

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: October 17, 2016

SUBJECT: Report for the October 2016 Commission Meeting

GAMING

See attached report from Charles LaBoy, Managing Director

REGULATORY OVERSIGHT

See attached report from John Mooney, Managing Director

AGENT ADMINISTRATION

	07/01/16	09/30/16
# OF RETAILERS	4,539	4,532
# OF RETAILER TERMINALS	5,274	5,260
# XCAP RETAILERS	307	322

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. We expect that formal responses to the protests will have been issued prior to the Commission meeting on October 27th. 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, are in final testing and should be launched within the next 60 days.

- A new version of the RaceTrax game was installed on October 25. This version addressed some display issues experienced in the field.
- 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. We also worked with MS Technologies to provide the Medical Cannabis Commission with our baseline licensing system to save them development time and expense.
- 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 explore other Keno enhancements but could still join the group at a later date if group sales exceed our expectations.

FACILITIES

- Montgomery Park has addressed some long outstanding maintenance issues and is working on some others, such as carpet cleaning.

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 on-line 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:

# of Orders September 2016	# of Packs September 2016	YTD Orders 7/1/16 – 9/30/16	YTD Packs 7/1/16 – 9/30/16
14,059	152,492	42,219	463,857