot and cold numbers.
- C. Horse Racing Game Data. As part of the proposed horse racing game results show and apps, the Contractor shall provide real-time tracking and display hot and cold numbers.
- D. Mandated Alerts. The Contractor shall accommodate and display State-mandated alerts, including amber and silver alerts.

2.3.22 Field Service

2.3.22.1 General

- A. Staff and Equipment. The Contractor shall provide all field service staff and equipment, including a 24/7 call-in hotline, dispatch system, repair depots, and remote warehouses.
- B. Space Available to the Lottery. The Contractor shall provide up to 150 sq. ft. of office space for Lottery use in all remote warehouses.

2.3.22.2 Service Level Agreements

- A. General. The following are the minimum requirements that the Contractor shall comply with under the Contract; however, the Offeror may offer a shorter time period.
- B. Installation and Removal. The Contractor shall have 14 days from the Lottery's notice to install or remove equipment. Note that emergency removals for closing or license revocation may require less than 24 hours' notice.
- C. Repair – Location Not Selling Tickets. The Contractor shall repair equipment within 3 hours when a Retailer's location or terminal is not selling or validating tickets. Many locations with self-service do not sell tickets from a clerk terminal, so they are considered unable to sell if the self-service equipment is down.

- D. Repair – Location is Selling Tickets. The Contractor shall have 24 hours to repair equipment (ticket checkers, monitors, barcode scanners, play slip scanners) when a Retailer's location is selling tickets.
- E. Preventive Maintenance. The Contractor shall perform preventative maintenance on all Retailer Terminals on a sixty (60) day cycle, but in no case will preventative maintenance be performed less frequently than every one hundred twenty (120) days. Preventative maintenance shall include assuring that all features and peripherals are operating correctly and that the Terminal is clean and undamaged.

2.3.22.3 Truck Availability. The Contractor shall always have no less than 2 trucks operational to support self-service installations and replacements.

2.3.22.4 Retailer Consumables

- A. General. The Contractor shall be responsible for the purchase and delivery of all Retailer consumables.
- B. Examples of Consumables. Consumables for Retailers include serialized ticket stock with anti-counterfeiting features, play slips supporting e-playslips, paper pads, and pencils. Additionally, these supplies include a tear-away pad containing responsible gaming messaging and contact information approved by the Lottery. Terminal-issued tickets shall remain legible for 365 days after printing.
- C. Inventory Monitoring. The Contractor shall monitor the Retailer's consumable inventory and replenish the Retailer's supply in accordance with the Retailer's set inventory levels. A terminal is considered non-selling when ticket stock is out of stock.

2.3.23 Reporting

2.3.23.1 General. All reports currently available to Lottery staff shall be required, but formats need not match exactly. Existing reports, including their requirements and data elements, are available in **Appendix 10**.

2.3.23.2 Other Reports.

- A. Customizable. The Contractor shall be able to create fully customized reports with fields that the Agency may select.
- B. Future Reporting. The Contractor shall provide a developer to add new reporting technology under the Contract.

2.3.24 Contractor-Supplied Hardware, Software, and Materials

2.3.24.1 State Right to Purchase from Another Source. By responding to this RFP and accepting a Contract award, the Offeror specifically agrees that for any software, hardware, or hosting service that it proposes, the State shall have the right to purchase such item(s) from another source, instead of from the selected Offeror.

- 2.3.24.2 Acquisition and Operation.** The Contractor shall be responsible for the acquisition and operation of all hardware, software, and network support related to the services being provided and shall keep all software current.
- 2.3.24.3 Upgrades.** All Upgrades and regulatory updates to the system shall be provided by the Contractor at no additional cost.
- 2.3.24.4 User Licenses.** Throughout the duration of the Contract, the Contractor shall be required to supply, as needed, multiple-user licenses for third-party software and ensure that all provided software is fully functional and available.
- 2.3.24.5 Documentation.** The Offeror shall provide all documentation for the software furnished under the Contract.
- 2.3.24.6 Test Environment.** Software releases shall be prepared by the Contractor and staged at the Agency for validation within the Contractor's test environment. The Test Environment shall include all communications devices and terminal types currently deployed in the field. Upon successful completion of the testing, the Agency shall authorize the Contractor to proceed.
- 2.3.24.7 Warranty.** The Contractor shall warrant all equipment and software and shall be responsible for addressing software issues and for repairing or replacing all hardware at no cost to the MLGCA.
- 2.3.24.8 Hardware Acceptance Criteria.** The Contractor shall obtain approval from the MLGCA for all Retailer hardware and equipment before deployment.

2.3.25 Required Project Policies, Guidelines, and Methodologies

- 2.3.25.1 General.** The Contractor shall adhere to all current and future Information Technology laws, regulations, policies, standards, and guidelines affecting the contract, which are subject to change. Offerors shall review all applicable links listed below and formally confirm their compliance within their proposal.
- 2.3.25.2 New Laws and Specific Policies.** The Contractor shall ensure adherence and remain abreast of new or revised laws, regulations, policies, standards, and guidelines affecting project execution. As stated in the IT Supplemental, these shall include, but are not limited to:
- A. The State of Maryland System Development Life Cycle (SDLC) methodology at: <https://doit.maryland.gov/MITDP-Oversight/Pages/SDLC.aspx>;
 - B. The State of Maryland Information Technology Cybersecurity & Privacy Policy Suite, the most current version is available at: <https://doit.maryland.gov/policies/ci/Pages/default.aspx>;
 - C. The State of Maryland Information Technology Non-Visual Standards at: <https://doit.maryland.gov/policies/Accessibility/Pages/Nonvisual-Access-Regulatory-Standards.aspx>;

- D. The State of Maryland Information Technology Project Oversight at <https://doit.maryland.gov/MITDP-Oversight/Pages/MITDP-oversight.aspx>; and
- E. The Contractor shall follow project management methodologies consistent with the most recent edition of the Project Management Institute's Project Management Body of Knowledge Guide.

2.3.26 **Product Requirements**

- 2.3.26.1 **Open-source Software.** As part of its Proposal, Offerors shall include operational support for any proposed software that includes open-source components.
- 2.3.26.2 **No International Processing.** International processing of State Data shall be prohibited: As described in **the IT Supplemental**, Offerors are advised that any processing or storage of data outside of the continental U.S. shall be prohibited.
- 2.3.26.3 **Consistent Application.** Any Contract award is contingent on the State's agreement, during the Proposal evaluation process, to any applicable terms of use and any other agreement submitted under **Section 5.3.2. The Technical Proposal**. Such agreed-upon terms of use shall apply consistently across services ordered under the Contract.
- 2.3.26.4 **No Auto-Renewal.** The Contractor shall not establish any auto-renewal of services for which charges are passed through to the Agency beyond the period identified in the Contract documents.

2.3.27 **Maintenance and Support**

- 2.3.27.1 **Error Correction.** Upon notice by the State of a problem with the Hardware or Software (which problem can be verified), the Contractor shall correct all software and hardware deficiencies.
- 2.3.27.2 **Material Defects.** Throughout the duration of the Contract, the Contractor shall notify the State of any material errors or defects in the Deliverables known or made known to the Contractor from any source. These issues include anything that might lead to inaccurate or materially incorrect results, or that could reflect badly on the Agency. The Contractor shall initiate actions as may be commercially necessary or proper to address and rectify any such errors or defects.
- 2.3.27.3 **Updates.** All new releases, along with bug and security fixes (collectively referred to as "Updates"), for any software Deliverable developed or provided by the Contractor and made available to its other customers, shall be provided to the State at no additional cost.

2.4 **Experience and Personnel**

2.4.1 **Preferred Offeror Experience**

The following experience is expected and shall be evaluated as part of the Technical Proposal (see the Offeror experience, capability, and references evaluation factor from **Section 6.2**):

2.4.2 Generally Demonstrated knowledge of the US Lottery industry. Offerors shall currently provide complete Lottery Central Systems to two or more US state lotteries that are members of the North American Association of State and Provincial Lotteries (NASPL) and currently sell both the Powerball and Mega Millions games.

2.4.2.1 Senior Management. Senior management teams shall demonstrate experience launching full lottery service central system contracts in jurisdictions comparable to or exceeding Maryland's scale, which includes \$2.7 billion in annual sales, 4,400 Retailers, and 7,100 sales terminals.

2.4.2.2 Extensive Knowledge. Breadth of knowledge and extensive expertise in the deployment of lottery systems and the marketing of lottery products – especially terminal-issued games. This includes proficiency in designing and implementing new terminal-issued games, as well as managing scratch ticket ordering services, order fulfillment systems, and associated equipment.

2.4.2.3 Personnel Experience

General. The MLGCA shall evaluate the experience of both initial and ongoing staff as part of the Technical Proposal review, in accordance with the evaluation factors for Offeror experience, capability, and references outlined in Table A Tab G.

- A. The General Manager and Operations Manager shall have at least five years of experience in the lottery industry; and
- B. A history of increasing responsibility is preferred.

2.4.3 Minimum Staffing

2.4.3.1 General. The Contractor shall provide the following positions for conversion or ongoing support as indicated below. While the following represent the minimum required direct project support staff, the MLGCA encourages the Contractor to provide staffing enhancements to improve performance. Additionally, the Contractor shall provide various levels of corporate support. The Lottery shall maintain the right to approve all Contractor personnel assigned to the Maryland project.

2.4.3.2 Conversion and Ongoing Contract Support

- A. General Manager / Site Director;
- B. Operations Manager;
- C. Field Service Manager;
- D. Field Service staff;
- E. Training Manager;
- F. Training / Field Marketing staff / Recruiters – include Korean & Spanish and may include other languages, as requested by MLGCA;

- G. TelSell Manager;
- H. TelSell staff;
- I. Marketing Manager and support staff to include promotions administration;
- J. MLR Loyalty Program Manager and support staff, with a focus on CRM efforts;
- K. Quality Assurance Manager;
- L. Systems Team;
- M. Data Center Operations Team;
- N. Graphic Support – To create and manage Keno drawing animations, Retailer advertising display screen messaging, top of ticket graphics, scratch ticket plan-o-grams, order sheets, etc. This may be a shared resource with other Contractor customers;
- O. Technical Business Analyst / Specification Writer; and
- P. Business Intelligence Data Analyst, and support staff.

2.4.3.3 Conversion Only

- A. Network Specialist;
- B. Conversion Project Manager; and
- C. Technical Business Analyst / Specification Writing Team.

2.4.3.4 Requirements for Technical Proposal Responses

- A. Provide a description of your anticipated levels of staffing.
- B. Provide a description of the corporate support you offer.
- C. Detail the expected or minimum qualifications of personnel in each position.

