

Maryland Lottery and Gaming Control Commission

STAFF AGENDA MEMORANDUM

DATE OF MEETING: March 26, 2015

AGENDA ITEM: **Contract Modification – On-Line Gaming System Contract with Scientific Games International (#2005-11)**

PRESENTER: Gina Smith, Deputy Director/CFO

ISSUE SUMMARY: Development of the RFP for the replacement contract has been delayed. After a first draft was prepared and forwarded to DBM for review, the Department of Information Technology made a determination that DoIT should be the control agency responsible for managing the procurement and presenting it to the BPW. This necessitated a complete overhaul of the RFP, in order to incorporate it into DoIT formatting. Due to the delay, it is necessary to extend the current Contract. The Contract contains a provision that gives the Lottery the unilateral right to extend the Contract on a month-to-month basis for a maximum additional period of up to six months in order to facilitate the conversion/transition to a follow-on contractor. Given the delay and the fact that the Agency will soon have a new Director, we believe that it is in the best interest of the State to modify this contract so that the six-month extension becomes a year. This modification will allow a new Director to have input into the RFP and allow ample time for the conversion period. The rate paid to Scientific Games during this extension period will remain at current rate and all other services, terms and conditions will also remain the same. We are requesting approval from the Commission to allow the Deputy Director of the Agency to move forward in this manner and prepare and submit the modification to the Board of Public Works for approval. The modification is in the amount of \$17,500,000 for the term 6/27/2016 – 6/26/2017.

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

STAFF RECOMMENDATIONS: Staff recommends approval for the Commission to delegate to the Deputy Director of the Agency the authority to move forward in the above described manner and prepare the modification and submit it to the Board of Public Works for final approval.