CENTRAL SITE MONITORING SYSTEM

REPORT OF EVALUATION PANEL

DECEMBER 16, 2004

Richard B. Thompson, Chair
LT. Thomas Kelly, DPS
Wayne Gallant, DPS
Tony VanDenBossche, SPO
Michael Peters, Gambling Control Board

INTRODUCTION

Maine Statue requires the Gambling Control Board to acquire a Central Site Monitoring System to monitor and control certain functions and activities of the systems used by the operator of a gambling facility.

An RFP to acquire such a system was issued in October of 2004 and four proposals were received from bidders on November 12, 2004.

The following pages represent the work of the evaluation team selected to review proposals, score and recommend a bidder to the Board.

EVALUATION PROCESS

The Gambling Control Board approved an evaluation team consisting of the following members

Richard B. Thompson, Chair
LT. Thomas Kelly, DPS
Michael Peters, Gambling Control Board
Wayne Gallant, DPS
Tony VanDenBossche, SPO

This team met on several occasions to establish its process, conduct evaluations, score proposals and approve this report.

The team met as evaluators on November 12, 2004. Chairperson Thompson attended by teleconference. The team reviewed its responsibilities, discussed executing a document affirming no conflict of interest existed with any team member, and to disperse the proposals received by the Division of Purchases. Four proposals were received.

The Evaluation process consisted of several steps:

- Read/Review each proposal. This was done individually by each team member. Notes were taken and kept.
- Bidder Presentations. Interviews were conducted of all four bidders. Each was given 1 ½ hours to discuss their proposed solution and ½ hour was reserved for team questions.
- Demonstration/Site Analysis. Three of the team members (Gallant, Kelly and Peters) attended demonstrations at the GLI Laboratory in New Jersey. Each bidder had an opportunity to demonstrate their system and for GLI (the team's consultant) to assist with questions of the team. This group reported the findings to the team members who were not present.
- References. Reference checks were assigned to Detective Don Armstrong of the Maine State Police. He reported the results of a uniform set of questions to the team.
- Scoring. The team chose a consensus scoring process where all team members would discuss each of the published evaluation criteria and reach consensus on score in each of the criteria except cost.
- Cost Scoring. The cost components scores were calculated by Roland Leach from the Department of Public Safety. This was a mathematical calculation based on a recommended procedure of the Division of Purchases.
- Final Scores. The final spread sheet of scores was prepared.
- Report. The report was drafted by Chair, Thompson and forwarded to all team members for review prior to the Board meeting.

BIDDERS PRESENTATION

All bidders were given the opportunity to present their solution to the evaluation team and the GLI consultant on either Monday, November 22, 2004 or Tuesday, November 23, 2004. Each bidder participated, bringing several key persons to the presentation.

Upon completion of the direct presentation, the team met to identify any follow up questions. Technical questions were presented by the GLI consultant, other questions asked by the Chair or members of the team. The questions were very similar across all of the bidders and were used only to clearly understand a bidder's proposal and the system being proposed fully.

The team met at the conclusion of the interviews and confirmed that all bidders would be invited to participate at the demonstration. The team also determined that one non-team member would contact references and report to the team results.

DEMONSTRATION/SITE ANALYSIS

Three team members attended demonstrations at the GLI Laboratory in New Jersey. Each bidder was required to demonstrate the following transactions or features:

1. System is capable of tracking & reporting either ticket in/ticket out or cash in/ticket out.

2. System is capable of producing an alarm if a door is opened without authorization, and other related alerts.

3. The system can read & report a machines signature/seed number at start up.

4. The system produces, and schedules, an accounting report showing weekly, monthly, and annual gross income.

5. The system is capable of remotely disabling a machine if the system loses communication with the machine. (and enabling)

6. System can be set up to provide an 89% pay back rate.

7. The system is monitored 24/7/365 for problems.

8. Opportunity for questions/answers.

During the presentations the review team verified the support of the SAS communication protocol and inquired into the anticipated support of future protocols Super SAS and BOB. Bidders were also asked to describe the new game chip enrollment and verification process based on their proposed solution.

Wayne Gallant, team member, reported on behalf of the attendee group on December 10, 2004. The GLI consultant (Todd Elsasser) was also available to answer questions. The full team used this information as part of the scoring process.

REFERENCES

Detective Don Armstrong of the Maine State Police contacted references and asked the following questions:

1. What is your business relationship with (Company Name)?

2. How long have you conducted business with (Company Name)?

3. During your relationship with (Company Name) have you ever experienced any problems with either the company or the personnel that you were dealing with?

4. Has the (Company Name) delivered on everything that they have promised? Were the deliverable on time?

5. Did you ever hold (Company Name) in default of your contract, or were any liquidated damages ever assessed?

6. What is your overall opinion of (Company Name)? Would you recommend conducting business with this company?

The following references were chosen at random by Detective Armstrong:

IGT – Florida Lottery, New Hampshire Sweepstake Commission, Vermont Lottery Commission, Iowa State/Tri State Lottery, Racing (W. Virginia)

Scientific Games – Delaware Lottery, South Dakota Lottery, Connecticut Lottery, Colorado Lottery

Multimedia – Seneca Nation Gaming Corporation, New York Lottery, Saratoga Gaming and Raceway (a third reference did not return repeated calls)

Gtech – Florida Lottery, Louisiana Lottery, Massachusetts State Lottery, Michigan Bureau of Lottery, Colorado State Lottery

All of the bidders were described favorably. Points of interest included Multimedia's recent work with New York, specifically stating delivery on time and what was promised.