2.4.4 Key Personnel Identified

- 2.4.4.1 General.** The following positions, identified in the Technical Proposal, shall be evaluated as Key Personnel for the Contract. These individuals shall be based at the Contractor's Maryland Operations Center.
- 2.4.4.2 General Manager.** The Contractor shall assign a General Manager to serve as the lead liaison with the MLGCA. This individual shall be the primary point of contact for all matters related to the Contract and operations and shall oversee all conversion and implementation-related activities.
- 2.4.4.3 Operations Manager.** The Contractor shall assign an Operations Manager to oversee daily Data Center operations and manage the systems and network personnel. This individual shall coordinate all testing procedures for both the Contractor and the MLGCA.
- 2.4.4.4 Marketing Manager.** To support MLGCA initiatives and promotional efforts, the Contractor shall assign a dedicated Marketing Manager. At a minimum, the individual's responsibilities shall include contributing to

marketing planning meetings, managing projects to increase sales, and developing Retailer bonus programs.

2.4.4.5 Business Intelligence/Sales Analyst. The Contractor shall assign a dedicated qualified Business Intelligence/Sales Analyst. The individual shall be assigned to the MLGCA and the Contract on a full-time basis to assist the MLGCA with its initiatives. At a minimum, the individual's responsibilities shall include:

- A. Uncovering new selling opportunities and new marketing strategies quarterly for Draw, Monitor, and Instant products and prize structures through data analysis from Maryland and other jurisdictions.
- B. Designing improved sales reports, making sales presentations to MLGCA management, and working closely with MLGCA's Marketing and Sales staff.
- C. Providing expertise in creating reports using the data in the Data Warehouse to track trends in sales and revenue, and assisting the MLGCA in making business decisions based on this data.
- D. Providing training and support for MLGCA personnel responsible for creating reports from the Data Warehouse; and
- E. Preparing reports and providing training assistance to other users of the system.

2.4.4.6 Tel-Sell Manager and Personnel. The Contractor shall provide sufficient Tel-Sell representatives to presell Instant Games and promotions and to assist Retailers with Instant Ticket inventory, order placement, and other duties. The number of Tel-Sell representatives assigned to the Contract shall be at the levels deemed necessary by the MLGCA. The Tel-Sell unit shall be organized as a distinct unit area and shall be staffed separately from computer operations and other areas.

2.4.4.7 Conversion Project Manager. The Contractor shall assign a dedicated, full-time Certified Project Manager for the duration of the Conversion period. This individual shall coordinate all Contractor resources to create a comprehensive Project Plan encompassing the installation, initiation, acceptance testing, and conversion of the LCMCS, as well as the final Start-up Date. Additionally, the Project Manager shall conduct weekly status meetings with the MLGCA to report on every facet of the project's progress.

2.4.5 Substitution of Personnel

2.4.5.1 Continuous Performance of Key Personnel

When Key Personnel are identified for the Contract, the following shall apply:

2.4.5.2 Key Personnel shall be available to perform Contract requirements as of the NTP Date. Unless explicitly authorized by the Contract Monitor or specified in the Contract, Key Personnel shall be assigned to the State of Maryland as a dedicated resource.

2.4.5.3 Key Personnel shall perform continuously for the duration of the Contract, or such lesser duration as specified in the Technical Proposal. Key Personnel

shall not be removed by the Contractor from working under the Contract without the prior written approval of the Contract Monitor.

- 2.4.5.4** The provisions of this section shall apply to Key Personnel identified in any Task Order proposal and agreement, if issued, and any Work Order Request and Work Order, if issued.

2.4.6 Definitions

For the purposes of this section, the following definitions shall apply:

- 2.4.6.1 Extraordinary Personal Event.** Means any of: leave under the Family Medical Leave Act; an Incapacitating injury or Incapacitating illness; or other circumstances that, in the sole discretion of the State, warrant an extended leave of absence, such as extended jury duty or extended military service that precludes the individual from performing his/her job duties under the Contract.
- 2.4.6.2 Incapacitating.** Means any health circumstance that substantially impairs the ability of an individual to perform the job duties described for that individual's position in the RFP or the Contractor's Technical Proposal.

2.4.7 Contractor Personnel General Substitution Provisions

The following provisions shall apply to all of the circumstances of Contractor Personnel substitution.

- 2.4.7.1** The Contractor shall demonstrate to the Contract Monitor's satisfaction that the proposed substitute has qualifications at least equal to those of the Contractor Personnel proposed to be replaced.
- 2.4.7.2** The Contractor shall provide the Contract Monitor with a substitution request that shall include:
- A. A detailed explanation of the reason(s) for the substitution request;
 - B. The resume of the proposed substitute, signed by the substituting individual and his/her formal supervisor;
 - C. The official resume of the current personnel for comparison purposes; and
 - D. Evidence of any required credentials.
- 2.4.7.3** The Contract Monitor may request additional information concerning the proposed substitution and may interview the proposed substitute personnel prior to deciding whether to approve the substitution request.
- 2.4.7.4** The Contract Monitor shall notify the Contractor in writing of: (i) the acceptance or denial, or (ii) contingent or temporary approval for a specified time limit, of the requested substitution. The Contract Monitor will not unreasonably withhold approval of a proposed Contractor Personnel replacement unless they are not qualified for the role.

2.4.8 Replacement Circumstances

2.4.8.1 Directed Personnel Replacement.

- A. The Contract Monitor may direct the Contractor to replace any Contractor Personnel who, in the sole discretion of the Contract Monitor, are perceived as being unqualified, non-productive, unable to fully perform the job duties, disruptive, or known, or reasonably believed, to have committed a major infraction(s) of law, Agency policies, or Contract requirements. Normally, a directed personnel replacement will occur only after prior notification of problems with requested remediation, as described in **Paragraph 2.5.4.A.2** of this Section.
- B. If deemed appropriate in the discretion of the Contract Monitor, the Contract Monitor shall give written notice of any Contractor Personnel performance issues to the Contractor, describing the problem and delineating the remediation requirement(s). The Contractor shall provide a written response to the remediation requirements in a Remediation Plan within ten (10) days of the date of the notice and shall immediately implement the Remediation Plan upon written acceptance by the Contract Monitor. If the Contract Monitor rejects the Remediation Plan, the Contractor shall revise and resubmit the plan to the Contract Monitor within five (5) days, or in the timeframe set forth by the Contract Monitor in writing.
- C. Should performance issues persist despite an approved Remediation Plan, the Contract Monitor shall give written notice of the continuing performance issues, and either request a new Remediation Plan within a specified time limit or direct the substitution of Contractor Personnel whose performance is at issue with a qualified substitute, including requiring the immediate removal of the Contractor Personnel at issue.
- D. Replacement or substitution of Contractor Personnel under this section shall be in addition to, and not in lieu of, the State's remedies under the Contract or which otherwise may be available at law or in equity.
- E. If the Contract Monitor determines to direct substitution under **Section 2.5.4.A.1**, if at all possible, at least fifteen (15) days' advance notice shall be given to the Contractor. However, if the Contract Monitor deems it necessary and, in the State's best interests, to remove the Contractor Personnel with less than fifteen (15) days' notice, the Contract Monitor may direct the removal in a timeframe of less than fifteen (15) days, including immediate removal.
- F. In circumstances of directed removal, the Contractor shall, in accordance with **Paragraph 2.5.4.A.1** of this section, provide a suitable replacement for approval within fifteen (15) days of the notification of the need for removal, or the actual removal, whichever occurs first.

2.4.8.2 Key Personnel Replacement

To replace any Key Personnel in a circumstance other than as described in **Section 2.5.4.B**, including transfers and promotions, the Contractor shall submit a substitution request as described in **Section 2.5.3** to the Contract Monitor at least fifteen (15) days

prior to the intended date of change. A substitution shall not occur unless and until the Contract Monitor approves the substitution in writing.

2.4.8.3 Key Personnel Replacement Due to Sudden Vacancy

- A. The Contractor shall replace Key Personnel whenever a sudden vacancy occurs (e.g., Extraordinary Personal Event, death, resignation, termination). A termination or resignation with thirty (30) days or more advance notice shall be treated as a replacement under **Section 2.5.4.B.1**
- B. Under any of the circumstances set forth in this paragraph B, the Contractor shall identify a suitable replacement and provide the same information and items required under **Section 2.5.3** within fifteen (15) days of the actual vacancy occurrence or from when the Contractor first knew or should have known that the vacancy would be occurring, whichever is earlier.

2.4.8.4 Key Personnel Replacement Due to an Indeterminate Absence

- A. If any Key Personnel has been absent from his/her job for a period of ten (10) days and it is not known or reasonably anticipated that the individual will be returning to work within the next twenty (20) days to fully resume all job duties, before the 25th day of continuous absence, the Contractor shall identify a suitable replacement and provide the same information and items to the Contract Monitor as required under **Section 2.5.3**.
- B. However, if this person is available to return to work and fully perform all job duties before a replacement has been authorized by the Contract Monitor, the Contract Monitor may, at his/her sole discretion, authorize the original personnel to continue to work under the Contract, or authorize the replacement personnel to replace the original personnel, notwithstanding the original personnel's ability to return.

2.4.9 Substitution Prior to and Within 30 Days After Contract Execution

Prior to Contract execution or within thirty (30) days after Contract execution, the Offeror shall not substitute proposed Key Personnel except under the following circumstances (a) for actual full-time personnel employed directly by the Offeror: the vacancy occurs due to the sudden termination, resignation, or approved leave of absence due to an Extraordinary Personal Event, or the death of such personnel; and (b) for any temporary staff, subcontractors or 1099 contractors: the vacancy occurs due to an Incapacitating event or the death of such personnel. To qualify for such substitution, the Offeror shall demonstrate to the State's satisfaction the event necessitating substitution. Proposed substitutions shall be of equal caliber or higher, in the State's sole discretion. Proposed substitutes deemed by the State to be less qualified than the originally proposed individual may be grounds for pre-award disqualification or post-award termination.

2.5 Supplemental Category of Work Requirements and Responsibilities

See the attached IT Supplemental associated with this solicitation.

2.6 Optional Features or Services and Future Work

2.6.1 iLottery Program

- 2.6.1.1 **General.** The Contractor shall develop and integrate an iLottery Program, provided as an optional service at cost.
- 2.6.1.2 **Statutory Limitation.** For this option to be viable, Maryland must first provide statutory authority to MLGCA for iLottery operations.
- 2.6.1.3 **Requirements for Technical Proposal Responses.** Provide a description of the programs supplied by the Offeror and detail its experience within the iLottery sector.

2.6.2 In-Lane Options

- 2.6.2.1 **General.** The Contractor shall offer optional sales tools for potential implementation by the Lottery. Should the Lottery request and move forward with the development of any such optional sales programs, it is expected that the system shall be integrated with the point of sale (“POS”) equipment used by the Retailer. Should the MLGCA choose to implement any of these options, the Contractor shall provide the optional service at cost.
- 2.6.2.2 **Quick Cards (Hanging Cards).** The Contractor shall develop and implement an in-lane hang card system to facilitate participation in all draw games.
- 2.6.2.3 **Cashier-Activated In-lane Instant Ticket Dispensers.** The Contractor shall develop and implement a solution for cashier-activated in-lane Instant Ticket dispensers. These units are situated either on the check-out counter or beneath it and shall be operated by the cashier.
- 2.6.2.4 **Print-on-Receipt.** The Contractor shall develop and implement a solution that prints lottery games on the POS receipt that a customer can purchase in a check-out lane.
- 2.6.2.5 **Future and Emerging Options.** The Contractor shall maintain the proficiency necessary to understand, create, and execute in-lane solutions that may be developed at a later date, if requested by the Lottery.

