

DEPARTMENT OF GENERAL SERVICES OFFICE OF STATE PROCUREMENT ACTION AGENDA December 18, 2024



Contact: John Lloyd 410-230-8886 john.lloyd@maryland.gov

39-IT-MOD. <u>INFORMATION TECHNOLOGY MODIFICATION</u>

State Lottery & Gaming Control Agency

Contract ID: Lottery Central Monitoring and Control System; #2015-01

ADPICS No.: E75B7400009

Contract Approved: DoIT Item 2-IT, 05/10/2017

Contract Description: Provide Lottery Central Monitoring and Control System and additional services, including implementation, operation and maintenance of the Central Monitoring and Control System and related systems, sales, marketing, instant ticket inventory and distribution, accounting, terminals, software, and telecommunications network that connects retailers to the primary and the back-up data centers.

Modification Description: Extend the contract to allow time to complete the new procurement.

Award: Scientific Games International, Inc.; Alpharetta, GA

Original Contract Term: 05/25/2017 - 04/04/2025 (w/one 3-year renewal option and one

1-year transition option)

Modification Term: 05/05/2025 - 05/02/2027

Original Contract Amount: \$217,126,653 NTE

Modification Amount: \$106,000,000

Prior Options/Mods: \$579,250 (Mod. #1 License to use the James Bond 007 imagery,

marks and logos for an Instant Ticket Lottery Game. DGS

61-IT-MOD, 01/08/2020)

\$910,400 (Mod. #2 License to use the Willy Wonka Golden Ticket imagery, marks and logos for an Instant Ticket Lottery

Game. DGS 21-IT-MOD, 01/06/2021)

\$0 (Mod #3: Amend contractor background process, Delegated

Authority - MLGCA 03/01/2022)

\$0 (Mod #4: Extend contract term to 05/04/2025, Delegated

Authority - MLGCA 01/03/2023)



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39-IT-MOD. INFORMATION TECHNOLOGY MODIFICATION (cont'd)

\$87,286,055 (Mod. #5: Add funds due to greater sales figures exceeding predicted sales projections. DGS 44-IT-MOD,

07/05/2023)

Total Contract Amount: \$411,902,358

Percent +/- (**This Item**): 48.82%

Total Percent Change: 89.69%

Original Procurement Method: Competitive Sealed Proposals

MBE/VSBE Participation: 20.% / 0.5%

MBE/VSBE Compliance: 18.69% / 0.32%

Requesting Agency Remarks: The solicitation for the new contract has been posted on eMaryland Marketplace Advantage (eMMA) and the proposals were due on November 25, 2024.

This contract provides the Lottery Central System and all associated equipment and services required for the sale of tickets and winning ticket prize validation for all Maryland Lottery games. Extending the contract will allow the MLGCA to continue as a significant revenue source to the State through the sale of Lottery tickets. In Fiscal Year 2024, this contract generated \$699.6 million in profit, and the Lottery was a major financial contributor to 4,400 Lottery retailers Statewide that earned commissions of \$220.2 million.

Scientific Games International, Inc. implemented corrective actions and has continued to expand its MBE spending. Beginning next year, they intend to increase that percentage to over 22% annually. They are also working to increase VSBE spending. They have identified commodity purchases and services they acquire on a recurring basis that will now be provided by VSBE firms. This is expected to increase spending above the 0.5% target before the end of the extension term.

Fund Source: 100% Special Funds (Lottery Proceeds)



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39-IT-MOD. INFORMATION TECHNOLOGY MODIFICATION (cont'd)

Appropriation Code: E75D0001

Resident Business: No

BOARD OF PUBLIC WORKS

THIS ITEM WAS:

APPROVED

DISAPPROVED

DEFERRED

WITHDRAWN

WITH DISCUSSION

WITHOUT DISCUSSION