One reference for Gtech described some difficulty getting through the bureaucracy of the organization, but described them as professional.

One reference (South Dakota) identified major network failures. The system error was not directly the fault of the Scientific Games (it was the telephone company) but Scientific Games should have been prepared for such an issue. This occurred while this company was under IGT and the problems were resolved.

SCORING

The team met for nearly six hours to deliberate and assign scores. A consensus process was used and each team member actively participated.

The first step taken was to review the IGT proposal to determine if it was indeed complete and compliant. Their proposal offered a monitoring system, but specifically stated that Penn National would be required to purchase the IGT Advantage System for its operation. The RFP did allow for a bidder to offer a system which included functionality/components for the facility operator , but it did not allow for a proposal to require the cost of a necessary component of the system to be paid by the facility operator, on a mandatory basis. The solution offered was incomplete and would not meet the requirements unless Penn made the purchase and IGT did not include the cost of this system in their cost proposal. Consequently, the team disqualified the proposal of IGT.

The scores of the other bidders are as follows:

Criteria 1 – General Hardware and System Specification (max 6pts)

GTECH	Scientific Games	Multimedia
3	4	6

Key distinctions were the strong architectural solution offered by Multimedia, its fault tolerance and redundancy deemed significantly better than the competition.

Criteria 2 – Communication (max 6pts)

GTECH	Scientific Games	Multimedia
2	5	6

Key distinctions were Multimedia's use of standard protocols and two wire line paths plus satellite backup. Scientific Games offered frame relay with ISDN backup. GTECH demonstrated its proprietary protocol, while used by many machine manufacturers, was not as widely used and openly available as stated in 3.2.4 of the RFP an 8 MRSA c.31 § 1004.1.B (SAS is the standard open protocol currently used by most, if not all manufacturers) There was concern regarding GTECH's ability to support SAS. GTECH did offer to furnish its DXS product to manufacturers.

Criteria 3 – Software, Data and Reporting Requirements (max 20pts)

GTECH	Scientific Games	Multimedia
8	12	18

Multimedia offers an integrated application which operated in real time. The usability was determined to be the best, including ease of use. Scientific Games system performed the desired functions, but required several applications to be active on the management terminal. Its system was not quite real time. The pay back demonstration did not work at the demo. GTECH offers its stable product, but it operates in its proprietary DXS protocol. It had only basic graphical user interfaces when compared to others. The enrollment of new game chips (in Texas) was a weakness.

Criteria 4 – Operations Support and Staffing (max 20pts)

GTECH	Scientific Games	Multimedia
14	15	15

Scientific Games offered an existing operation with the Maine State Lottery. Their project management was good. Two shared field personnel were cited from the existing Maine facility, but it was not clear if they had the additional capacity to accomplish the work. A backup person was anticipated. Multimedia had dedicated staff, had dedicated partners at the interview, but had the weakest presentation on project management. GTECH had dedicated staff at the facility and the best project management. The GTECH operations center and backups are in Texas and Rhode Island. It was unclear if there were dedicated staff at those locations and one representative stated we can call operations to report a system outage (the expectation of the review team is that the system would always be monitored and identify outages, thus we would not have to call).

Criteria 5 – bidder Corporate Capability (max 13pts)

GTECH	Scientific Games	Multimedia
10	9	12

Multimedia had the most effective system of any of the bidders. They made it work successfully in New York. They had the most fluid team and were poised to perform. Financials were good. Scientific Games had very good Maine Lottery experience but team management would be shared, as would other resources. The Maine data center manager had little knowledge of this type of system. Very strong financials. GTECH had excellent financial strength, but the system was least effective and research and development has not been used to keep their system up to date. The Texas solution and support were deemed less effective than the in state presences and the ability to support/train here.

COST SCORING

Criteria 6 – Cost (max 35pts)

RFP Financial Package Awarding of Points

FY	2004/2005	2005/2006	2006/2007
Revised Estimates	$158,489,348	$323,316,000	$824,460,000

Awarding of Points

Company	Bid Total %	$ 04/05	$05/06	$06/07	35 pt formula	Award Points
IGT	2.80	$4,437,701	$9,062,848	$23,084,880	4.5/23.0 * 35	6.84
GTech	2.60	$4,127,723	$8,406,216	$21,435,960	4.5/21.4 * 35	7.35
Multi-MediaGames	1.825	$2,892,430	$5,900,517	$15,046,395	4.5/15 * 35	10.5
Scientific Games	.5500	$871,691	$1,778,238	$4,534,530	4.5/4.5 * 35	35

GTECH	Scientific Games	Multimedia
7.35	35	10.5

It is important to note that IGT did not include the cost to be borne by the operator in its cost figures, but nonetheless, their cost was the highest of the original four bidders.

FINAL SCORES

The final total scores break down as follows:

GTECH	Scientific Games	Multimedia
44.35	80	67.5

The Multimedia proposal scored highest in the evaluation of its system with Scientific Games second and Gtech third.

Scientific Games is the highest rated proposal as a result of the inclusion of the cost scoring and is the lowest cost proposal to the Gambling Control Board. The Scientific Games solution is a workable, effective system that will meet the needs of the Gambling Control Board. The recommendation is to approve a contract award to Scientific Games contingent upon successful negotiation of a contract and approval by the State Purchases Review Committee.

Respectfully Submitted,

Richard B. Thompson, Chair _____

LT. Thomas Kelly, DPS _____

Wayne Gallant, DPS _____

Tony VanDenBossche, SPO _____

Michael Peters, Gambling Control Board _____