2.6.3 Retailer Modernization

- 2.6.3.1 **General.** The Contractor shall offer optional merchandising, signage, and selling tools for potential use across the Lottery’s retail network, in whole or in part. The Offeror’s Proposal shall comprehensively detail all components of the retail modernization initiative, including requirements for hardware and software, back-office information management, proposed staffing levels, and projected timelines for implementation.
- 2.6.3.2 **Pilot Program.** Although the Contractor is permitted to suggest an initial pilot strategy for entering the market, the Offeror’s Proposal shall provide options for expanding the program’s implementation.

3 Standard Terms and Conditions

3.1 Contract Initiation Requirements

Once all approvals have been obtained and the Contract is fully executed, the Contractor shall schedule and hold a kickoff meeting within 10 Business Days of the Notice To Proceed (NTP) Date. At the kickoff, the Contractor shall furnish an updated Project Schedule detailing the activities for the Contractor, the State, and any third parties to fully transition to the Contractor's system.

3.2 End of Contract Transition

3.2.1 Transition

To ensure an organized transfer of services to a successor contractor or the State, the Contractor shall provide transition support upon the State's request. This assistance shall be provided for up to 120 days before the Contract expires or is terminated and shall include, but is not limited to, the following activities:

- A. Supplying any additional support and services necessary to achieve a successful transition;
- B. Upholding the proficiency levels required by the Contract for all services;
- C. Delivering updated System Documentation as outlined in Appendix 1, where applicable;
- D. Furnishing current operating procedures as required; and
- E. Transferring all historical data, such as records of unclaimed prizes, to the new Contractor.

3.2.2 Contract Monitor Instructions

In accordance with the Contract Monitor's directions, the Contractor shall facilitate an efficient, prompt, and timely transition. To ensure all specific transition requirements are satisfied before the Contract ends, the Contract Monitor may provide additional instructions to the Contractor.

3.2.3 Transfer of Essential Information

As directed by the Contract Monitor, the Contractor shall transfer all essential materials and knowledge related to completed tasks into the custody of a designated third party or State personnel.

3.2.4 End-of-Contract Transition Efforts

The Contractor shall assist with end-of-Contract transition activities by providing technical and project-related support and expertise.

3.2.4.1 Transition-Out Plan. The Contractor shall submit a draft Transition-Out Plan at least 180 Business Days before the Contract end date, which shall encompass, at a minimum, these core elements:

- A. Management of personnel matters and staffing concerns or issues related to the closeout of the Contract;
- B. Protocols for reporting and communication between the Contractor, the Agency, and the Contract Monitor;

- C. Security credentials and system access review and closeout;
- D. Details on connectivity services provided, including specific actions and estimated timeframes required for transition;
- E. Knowledge transfer sessions with the Agency to review established business processes, practices, procedures, and existing system environments;
- F. De-installation of equipment and coordination with the successor vendor to facilitate data transfer and ticket processing, including cashing throughout the transition period to the new contract; and
- G. Identification of potential risks concerning the transition timeline and methodology, accompanied by documented migration strategies and proposed solutions.

3.2.1.2 Transfer of Documentation and Data. The Contractor shall ensure all documentation and data including, but not limited to, System Documentation and current operating procedures, is current and complete with a hard and soft copy in a format prescribed by the Contract Monitor

3.2.1.3 Back-ups. As of the final date of transition, but no later than the Contract's expiration, the Contractor shall deliver copies of all current daily and weekly backups to the Agency or a designated third party, as instructed by the Contract Monitor.

3.2.1.4 Data Access. Following the Contract's end date, access to any configurations or data related to the provided services and products shall be returned, available or accessible as described in **Section 3.2.5**.

3.2.2 Return and Maintenance of State Data

3.2.2.2 Upon termination or the expiration of the Contract Term, the Contractor shall: (a) return to the State all State data in either the form it was provided to the Contractor or in a mutually agreed format along with the schema necessary to read such data; (b) preserve, maintain, and protect all State data until the earlier of a direction by the State to delete such data or the expiration of 90 days ("the retention period") from the date of termination or expiration of the Contract term; (c) after the retention period, the Contractor shall securely dispose of and permanently delete all State data in all of its forms, such as disk, CD/DVD, backup tape and paper such that it is not recoverable, according to National Institute of Standards and Technology (NIST)-approved methods with certificates of destruction to be provided to the State; and (d) prepare an accurate accounting from which the State shall reconcile all outstanding accounts. There shall be no additional charges for the 90-day data retention period.

3.2.2.3 In addition to the foregoing, the State shall be entitled to any post-termination/expiration assistance generally made available by Contractor with respect to the services.

3.3 Invoicing

3.3.1 General

3.3.1.1 Invoice Submission. Submission of an invoice constitutes the Contractor's verification that the information in the invoice is accurate as of the time of submission. The Contractor shall e-mail each invoice and, if applicable, the signed authorization to invoice to the Contract Monitor and the Agency accounts payable group at ap.mlgcap@maryland.gov.

3.3.1.2 Verification. The Contractor shall verify all invoices for services as accurate at the time of submission.

3.3.1.3 Proper Invoice. An invoice that does not meet the requirements of a Proper Invoice (as defined in COMAR 21.06.09) will not be processed for payment. To be considered a Proper Invoice, invoices shall include the following information, without error:

- A. Contractor name and address;
- B. Remittance address;
- C. Federal taxpayer identification (FEIN) number, social security number, as appropriate;
- D. Invoice period (i.e., time period during which services covered by the invoice were performed);
- E. Invoice date;
- F. Invoice number;
- G. State assigned Contract number;
- H. State assigned (Blanket) Purchase Order number(s);
- I. Goods or services provided;
- J. Amount due; and
- K. Any additional documentation required by regulation or the Contract.

3.3.1.4 Reduce or Withhold Payment. The Agency reserves the right to reduce or withhold Contract payment if the Contractor does not provide the Agency with all required deliverables within the time frame specified in the Contract or otherwise breaches the terms and conditions of the Contract, until the Contractor brings itself into full compliance with the Contract.

3.3.1.5 Disputes. Any action on the part of the Agency, or dispute of action by the Contractor, shall be in accordance with the provisions of Md. Code Ann., State Finance and Procurement Article §§ 15-215 through 15-223 and with COMAR 21.10.04.

3.3.1.6 Taxes. The State is generally exempt from federal excise taxes, Maryland sales and use taxes, District of Columbia sales taxes, and transportation taxes. The Contractor, however, is not exempt from such sales and use taxes and may be liable for the same.

3.3.1.7 Final Payment. Invoices for final payment shall be clearly marked as “FINAL” and submitted when all work requirements have been completed, and no further charges are to be incurred under the Contract. In no event shall any invoice be submitted later than 60 calendar days from the Contract termination date.

3.3.2 Invoice Submission Schedule

The Contractor shall submit weekly invoices for services provided based on a fixed percentage of Lottery sales. . For fees associated with optional services or equipment, the Contractor shall submit invoices monthly.

3.3.3 Travel Reimbursement

Contractor travel shall not be reimbursable under this RFP.

3.4 Liquidated Damages

3.4.1 MBE Liquidated Damages

MBE liquidated damages shall be enforced according to Maryland State Standards. See **Appendix 13** MBE Liquidated Damages.

3.4.2 Liquidated Damages other than MBE

See **Appendix 12** for Liquidated Damages.

3.5 Problem Escalation Procedure

3.5.1 No later than ten (10) Business Days after notice of recommended award or after the date of the Notice to Proceed, whichever is earlier, the Contractor shall provide, and thereafter, maintain a Problem Escalation Procedure (PEP) for both routine and emergency situations.

3.5.2 The PEP shall state how the Contractor will address problem situations as they occur during the performance of the Contract, especially problems that are not resolved to the satisfaction of the State within appropriate timeframes.

3.5.3 The PEP shall include, at a minimum, the following:

- A. Contact information
- B. The process for establishing the existence of a problem;
- C. Names, titles, and contact information for progressively higher levels of personnel in the Contractor’s organization who would become involved in resolving a problem;
- D. For each individual listed in the Contractor’s PEP, the maximum amount of time a problem will remain unresolved with that individual before the problem escalates to the next contact person listed in the Contractor’s PEP;
- E. Expedited escalation procedures and any circumstances that would trigger expediting them;
- F. The method of providing feedback on resolution progress, including the frequency of feedback to be provided to the State;

- G. Contact information for persons responsible for resolving issues after normal business hours (e.g., evenings, weekends, holidays) and on an emergency basis; and
 - H. A process for updating and notifying the Contract Monitor of any changes to the PEP.
- 3.5.4** The PEP shall be updated within ten (10) Business Days after any change in circumstance which changes the PEP but not less than annually within ten (10) Business Days after the start of each Contract year.
- 3.5.5** Nothing in this section shall be construed to limit any rights of the Contract Monitor or the State which may be allowed by the Contract or applicable law.

3.6 Work Orders

THIS SECTION IS INAPPLICABLE TO THIS RFP.

3.7 Payments by Electronic Funds Transfer

By submitting a Proposal in response to this solicitation, the Offeror, if selected for award:

Agrees to accept payments by electronic funds transfer (EFT) unless the State Comptroller's Office grants an exemption. Payment by EFT is mandatory for contracts exceeding \$200,000. The successful Offeror shall register using the COT/GAD X-10 Vendor Electronic Funds (EFT) Registration Request Form.

Any request for exemption must be submitted to the State Comptroller's Office for approval at the address specified on the COT/GAD X-10 form, must include the business identification information as stated on the form, and must include the reason for the exemption. The COT/GAD X-10 form may be downloaded from the Comptroller's website at:

<https://www.marylandcomptroller.gov/content/dam/mdcomp/md/state-accounting/forms/GADX10Form.pdf>.

3.8 Prompt Payment Policy

This procurement and the Contract(s) to be awarded pursuant to this solicitation are subject to the Prompt Payment Policy Directive issued by the Governor's Office of Small, Minority & Women Business Affairs (GOSBA) and dated August 1, 2008, and promulgated pursuant to Md. Code Ann., State Finance and Procurement Article, §§ 11-201, 13-205(a), and Title 14, Subtitle 3, and COMAR 21.01.01.03 and 21.11.03.01, the Directive seeks to ensure the prompt payment of all subcontractors on non-construction procurement contracts. The Contractor shall comply with the prompt payment requirements outlined in the Contract, Section 31 "Prompt Pay Requirements" (see **Exhibit 2 - Sample Contract**). Additional information is available on GOSBA's website at:

<http://www.gomdsmallbiz.maryland.gov/documents/legislation/promptpaymentfaqs.pdf>.

