

# Maryland Lottery and Gaming Control Agency

Larry Hogan, Governor • Gordon Medenica, Director



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TO: Maryland Lottery and Gaming Commission  
Gordon Medenica, Director

FROM: James Nielsen, Assistant Deputy Director/COO

DATE: November 7, 2016

SUBJECT: Report for the November 2016 Commission Meeting

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## GAMING

See attached report from Charles LaBoy, Managing Director

## REGULATORY OVERSIGHT

See attached report from John Mooney, Managing Director

## AGENT ADMINISTRATION

	<b>07/01/16</b>	<b>10/31/16</b>
# OF RETAILERS	4,539	4525
# OF RETAILER TERMINALS	5,274	5253
# XCAP RETAILERS	307	326

## CONTRACT MANAGEMENT

- The RFP for the Lottery central system was issued on December 10, 2015. The Pre-Proposal Conference was held on January 7, 2016 with all three of the major vendors as well as a number of MBEs attending. In February we increased the minority business participation goal from 15% to 20% and extended the proposal due date by eight weeks to April 28, 2016 to allow bidders time to adjust their proposals. The committee made its recommendation to award the contract to the Director on August 11 and the selection was approved at the August 17 Commission meeting. Subsequently, both losing offerors protested the award and there has been some negative media coverage. The formal protests responses have not yet been issued due to various review and approval steps. We have not yet determined when the contract with the selected offeror will be submitted to DoIT and the Board of Public Works for review and approval, but the planned June launch of the new system is now at risk.
- Features for Phase 2 of the My Lottery Rewards App, primarily related to e-playslips and the retailer locator capabilities, have passed final testing. We plan to make the new versions available for download in early December.

- MS Technologies continues to work on e-Licensing Systems improvements. We continue testing Priority 4 features involving Principal applications as well as Priority 5 work, with a targeted completion of the end of the year. Additional enhancements are being developed as part of Priority 6.
- After several discussions it was decided to delay Maryland’s participation in the multistate progressive Keno jackpot offering because of resource availability and limited sales potential. We will begin meetings in November to explore other Keno enhancements but could still offer the jackpot feature at a later date if group sales exceed our expectations.

**FACILITIES**

- Carpet cleaning was completed in October. Some areas will need to be re-carpeted.
- A building-wide fire drill was conducted to evaluate evacuation procedures for all tenants and a follow-up discussion is being scheduled.
- New copiers were installed throughout the agency.
- A number of vehicles are being acquired to replace older ones with high mileage.

**WAREHOUSE**

The instant ticket warehouse is responsible for packing all of the instant tickets that are shipped to lottery retailers. Orders are placed through our Tel Sell operation which is operated by our central system vendor. Once an order is placed, it is sent to the warehouse for fulfillment. Additionally, as each new instant game is launched, the majority of retailers receive an initial allocation of the new games to assure the tickets are available across the State. Fulfilled orders are shipped via UPS for next day delivery to the retailer locations. In addition to filling the orders, the warehouse is responsible for monitoring UPS to ensure proper billing and timely delivery. Instant ticket shipping activity is as follows:

<b># of Orders October 2016</b>	<b># of Packs October 2016</b>	<b>YTD Orders 7/1/16 – 10/31/16</b>	<b>YTD Packs 7/1/16 – 10/31/16</b>
14,881	163,977	57,100	627,834