3.9 Federal Funding Acknowledgment

This Contract does not contain federal funds.

3.10 Conflict of Interest Affidavit and Disclosure

By submitting a Conflict-of-Interest Affidavit and Disclosure, the Contractor shall be construed as certifying that all Contractor Personnel and subcontractors are also without a conflict of interest as defined in COMAR 21.05.08.08A.

Additionally, a Contractor shall ensure that all Contractor Personnel are without conflicts of interest before providing services under the Contract. For policies and procedures governing Conflict of Interests specifically, the Contract shall be governed by COMAR 21.05.08.08.

Participation in Drafting of Specifications: Disqualifying Event: Offerors are advised that Md. Code Ann. State Finance and Procurement Article §13-212.1(a) provides generally that “an individual who assists an executive unit in the drafting of specifications, an invitation for bids, a request for proposals for a procurement, or the selection or award made in response to an invitation for bids or a request for proposals, or a person that employs the individual, shall not: (1) submit a bid or proposal for that procurement; or (2) assist or represent another person, directly or indirectly, who is submitting a bid or proposal for that procurement.” Any Offeror submitting a Bid in violation of this provision shall be classified as “not responsible”.

3.11 Non-Disclosure Agreement

3.11.1 Non-Disclosure Agreement (Bidder/Offeror)

If certain confidential information must be disclosed prior to potential Offerors submitting their proposals, it shall be available for potential Offerors to obtain electronically or to review hard copies at a location identified by the Procurement Officer. If such confidential information is identified, Offerors shall sign a Non-Disclosure Agreement in the form of

https://procurement.maryland.gov/wp-content/uploads/sites/12/2024/07/Attachment-3.-Non-Disclosure-Agreement-Bidder_Offeror.pdf prior to the confidential information being provided by the Procurement Officer.

3.11.2 Non-Disclosure Agreement (Contractor)

This solicitation and any Contract(s) shall be subject to <https://procurement.maryland.gov/wp-content/uploads/sites/12/2024/07/Attachment-S.-Non-Disclosure-Agreement-Contractor.pdf>. This Agreement shall be provided within five (5) Business Days of notification of recommended award; however, to expedite processing, it is suggested that this document be completed and submitted with the Proposal.

3.12 Maryland Healthy Working Families Act Requirements

On February 11, 2018, the Maryland Healthy Working Families Act went into effect. All Bidders shall be aware of how this Act could affect their potential contract award with the State of Maryland. See the Department of Labor, Licensing, and Regulations website for Maryland Healthy Working Families Act Information: <https://dllr.state.md.us/paidleave/>.

3.13 The State of Maryland’s Commitment to Purchasing Environmentally Preferred Products and Services (EPPs)

[Maryland’s State Finance & Procurement Article §14-410](#) defines environmentally preferable purchasing as “the procurement or acquisition of goods and services that have a lesser or reduced effect on human health and the environment when compared with competing goods or services that serve the same purpose.” Accordingly, Bidders are strongly encouraged to offer EPPs to fulfill this contract, to the greatest extent practicable

3.14 Insurance Requirements

The Contractor shall maintain, at a minimum, the insurance coverages outlined below, or any minimum requirements established by law if higher, for the duration of the Contract, including option periods, if exercised:

3.14.1 Types of Insurance Required

The following type(s) of insurance and minimum amount(s) of coverage shall be required:

- 3.14.1.2 Commercial General Liability.** \$1,000,000 combined single limit per occurrence for bodily injury, property damage, and personal and advertising injury and \$3,000,000 annual aggregate. The minimum limits required herein may be satisfied through any combination of primary and umbrella/excess liability policies.
- 3.14.1.3 Errors and Omissions/Professional Liability.** \$50,000,000 per combined single limit per claim and \$100,000,000 annual aggregate.
- 3.14.1.4 Crime Insurance/Employee Theft Insurance.** To cover employee theft with a minimum single loss limit of \$1,000,000 per loss, and a minimum single loss retention not to exceed \$10,000. The State of Maryland and the Agency should be added as a “loss payee.”
- 3.14.1.5 Cyber Security / Data Breach Insurance.** The Contractor shall possess and maintain throughout the term of the Contractor and for three (3) years thereafter, cyber risk/ data breach insurance (either separately or as part of a broad Professional Liability or Errors and Omissions Insurance) with limits of at least five million dollars (\$5,000,000) per claim. Any “insured vs. insured” exclusions will be modified accordingly to allow the State additional insured status without prejudicing the State’s rights under the policy(ies). Coverage shall be sufficiently broad to respond to the Contractor’s duties and obligations under the Contract and shall include, but not be limited to, claims involving privacy violations, information theft, damage to or destruction of electronic information, the release of Sensitive Data, and alteration of electronic information, extortion, and network security. The policy shall provide coverage for, not by way of limitation, breach response costs as well as regulatory fines and penalties as well as credit monitoring expenses with limits sufficient to respond to these obligations.
- 3.14.1.6 Worker’s Compensation.** The Contractor shall maintain such insurance as necessary or as required under Workers’ Compensation Acts, the Longshore and Harbor Workers’ Compensation Act, and the Federal Employers’ Liability Act, to not be less than one million dollars (\$1,000,000) per occurrence (unless a state’s law requires a greater amount of coverage). Coverage must be valid in all states where work is performed.
- 3.14.1.7 Automobile or Commercial Truck Insurance.** The Contractor shall maintain Automobile or Commercial Truck Insurance (including owned, leased, hired, and non-owned vehicles) as appropriate, with Liability, Collision, and PIP limits no less than those required by the State where the

vehicle(s) are registered, but in no case less than those required by the State of Maryland.

3.14.2 Additional Insured

The State shall be listed as an additional insured on the faces of the certificates for the coverages listed above, including umbrella policies, except Workers' Compensation Insurance and professional liability.

3.14.3 Notices

All insurance policies shall be endorsed to include a clause requiring the insurance carrier to provide the Procurement Officer, by certified mail, not less than 30 days' advance notice of any non-renewal, cancellation, or expiration. The Contractor shall notify the Procurement Officer in writing if policies are canceled or not renewed within five (5) days of learning of such cancellation or nonrenewal. The Contractor shall provide evidence of replacement insurance coverage to the Procurement Officer at least fifteen (15) days before the expiration of the insurance policy then in effect.

3.14.4 Authorized to Do Business in the State

Any insurance furnished as a condition of the Contract shall be issued by a company authorized to do business in the State of Maryland.

3.14.5 Timing for Providing Certificates

The recommended awardee shall provide current certificate(s) of insurance with the prescribed coverages, limits, and requirements outlined in this section within five (5) Business Days from notice of recommended award. During the period of performance for multi-year contracts, the Contractor shall provide certificates of insurance annually, or as otherwise directed by the Contract Monitor.

3.14.6 Subcontractor Insurance

The Contractor shall require any subcontractors to obtain and maintain comparable levels of coverage and shall provide the Contract Monitor with the same documentation as is required of the Contractor.

3.15 Non-Compete Clause Prohibition

The State of Maryland seeks to maximize personnel retention under the Contract during transitions from one contractor to another, to minimize disruption from a change in contractor, and to maintain institutional knowledge accumulated by such personnel. To help achieve this objective of staff retention, each Offeror shall agree that if awarded the Contract, the Offeror's employees and agents filling the positions outlined in the staffing requirements of **Section 2.4 Experience and Personnel** working on the State contract shall be free to work for the contractor awarded the State contract, notwithstanding any non-compete clauses to which the employee(s) may be subject. The Offeror agrees not to enforce any non-compete restrictions against the State regarding these employees and agents if a different vendor is awarded the Contract and succeeds in it. To evidence compliance with this non-compete clause prohibition, each Offeror shall include an affirmative statement in its technical Proposal that the Offeror, if awarded a Contract, agrees that its employees and agents shall not be restricted from working with or for any successor contractor that is awarded the State business.

4 Proposal Submission Information and Instructions

4.2 eMaryland Marketplace Advantage (eMMA)

4.2.1 General

eMMA is the State of Maryland's electronic commerce system. The RFP, Pre-Proposal Conference (Conference) summary and attendance sheet, Offerors' questions and the Procurement Officer's responses, addenda, and other solicitation-related information will be made available via eMMA.

4.2.2 Registration

To receive a contract award, a vendor must be registered on eMMA. Registration is free. Go to eMMA.maryland.gov, click on "New Vendor? Register Now" to begin the process, and then follow the prompts.

4.3 Electronic Means

The following transactions related to this procurement and any Contract awarded pursuant to it are not authorized to be conducted by electronic means:

- A. Submission of Bond documents determined by the State to require original signatures;

During the solicitation stage, all email communications shall be directed only to the email address designated for the Procurement Officer. After the award, all email communications shall be directed only to the Contract Monitor, the Procurement Officer, or another individual expressly identified in writing by the Contract Monitor or Procurement Officer.

"Electronic means" refers to exchanges or communications using electronic, digital, magnetic, wireless, optical, electromagnetic, or other means of electronically conducting transactions. Electronic means include e-mail, internet-based communications, electronic funds transfer, specific electronic bidding platforms (e.g., <https://procurement.maryland.gov>), and electronic data interchange.

4.4 Pre-Proposal Conference

A pre-Proposal conference ("Conference") shall be held on the date, time, and location indicated on the Key Information Summary Sheet. Attendance at the Conference is not mandatory, but all interested parties are encouraged to attend to facilitate better preparation of their Proposals. If the solicitation includes an MBE participation goal, failure to attend the Conference will be taken into consideration as part of the evaluation of an offeror's good faith efforts if there is a waiver request.

It is highly recommended that all Prime Contractors bring their intended subcontractors to the Conference/Site Visit to ensure that all parties understand the RFP requirements and the socio-economic goals for this solicitation.

MBE subcontractors are encouraged to attend the Conference to market their participation to potential prime contractors.

To ensure adequate accommodations at the Conference, please email the completed form for those expected to attend the Conference to the Procurement Officer no later than the time and date as indicated on the **Key Information Summary Sheet**. In addition, if there is a need for sign language interpretation or other special accommodations due to a disability, please notify the Procurement Officer at least three

(3) Business Days before the Conference date. Reasonable effort will be made to provide such special accommodation.

If the Conference is in person, attendees should bring a copy of the solicitation and a business card to facilitate sign-in.

4.5 Questions

All questions, including concerns regarding any applicable MBE or VSBE participation goals, shall identify in the subject line the “Lottery Central Monitoring and Control System and Related Services RFP # 2026-03 Questions”, and must be submitted in writing via this link to the Procurement Officer no later than the date and time specified in the **Key Information Summary Sheet**. The Procurement Officer shall make a concerted effort to answer all questions via addenda before the Proposal due date.

4.5.1 Answers to all questions will be distributed and posted on eMMA.

4.5.2 The statements and interpretations contained in responses to any questions, whether responded to verbally or in writing, are not binding on the State unless it issues an amendment to the solicitation in writing.

4.6 Proposal Due (Closing) Date and Time

Proposals shall be received by the Procurement Officer no later than the Proposal due date and time indicated on the **Key Information Summary Sheet** to be considered. Except as provided in COMAR 21.05.03.02.F and 21.05.02.10, Proposals received after that date will not be considered. Requests for extension of this date or time shall not be granted.

Proposals may be modified or withdrawn by written notice received by the Procurement Officer before the time and date outlined in the **Key Information Summary Sheet** for receipt of Proposals.

Proposals may not be submitted by e-mail or facsimile. Proposals will not be opened publicly.

Potential Offerors not responding to this solicitation are requested to submit the “No Bid/Proposal Notice/Vendor Feedback” form as indicated in the **Key Information Summary Sheet**, which includes company information and the reason for not responding (e.g., too busy, cannot meet mandatory requirements).

4.7 Economy of Preparation

Proposals shall be prepared economically and provide a straightforward and concise description of the Offeror’s Proposal to meet the requirements of this RFP.

4.8 Public Information Act Notice

The Offeror shall give specific attention to the clear identification of those portions of its Proposal that it considers confidential and/or proprietary commercial information or trade secrets, and provide justification why such materials, upon request, should not be disclosed by the State under the Public Information Act, Md. Code Ann., General Provisions Article, Title 4 (See also RFP **Section 5.3.2. Table A, Tab B** “Claim of Confidentiality”). This information should be identified by page and section number and placed after the Title Page and before the Table of Contents in the Technical Proposal, and if applicable, separately in the Financial Proposal.

Offerors are advised that, upon request for this information from a third party, the Procurement Officer shall make an independent determination whether the information must be disclosed.

4.9 Oral Presentation

- A. Offerors shall be required to make oral presentations to State representatives. Oral presentations are part of the Technical Proposal. Offerors shall confirm in writing any substantive oral clarification of, or change in, their Proposals made in the course of discussions. Any such written clarifications or changes then become part of the Offeror's Proposal.
- B. Offerors shall present their oral presentations at their main headquarters office. Presentations will include descriptions and demonstrations of equipment and systems offered. Time allocated for these presentations shall not exceed 8 hours with at least a thirty (30) minute break for lunch. The Agency expects the Evaluation Committee to comprise up to five members. The State will pay all travel costs for the Committee, in accordance with standard Maryland State travel guidelines.

4.10 Duration of Proposals

Proposals submitted in response to this RFP are irrevocable for the latest of the following: 180 days following the Proposal due date and time, best and final offers (see **Section 6.5.2**), or the date any protest concerning this RFP is finally resolved. This period may be extended at the Procurement Officer's request only with the Offeror's written agreement.

4.11 Revisions to the RFP

- 4.11.1** All revisions to the RFP before the due date for Proposals shall be published in an addendum to the RFP and posted on eMMA.. It is the responsibility of all prospective Offerors to check eMMA for any addenda issued prior to the submission of Proposals.
- 4.11.2** Offerors shall acknowledge receipt of all addenda to this RFP issued before the Proposal due date in the Transmittal Letter accompanying the Offeror's Technical Proposal.
- 4.11.3** Addenda made after the due date for Proposals shall be sent only to those Offerors that remain under award consideration as of the issuance date of such addenda.
- 4.11.4** Acknowledgement of the receipt of addenda to the RFP issued after the Proposal due date shall be in the manner specified in the addenda notice.
- 4.11.5** Failure to acknowledge receipt of an addendum does not relieve the Offeror from complying with the terms, additions, deletions, or corrections set forth in the addendum, and may cause the Proposal to be deemed not reasonably susceptible of being selected for award.

4.12 Cancellations

- 4.12.1** This RFP may be cancelled as provided in COMAR 21.06.02.02.
- 4.12.2** The State reserves the right to cancel this RFP, accept or reject any and all Proposals, in whole or in part, received in response to this RFP, waive or permit the cure of minor irregularities, and conduct discussions with all qualified or potentially qualified Offerors in any manner necessary to serve the best interests of the State.

- 4.12.3** The State reserves the right, in its sole discretion, to award a Contract based upon the written Proposals received without discussions or negotiations.
- 4.12.4** In the event a government entity proposes and receives the recommendation for award, the procurement may be cancelled and the award processed in accordance with COMAR 21.01.03.01.A(4).
- 4.12.5** If the services that are the subject of the RFP are currently being provided under an interagency agreement with a public institution of higher education and the State determines that the services can be provided more cost effectively by the public institution of higher education, then the RFP may be canceled in accordance with Md. Code Ann., State Finance and Procurement Art., § 3-207(b)(2).

4.13 Incurred Expenses

The State shall not be responsible for any costs incurred by any Offeror in preparing and submitting a Proposal, in making an oral presentation, in providing a demonstration, or performing any other activities related to submitting a Proposal in response to this solicitation.

4.14 Protest/Disputes

Any protest or dispute related to this solicitation or the Contract award shall be subject to the provisions of COMAR 21.10 (Administrative and Civil Remedies).

4.15 Offeror Responsibilities

- 4.15.1** An Offeror, either directly or through its subcontractor(s), shall provide all goods and services and meet all of the requirements requested in this solicitation and the successful Offeror (the Contractor) shall remain responsible for Contract performance regardless of subcontractor participation in the work.
- 4.15.2** If applicable, subcontractors utilized in meeting the established MBE or VSBE participation goal(s) for this solicitation shall be identified using Attachment D or Attachment E as appropriate. Guidance for completing the Attachments is provided in the appropriate Appendix or Appendices to this RFP (see “Appendix 4 - MBE Participation Goal” and “Appendix 5 - VSBE Participation Goal”).
- 4.15.3** If the Offeror is the subsidiary of another entity, all information submitted by the Offeror, including but not limited to references, financial reports, or experience and documentation (e.g. insurance policies, bonds, letters of credit) used to meet minimum qualifications, if any, shall pertain exclusively to the Offeror, unless the parent organization shall guarantee the performance of the subsidiary. If applicable, the Offeror’s Proposal shall contain an explicit statement, signed by an authorized representative of the parent organization, stating that the parent organization shall guarantee the performance of the subsidiary.
- 4.15.4** A parental guarantee of the performance of the Offeror under this Section shall not automatically result in crediting the Offeror with the experience or qualifications of the parent under any evaluation criteria pertaining to the actual Offeror’s experience and qualifications. Instead, the Offeror shall be evaluated on the extent to which the State determines that the experience and qualifications of the parent apply to and are shared

with the Offeror, any stated intent by the parent to be directly involved in the performance of the Contract, and the value of the parent's participation as determined by the State.

4.16 Acceptance of Terms and Conditions

By submitting a Proposal in response to this RFP, the Offeror, if selected for award, shall be deemed to have accepted the terms and conditions of this RFP and the Contract, attached hereto as **Exhibit 2 – Sample Contract**. Any exceptions to this RFP or the Contract shall be clearly identified in the Executive Summary of the Technical Proposal. **All exceptions will be taken into consideration when evaluating the Offeror's Proposal. The State reserves the right to accept or reject any exceptions.** Multiple or Alternate Proposals shall not be accepted.

4.17 Compliance with Laws/Arrearages

By submitting a Proposal in response to this RFP, the Offeror, if selected for award, agrees that it shall comply with all federal, State, and local laws applicable to its activities and obligations under the Contract.

By submitting a response to this solicitation, each Offeror represents that it is not in arrears in the payment of any obligations due and owing the State, including the payment of taxes and employee benefits, and shall not become so in arrears during the term of the Contract if selected for Contract award.

4.18 Verification of Registration and Tax Payment

Before a business entity can do business in the State, it shall be registered with the State Department of Assessments and Taxation (SDAT). SDAT is located at 123 Market Place, Baltimore, MD 21202. For registration information, visit <https://www.egov.maryland.gov/businessexpress>.

It is strongly recommended that any potential Offeror complete registration before the Proposal due date and time. The Offeror's failure to complete registration with SDAT may disqualify an otherwise successful Offeror from final consideration and recommendation for Contract award.

4.19 False Statements

Offerors are advised that Md. Code Ann., State Finance and Procurement Article, § 11-205.1 provides as follows:

In connection with a procurement contract, a person may not be willfully:

- A. Falsify, conceal, or suppress a material fact by any scheme or device.
- B. Make a false or fraudulent statement or representation of a material fact; or
- C. Use a false writing or document that contains a false or fraudulent statement or entry of a material fact.

A person may not aid or conspire with another person to commit an act under this section.

A person who violates any provision of this section is guilty of a felony and, on conviction, is subject to a fine not exceeding \$20,000 or imprisonment not exceeding five (5) years or both.

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5 Proposal Format

5.2 Two Part Submission

Offerors shall submit Proposals in separate volumes (or envelopes):

- A. Volume I –Technical Proposal
 - i. The Technical Proposal shall be submitted by the due date and time stated on the Key Information Summary Sheet, page iii of the RFP, and
 - ii. The Technical Proposal shall be no more than One Thousand Two-Hundred and Fifty pages (1,250), and
 - iii. The Technical Proposal shall be in Times New Roman, Twelve (12) font.
- B. Volume II – Financial Proposal
 - i. Financial Proposal shall be submitted by the due date and time stated on the Key Information Summary Sheet, page iii of the RFP.

5.3 Proposal Delivery and Packaging

5.3.1 Proposals delivered by courier, postal service, facsimile, or email shall not be considered.

- A. Any Proposal received in any other fashion other than by eMMA shall be deemed to be not timely. The State recommends using the only approved delivery method, eMMA, for which both the date and time of receipt can be verified. Please do not wait until the last minute to upload your proposals, as if you have any technical difficulties, you will be required to submit an eMMA helpdesk ticket to resolve them. Proposals not fully received by the Due Date will not be reviewed except as provided by COMAR 21.05.03.02F.
- B. Hand deliveries shall not be considered. Pricing information shall not be included in the Technical Proposal. Pricing information shall not be included in the media submitted in the Technical Proposal. Pricing information included in the Technical Proposal may make Offeror not reasonably susceptible for award.

5.3.2 The Procurement Officer must receive all Proposal materials by the RFP due date and time specified in the Key Information Summary Sheet. Requests for extension of this date or time shall not be granted. Except as provided in COMAR 21.05.03.02F, Proposals received by the Procurement Officer after the due date shall not be considered.

5.3.3 Offerors shall provide their Proposals in two separate envelopes for double envelope submissions.

5.3.4 Two Part Submission:

- A. Technical Proposal consisting of:
 - 1. The Technical Proposal in searchable Adobe PDF format (pages numbered and sections clearly identified); and
 - 2. a second searchable Adobe PDF copy of the Technical Proposal with confidential and proprietary information redacted (see **Section 4.8**).
- B. Financial Proposal consisting of:

1. An electronic version of the Financial Proposal in a searchable Adobe PDF format, and
2. A second searchable Adobe PDF copy of the Financial Proposal, with confidential and proprietary information redacted (see **Section 4.8**).

5.4 Volume I - Technical Proposal

NOTE: Omit all **pricing information** from the Technical Proposal (Volume I). Only include pricing information in the Financial Proposal (Volume II). **TECHNICAL PROPOSAL SHALL NOT EXCEED One Thousand Two-Hundred and Fifty pages (1,250), and should use Times New Roman, font size Twelve (12).**

5.4.1 General Organization and Numbering

In addition to the instructions below, responses in the Offeror's Technical Proposal shall reference the organization and numbering of Sections in the RFP (e.g., "Section 2.2.1 Response . . ."; "Section 2.2.2 Response . . ."). All pages of both Proposal volumes shall be consecutively numbered from beginning (Page 1) to end (Page "x").

5.4.2 Attachments, Documents, and Information Required with the Technical Proposal (Table A)

The Technical Proposal shall include the following documents and information, in the order specified. Each section of the Technical Proposal shall be separated by a **TAB** as detailed below:

Attachments A through E = Proposal shall be rejected if the required Attachment is not submitted, is inaccurate, or incomplete.

Attachments F through R = Proposal may be rejected if the required Attachment is not submitted or is inaccurate or incomplete. **TABLE A - Attachments and Documents Required with the Proposal**

Proposal TAB	Attachment #	Attachment Name / Tab Section and Description
Tab A		Title Page and Table of Contents The Technical Proposal should begin with a Title Page bearing the name and address of the Offeror and the name and number of this RFP. A Table of Contents shall follow the Title Page for the Technical Proposal, organized by section, subsection, and page number.

Attachments F through R = Proposal may be rejected if the required Attachment is not submitted or is inaccurate or incomplete. **TABLE A - Attachments and Documents Required with the Proposal**

Proposal TAB	Attachment #	Attachment Name / Tab Section and Description
Tab B		Claim of Confidentiality (If Applicable) Any information which is claimed to be confidential and/or proprietary information should be identified by page and section number and placed after the Title Page and before the Table of Contents in the Technical Proposal, and if applicable, separately in the Financial Proposal. An explanation for each claim of confidentiality shall be included (see Section 4.7 “Public Information Act Notice”). The entire Proposal cannot be given a blanket confidentiality designation - any confidentiality designation must apply to specific sections, pages, or portions of pages of the Proposal and an explanation for each claim shall be included. Otherwise, note under TAB B - “Not applicable”.
Tab C	F	Bidder/Offeror Information Sheet and Transmittal Letter https://procurement.maryland.gov/wp-content/uploads/sites/12/2024/07/Attachment-F.-Bidder-Offeror-Information-Sheet.pdf
Tab D		Executive Summary & Acknowledgement of all addenda to this RFP. The Offeror shall condense and highlight the contents of the Technical Proposal in a separate section titled “Executive Summary. In addition, the Summary shall indicate whether the Offeror is the subsidiary of another entity, and if so, whether all information submitted by the Offeror pertains exclusively to the Offeror. If not, the subsidiary Offeror shall include a guarantee of performance from its parent organization as part of its Executive Summary (see Section 4.16 “Offeror Responsibilities”). The Executive Summary shall also identify any exceptions the Offeror has taken to the requirements of this RFP, the Contract (Exhibit 2), or any other exhibits, appendices, supplementals, or

Attachments F through R = Proposal may be rejected if the required Attachment is not submitted or is inaccurate or incomplete. **TABLE A - Attachments and Documents Required with the Proposal**

Proposal TAB	Attachment #	Attachment Name / Tab Section and Description
		attachments. Acceptance or rejection of exceptions is within the sole discretion of the State. Exceptions to terms and conditions, including requirements, may result in having the Proposal determined to be unacceptable or classified as not reasonably susceptible of being selected for award or the Offeror determined to be not responsible.
Tab E		Minimum Qualifications The Offeror shall submit any Minimum Qualifications documentation that may be required, as set forth in RFP Section 1. If references are required in RFP Section 1, those references shall be included in Attachment L.
Tab F		Offeror Technical Response to RFP Requirements and Proposed Work Plan
		The Offeror shall address each RFP requirement (RFP Section 2) in its Technical Proposal with a cross reference to the requirement and describe how its proposed goods and services, including the goods and services of any proposed subcontractor(s), will meet or exceed the requirement(s). If the State is seeking Offeror agreement to any requirement(s), the Offeror shall state its agreement or disagreement. Any paragraph in the Technical Proposal that responds to an RFP requirement shall include an explanation of how the work will be performed. The response shall address each requirement in Section 2 in order and shall contain a cross reference to the requirement.
		The Offeror shall give a definitive section-by-section description of the proposed plan to meet the requirements of the RFP, i.e., a Work Plan. The Work Plan shall include the specific methodology, techniques, and number of staff, if applicable, to be used by the Offeror in providing the required goods and services as outlined in RFP Section 2, Contractor Requirements: Scope of Work. The description shall include an outline of the overall management concepts employed by the Offeror and a project management plan, including project control mechanisms and overall timelines. Project deadlines

Attachments F through R = Proposal may be rejected if the required Attachment is not submitted or is inaccurate or incomplete. **TABLE A - Attachments and Documents Required with the Proposal**

Proposal TAB	Attachment #	Attachment Name / Tab Section and Description
		considered contract deliverables must be recognized in the Work Plan.
		Implementation Schedule - Offeror shall provide the proposed implementation schedule with its Proposal.
		The Offeror shall provide a draft Problem Escalation Procedure (PEP) that includes, at a minimum, titles of individuals to be contacted by the Contract Monitor should problems arise under the Contract and explains how problems with work under the Contract will be escalated in order to resolve any issues in a timely manner. Final procedures shall be submitted as indicated in Section 3.5
		Non-Compete Clause Prohibition – To evidence compliance with the non-compete clause prohibition, each Offeror must include an affirmative statement in its technical Proposal that the Offeror, if awarded a Contract, agrees that its employees and agents shall not be restricted from working with or for any successor contractor that is awarded the State business.
		Other information as requested for Tab F in the Supplemental .
Tab G		Experience and Qualifications of Proposed Staff The Offeror shall identify the qualifications and types of staff proposed to be utilized under the Contract including information in support of the Personnel Experience criteria in Section 2.4. Specifically, the Offeror shall:
		Describe in detail how the proposed staff's experience and qualifications relate to their specific responsibilities, including any staff of proposed subcontractor(s), as detailed in the Work Plan.
		Include individual resumes for Key Personnel, including Key Personnel for any proposed subcontractor(s), who are to be assigned to the project if the Offeror is awarded the Contract. Each resume should include the amount of experience the

Attachments F through R = Proposal may be rejected if the required Attachment is not submitted or is inaccurate or incomplete. **TABLE A - Attachments and Documents Required with the Proposal**

Proposal TAB	Attachment #	Attachment Name / Tab Section and Description
		individual has had relative to the Scope of Work set forth in this solicitation.
		Include letters of intended commitment to work on the project, including letters from any proposed subcontractor(s). If proposed personnel are included, offerors should be aware of restrictions on substitution of Key Personnel prior to RFP award (see Substitution Prior to and Within 30 Days After Contract Execution in Section 2.5.5).
		Provide an Organizational Chart outlining Personnel and their related duties. The Offeror shall include job titles and the percentage of time each individual will spend on his/her assigned tasks. Offerors using job titles other than those commonly used by industry standards must provide a crosswalk reference document.
		If proposing differing personnel work hours than identified in the RFP, describe how and why it proposes differing personnel work hours.
Tab H		Offeror Qualifications and Capabilities The Offeror shall include information on past experience with similar projects and services including information in support of the Offeror Experience criteria in Section 2.4.1. The Offeror shall describe how its organization can meet the requirements of this RFP and shall also include the following information: • The number of years the Offeror has provided the similar goods and services; • The number of clients/customers and geographic locations that the Offeror currently serves; • The names and titles of headquarters or regional management personnel who may be involved with supervising the services to be performed under the Contract; • The Offeror's process for resolving billing errors; and • An organizational chart that identifies the complete structure of the Offeror including any parent company,

Attachments F through R = Proposal may be rejected if the required Attachment is not submitted or is inaccurate or incomplete. **TABLE A - Attachments and Documents Required with the Proposal**

Proposal TAB	Attachment #	Attachment Name / Tab Section and Description
		headquarters, regional offices, and subsidiaries of the Offeror.
Tab I	L	Reference Checks (Each reference shall be from a customer for whom the Offeror has provided goods or services within the past ten years)
Tab J	M	List of Current or Prior State Contracts
Tab K		Financial Capability. (Submit under TAB K) The Offeror must include in its Bid a commonly-accepted method to prove its fiscal integrity. If available, the Offeror shall include Financial Statements, preferably a Profit and Loss (P&L) statement and a Balance Sheet, for the last two (2) years (independently audited preferred). In addition, the Offeror may supplement its response to this Section by including one or more of the following with its response: • Dun & Bradstreet Number and Rating; • Standard and Poor's Rating; • Lines of credit; • Evidence of a successful financial track record; and • Evidence of adequate working capital.
Tab L		Certificate of Insurance The Offeror shall provide a copy of its current certificate of insurance showing the types and limits of insurance in effect as

Attachments F through R = Proposal may be rejected if the required Attachment is not submitted or is inaccurate or incomplete. **TABLE A - Attachments and Documents Required with the Proposal**

Proposal TAB	Attachment #	Attachment Name / Tab Section and Description
		of the Proposal submission date. (The current insurance types and limits do not have to be the same as described in Section 3.14, but would be the required insurance certificate submission for the apparent awardee.)
Tab M	P	<u>Prime Contractor List of ALL Subcontractors Anticipated/Used During Contract</u> The Offeror shall provide a complete list of all subcontractors that will work on the Contract if the Offeror receives an award, including those utilized in meeting the MBE and VSBE subcontracting goal(s), if applicable. This list shall include a full description of the duties each subcontractor will perform and why/how each subcontractor was deemed the most qualified for this project. If applicable, subcontractors utilized in meeting the established MBE or VSBE participation goal(s) for this solicitation shall be identified as provided in the appropriate attachment(s) of this RFP.
Tab N	N	Legal Action Summary This summary shall include: • A statement as to whether there are any outstanding legal actions or potential claims against the Offeror and a brief description of any action; • A brief description of any settled or closed legal actions or claims against the Offeror over the past five (5) years; • A description of any judgments against the Offeror within the past five (5) years, including the court, case name, complaint number, and a brief description of the final ruling or determination; and • In instances where litigation is ongoing and the Offeror has been directed not to disclose information by the court, provide the name of the judge and location of the court.
Tab O		Economic Benefit Factors

Attachments F through R = Proposal may be rejected if the required Attachment is not submitted or is inaccurate or incomplete. **TABLE A - Attachments and Documents Required with the Proposal**

Proposal TAB	Attachment #	Attachment Name / Tab Section and Description
		https://procurement.maryland.gov/wp-content/uploads/sites/12/2024/07/Appendix-8.-Economic-Benefit-Factors.dotx
Tab P	A	Bid/Proposal Affidavit A Bid submitted by the Bidder must be accompanied by a completed Bid/Proposal Affidavit. https://procurement.maryland.gov/wp-content/uploads/sites/12/2024/07/Attachment-A.-Bid-Proposal-Affidavit.pdf
	C	Bid Bond https://procurement.maryland.gov/wp-content/uploads/sites/12/2024/07/Attachment-C.-Bid-Bond.pdf
	D	MBE Forms D-1A https://procurement.maryland.gov/wp-content/uploads/sites/12/2018/05/AttachmentDMBE-Forms-1.pdf IMPORTANT: If this RFP contains different Functional Areas or Service Categories. A separate Attachment D-1A is to be submitted for each Functional Area or Service Category where there is an MBE goal.
	E	Veteran-Owned Small Business Enterprise (VSBE) Form E-1A http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/AttachmentE-VSBEForms.pdf IMPORTANT: If this RFP contains different Functional Areas or Service Categories. A separate Attachment E-1A is to be submitted for each Functional Area or Service Category where there is a VSBE goal.
Tab Q	G	Maryland Living Wage Requirements Affidavit of Agreement

Attachments F through R = Proposal may be rejected if the required Attachment is not submitted or is inaccurate or incomplete. **TABLE A - Attachments and Documents Required with the Proposal**

Proposal TAB	Attachment #	Attachment Name / Tab Section and Description
		(for Services and Facilities Maintenance) https://procurement.maryland.gov/wp-content/uploads/sites/12/2024/07/Attachment-G.-Maryland-Living-Wage-Requirements-Affidavit-of-Agreement.pdf
	H	N/A
	I	Conflict of Interest Affidavit and Disclosure https://procurement.maryland.gov/wp-content/uploads/sites/12/2024/07/Attachment-I.-Conflict-of-Interest-Affidavit.pdf <i>Note: If this solicitation will result in the “selection of a contractor who will assist a unit in the formation, evaluation, selection, award, or execution of another State contract” the Bidder shall provide this Affidavit and other times as requested by the Procurement Officer.</i>
	J	N/A
	K	Location of the Performance of Services Disclosure https://procurement.maryland.gov/wp-content/uploads/sites/12/2024/07/Attachment-K.-Location-of-the-Performance-of-Services-Disclosure.pdf
	O	Payment of Employee Healthcare Expenses Certification https://procurement.maryland.gov/wp-content/uploads/sites/12/2024/07/Attachment-O.-Payment-of-Employee-Healthcare-Expenses-Certification.pdf
	Q	Key Personnel Resumes
	R	Corporate Diversity Addendum

Attachments F through R = Proposal may be rejected if the required Attachment is not submitted or is inaccurate or incomplete. **TABLE A - Attachments and Documents Required with the Proposal**

Proposal TAB	Attachment #	Attachment Name / Tab Section and Description
		https://procurement.maryland.gov/wp-content/uploads/sites/12/2024/07/Attachment-R.-Corporate-Diversity-Addendum.pdf This addendum shall be submitted with a BID or PROPOSAL when the contract award is estimated to be \$1,000,000 or more. <i>Note: This document is for data collection only.</i>

5.4.3 Additional Technical Responses Required

5.4.3.2 Retailer Equipment, Supplies and Hardware

- A. With regards to accessibility to the Retailer, the Offeror shall describe what additional/optional equipment is available to be provided by the Contractor.
- B. Describe the process and options for Retailers to order consumables, including via phone and through the terminal.
- C. Describe delivery plans and options for delivery of consumables.

5.4.3.3 Instant Ticket Warehousing

- A. The Offeror shall describe its processes for Retailers to order new inventory (TelSell, terminal orders, and call-ins) and describe how it shall be fulfilled.
- B. The Offeror shall describe how it would differentiate orders in MLGCA's warehouse if there are multiple carriers being used at the same time.
- C. The Offeror shall describe how it will integrate Lottery automation tools, TelSell, and other systems to its proposed inventory control and distribution system and the LCMCS, with a preference towards real-time integration.

5.4.3.4 Third Party System and Support – Analytic (SAS) Tool

If a reasonable alternative is proposed by the Offeror other than the SAS tool, the Offeror shall detail how it compares with the SAS tool for identifying unusual claims.

5.4.3.5 Marketing and Promotions

- A. What is the number of concurrent promotions your system supports?
- B. What are the number of concurrent promotional types and any limitations?
- C. What are your system limitations re: coupons? Do you support single-use coupons?
- D. How long does it take to launch a promotion in your system?

- E. Do you support the option of paying or not paying retailer commissions on promotional tickets?
- F. What licensed properties (if any) are available at no charge for draw game promotions? What is available at an additional cost?
- G. How is promotional priority assigned? Do certain promotion engines automatically have priority?

5.4.3.6 Game Comparison Information - Maryland's Fast Play

- A. What is the maximum number of active Fast Play games that your system can support?
- B. What is your typical cadence or process to launch new Fast Play games? For reference, Maryland launches several new games about every 2 months.
- C. How long does it take your organization to design and deliver new Fast Play games?
- D. Describe your process to close Fast Play games, for both fixed and progressive top prizes.
- E. What is your average per-cap sales and those of your best-performing customers, excluding any iLottery Fast Play sales?
- F. What, if any, licensed properties do you have available? Specify those available at no additional cost.

5.4.3.7 Game Comparison Information - Maryland's Keno Games

- A. What is the frequency and ease of change to your winning number selection animation and winning number recap/display screens?
- B. With regards to the Keno Show architecture, how many animation skins can be used in rotation at one time?
- C. Screen layout options – If the Lottery wanted to add a static or permanent Play Responsibly logo to the screen, would it be possible?
- D. Does the Lottery have creative control over the presentation of winning number recap screens, or are the positions of the numbers fixed?
- E. Does the Lottery have creative control over the animated drawing mechanism, or are the number selector and number selections hard-coded in places on the screen? Provide sample screenshots.
- F. What is your experience with Bonus and Super Bonus features?
- G. Do you support Keno Kicker promotions that involve the selection of a 21st winning number during random drawings?
- H. What is your average per-cap sales, and those of your best-performing customers?

5.4.3.8 Game Comparison Information - Maryland's Horse Racing Game

- A. Describe your horse racing lottery game race animation, horse winner selection, and identification, and informational display screens.
- B. Provide a sample video displaying your horse racing offering graphics.
- C. Would the Lottery be able to localize or modify racetrack graphics for Maryland based on other popular tracks?
- D. Currently, information for the last 20 races, statistics about horses, and recent races are displayed. Can your system provide this? Describe what your system can provide.
- E. What is your randomization of race names, horse names, jockey uniform or silks, and other attributes?
- F. What is your experience with Bonus-type features with your horse racing game?
- G. Explain the design of your race game(s), including:
 - 1. Are winning horses/numbers fully random or weighted?
 - 2. How are prizes determined?
- H. What is your average per-cap sales, and those of your best-performing customers?

5.4.3.9 General Sales Information

- A. Provide your average sales per terminal and per Retailer for all of your states combined, and anonymous data for your best state.
- B. Provide self-service sales per terminal and per retailer for all of your states combined and for your best state. Segregate full-service from draw game only terminals.

5.4.3.10 Ticket Specifications and Limitations

- A. What are the character limits for each area of the ticket, including: promo messages, marketing messages, trigger/award messages, Fast Play instructions, Fast Play callouts, and MLR area?
- B. What are your art specifications for terminal game tickets, including graphic quality, pixel density limitation/recommendation for thermal printers? Can multiple bitmaps or other graphics be printed on a terminal-issued ticket?
- C. What are your ticket length limitations?

5.4.3.11 Field Service

- A. Explain your company's philosophy on self-service installations. Do you do a one-stop delivery and installation, or drop off equipment and come back to connect it?
- B. Describe your plans to replace all vendor-provided Keno & Horse racing game monitors in the field, and how long it will take?
- C. How will you minimize revenue losses due to Keno and Horse racing game monitors being out of service?

- D. Describe your plans to replace all self-service terminals and how long it will take?
- E. Recognizing that Maryland self-service terminals generate over \$20 million each week, how will you minimize losses due to self-service terminals being out of service?

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5.5 Volume II – Financial Proposal

TABLE A (Continued) - Attachments and Documents Required with the Proposal

Proposal TAB	Attachment #	Attachment Name / Tab Section and Description
Financial Proposal submitted separately from Technical Proposal	B	The Price Form (as specified within eMMA) <u>Do not alter this Price Form</u> or leave blank any items on the Price Form or include additional clarifying or contingent language on or attached to the Price Form. Failure to adhere to any of these instructions may result in the Proposal being determined to be not reasonably susceptible of being selected for award and rejected by the State. The Price Form must be signed and dated, where requested, by an individual who is authorized to bind the Offeror to the prices entered on the Price Form. (See Appendix 2 for specific Price Form Instructions.)

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6 Evaluation and Selection Process

6.2 Evaluation Committee

Evaluation of Proposals shall be performed in accordance with COMAR 21.05.03 by a committee established for that purpose and based on the evaluation criteria set forth below. The Evaluation Committee shall review Proposals, participate in Offeror oral presentations and discussions, and provide input to the Procurement Officer. The Agency reserves the right to engage individuals outside the established Evaluation Committee for advice and assistance, as deemed appropriate.

During the evaluation process, the Procurement Officer may determine at any time that a particular Offeror is not susceptible for award.

6.3 Technical Proposal Evaluation Criteria

For purposes of evaluation, the State will assess the extent to which the Offeror proposes a complete, integrated Lottery Central Monitoring and Control System (“LCMCS”). The proposed LCMCS may be provided as a single system, a series of interconnected systems, a modular platform, a suite of applications, or a comparable system architecture, provided that the proposed solution operates as a unified system and satisfies all functional, technical, operational, security, and performance requirements of this RFP.

The proposed LCMCS must collectively perform the functions required to operate, monitor, control, support, and administer the Maryland Lottery’s retail lottery operations. The LCMCS includes, but is not limited to, all associated software, hardware, terminals, telecommunications network components, data center infrastructure, interfaces, integrations, reporting tools, security controls, operational support systems, and related services necessary to meet the requirements of this RFP.

Evaluators shall assign a score based on the Offeror’s demonstrated ability to provide a complete, integrated LCMCS as described below:

Score	Adjectival Rating	Description
0	Unacceptable / Non-Responsive	The response provides no reasonable basis to determine that the Offeror can meet the RFP’s functional, technical, operational, security, or performance requirements.
1	Marginal / Weak	The proposed solution may include some required components, but the response does not clearly demonstrate that the systems, subsystems, applications, hardware, software, network components, interfaces, security controls, and related services will operate together as a unified and reliable solution.
3	Acceptable / Meets Requirements	The response identifies the necessary software, hardware, terminals, telecommunications network components, data center infrastructure, interfaces, integrations, reporting tools, security controls, operational support systems, and related services. Any weaknesses are minor and do not materially affect the State’s confidence that the proposed LCMCS can meet the RFP’s requirements.

Score	Adjectival Rating	Description
5	Excellent / Exceeds Requirements	The response provides a detailed and cohesive explanation of how all systems, subsystems, applications, hardware, software, terminals, telecommunications network components, data centers, interfaces, integrations, reporting tools, security controls, operational support systems, and related services will function together as a unified solution. The proposed approach demonstrates low performance risk and provides meaningful strengths, enhancements, efficiencies, or innovations beyond the minimum requirements of the RFP.

The most important criteria for evaluating each Technical Proposal are listed below in descending order, with Level 1 Criteria having greater importance than Level 2 Criteria. Level 2 Criteria also has a greater importance than Level 3 Criteria. Unless stated otherwise, any sub-criteria within each criterion have equal weight.

6.3.1 Offeror's Technical Response to Requirements and Work Plan

The State 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 that include limited responses to work requirements, such as "concur" or "will comply," will receive a lower ranking than those that address and demonstrate an understanding of the work requirements and include plans to meet or exceed them. (A ranking scale of 5, 3, 1, 0 will be used to score the listed criteria)

For the criteria listed in Section 6.3.1, the Evaluation Committee will use the stated rating scale of 5, 3, 1, and 0. Scores for Level 1, Level 2, and Level 3 criteria will be normalized by the maximum possible score within each level before applying the stated level weights of 50%, 30%, and 20%, respectively. Unless stated otherwise, subcriteria within each level are equally weighted. The State may consider written proposal content, oral presentation content, demonstrations, discussions, and written clarifications that become part of the proposal record, provided that evaluation remains based solely on the criteria stated in this RFP.

The extent to which the Offeror's proposed services, solutions, and capabilities shall provide innovative concepts and solutions that will drive an increase in sales and revenues is a critical evaluation criterion.

A. Level 1 Criteria (50%) – Revenue Generating Programs and Systems that Support Them

1. Conversion Plan and Support
2. Terminals
3. Monitor Games General
4. Draw Games
5. Fast Play Games
6. Keno
7. Horse Racing Game

8. Instant Ticket Program – Tel-Sell, intuitive ordering capability, warehouse shipping system, sorter
9. Promotional Capabilities
10. My Lottery Rewards Program
11. Communications Network
- B. Level 2 Criteria (30%) – Tasks Ancillary to Revenue-Generating Programs
 1. Staffing – Conversion and Ongoing
 2. Consumables Ordering and Delivery
 3. Retailer Licensing System
 4. Business Intelligence Suite and Support
 5. Field Service Plan
 6. Sales Force Automation Tool
 7. XCAP Program
 8. System Features: Computer system design, storage capacity, memory, robustness
 9. Data Centers – reliability and security
 10. Optional Offerings
 11. Real-Time Data Feed to Sales Tools
 12. System Security
- C. Level 3 Criteria (20%)
 1. Monitors
 2. Other Retailer Equip and Supplies
 3. Develop and Support Future Lottery Games
 4. Ticket Scanning Messaging
 5. Additional Game Requirements
 6. Website and Apps Support
 7. Third Party System and Support (includes ICS and SAS tool)
 8. Claims/Checkwriter/Alternative Cashing
 9. Claims and Retailer Tax Reporting
 10. Back Office – Finance Requirements
 11. Subscription Program
 12. Sales Threshold Monitoring
 13. Reports
 14. Contractor-Supplied Hardware, Software, and Materials

15. Required Project Policies, Guidelines, and Methodologies

16. Product Requirements

17. Maintenance and Support

6.3.2 Experience and Qualifications of Proposed Staff

6.3.3 Offeror Qualifications and Capabilities, Client References, Financial Capability and Legal Action Summary, including from proposed subcontractors

6.3.4 Economic Benefit to State of Maryland

6.3.5 The Evaluation Committee will separately document its assessment of the criteria in Sections 6.3.2, 6.3.3, and 6.3.4. These criteria will be considered in the overall technical evaluation and best-value determination. The evaluation record will document the basis for the assessment of these criteria, including any material strengths, weaknesses, risks, or deficiencies identified by the Evaluation Committee.

6.4 Financial Proposal Evaluation Criteria

All Qualified Offerors will be ranked financially, ranging from the highest, most advantageous revenue to the State to the lowest, least advantageous revenue to the State. The State will calculate each Qualified Offeror's financial evaluation using the Price Form submitted as **Appendix B-The Price Form and Instructions**. The financial evaluation will be based on a single, consistently applied calculation using the assumptions stated in the Price Form. The Procurement Officer will document the financial ranking and the calculation used for each Qualified Offeror in the procurement file. Optional or specified pricing will be included in the financial evaluation only if the RFP or a written addendum states that such pricing will be included in the evaluation calculation.

6.5 Reciprocal Preference

6.5.1 Although Maryland law does not authorize procuring agencies to favor resident Offerors in awarding procurement contracts, many other states do grant their resident businesses preferences over Maryland contractors. COMAR 21.05.01.04 permits procuring agencies to apply a reciprocal preference under the following conditions:

- A. The Maryland resident business is a responsible Offeror;
- B. The most advantageous Proposal is from a responsible Offeror whose principal office, or principal base of operations, is in another state;
- C. The other state gives a preference to its resident businesses through law, policy, or practice; and
- D. The preference does not conflict with a federal law or grant affecting the procurement Contract.

6.5.2 The preference given shall be identical to the preference that the other state, through law, policy, or practice gives to its resident businesses.

6.6 Selection Procedures

6.6.1 General

- A. The Contract will be awarded in accordance with the Competitive Sealed Proposals (CSP) method found at COMAR 21.05.03. The CSP method allows for conducting discussions and revising Proposals during them. Therefore, the State may conduct discussions with all Offerors that have submitted Proposals that are determined to be reasonably susceptible of being selected for contract award or potentially so. However, the State reserves the right to make an award without holding discussions.
- B. With or without discussions, the State may determine the Offeror to be not responsible or the Offeror's Proposal to be not reasonably susceptible of being selected for award at any time after the initial closing date for receipt of Proposals and before Contract award.

6.6.2 Selection Process Sequence

- A. Upon the receipt of a proposal, a determination is made that the MDOT Certified MBE Utilization and Fair Solicitation Affidavit (**Attachment D-1A**) is included and is properly completed, if there is an MBE goal. In addition, it is determined that the VSBE Utilization Affidavit and subcontractor Participation Schedule (Attachment E-1) must be included and properly completed if there is a VSBE goal.
- B. Technical Proposals are evaluated for technical merit and ranked. During this review, oral presentations and discussions shall be held. The purpose of such discussions will be to ensure a full understanding of the State's requirements and the Offeror's ability to perform the services, as well as to facilitate the arrival at a Contract that is most advantageous to the State. Offerors will be contacted by the State as soon as any discussions are scheduled.
- C. Offerors shall confirm in writing any substantive oral clarifications of, or changes in, their Technical Proposals made in the course of discussions. Any such written clarifications or changes then become part of the Offeror's Technical Proposal. Technical Proposals are given a final review and ranked.
- D. The Financial Proposal of each Qualified Offeror (a responsible Offeror determined to have submitted an acceptable Proposal) will be evaluated and ranked separately from the Technical evaluation. After a review of the Financial Proposals of Qualified Offerors, the Evaluation Committee or Procurement Officer may again conduct discussions to evaluate the Offeror's entire Proposal further.

6.6.3 Award Determination

Upon completion of the Technical Proposal and Financial Proposal evaluations and rankings, each Offeror shall receive an overall ranking. The Procurement Officer shall recommend award of the Contract to the responsible Offeror that submitted the Proposal determined to be the most advantageous to the State. In making this most advantageous Proposal determination, technical factors will receive greater weight than financial factors. **(The weighting will be 65% Technical and 35% Financial).**

6.7 Documents Required upon Notice of Recommendation for Contract Award RFP Attachments (Table B)

Upon receipt of a Notification of Recommendation for Contract award, the apparent awardee shall complete and furnish the documents and attestations as directed in **TABLE B - Documents Required upon Notice of Recommendation for Contract Award** below.

TABLE B - Documents Required upon Notice of Recommendation for Contract Award	
Attachment	Attachment Name
D	MBE Forms D-1B, D-1C, D-2, D-3A, D-3B https://procurement.maryland.gov/wp-content/uploads/sites/12/2018/05/AttachmentDMBE-Forms-1.pdf Important: Attachment D-1C, if a waiver has been requested, is also required within 10 days of the recommended award.
E	VSBE Forms E-1B, E-2, E-3 http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/AttachmentE-VSBEForms.pdf Important: Attachment E-1B is also required within 10 days of the recommended award if a waiver has been requested.
S	Non-Disclosure Agreement (Contractor) https://procurement.maryland.gov/wp-content/uploads/sites/12/2024/07/Attachment-S.-Non-Disclosure-Agreement-Contractor.pdf
T	HIPAA Business Associate Agreement N/A
U	Contract Affidavit https://procurement.maryland.gov/wp-content/uploads/sites/12/2024/07/Attachment-U.-Contract-Affidavit.pdf
V	DHS Hiring Agreement N/A

W	Performance Bond https://procurement.maryland.gov/wp-content/uploads/sites/12/2024/07/Attachment-W.-Performance-Bond.pdf
X	Payment Bond N/A
Y	Date Use Agreement https://procurement.maryland.gov/wp-content/uploads/sites/12/2024/08/Attachment-Y.-Data-Usage-Agreement.pdf

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7 RFP Appendices and Exhibits

The Appendices and Exhibits listed below in Tables C and D are reference documents needed to assist the offerors in preparing their proposals in response to this solicitation. If a specific Appendix or Exhibit is not required for this solicitation, it is listed in the tables as “Not applicable” or “N/A”.

7.2 Appendices (Table C)

TABLE C - APPENDICES	
Appendix #	Appendix Name
1	Abbreviations and Definitions
2	Price Form and Instructions
4	MBE Participation Goal
5	VSBE Participation Goal
7	Bonds
8	Economic Benefit Factors
9	Data Feeds – Types of Files and Frequency of Uploads
10	Required Reports and Queries
11	IT Supplemental
12	Liquidated Damages – Other than MBE
13	MBE Liquidated Damages

14	RFP Deliverables
15	Monitors Currently Deployed

7.3 Exhibits (Table D)

TABLE D - Exhibits	
Exhibit #	Exhibit Name
1	MBE, VSBE, and SBR Research Factors Template
2	Sample Contract