

October 23, 2009

To: Prospective Vendors

RE: Request for Proposals (RFP) DOF 2009-10: Additional Video Lottery Venues Study Consulting Services.

The Video and Sports Lottery Study Commission has issued this addendum to clarify DOF 2009-10: Additional Video Lottery Venues Study Consulting Services based on questions that have been submitted by prospective vendors within the question and answer period.

Clarifications are organized by RFP section and numbered requirement in a question and answer format. Each vendor's question is listed followed with a clarification. In cases where the same or similar questions were posed, only a single response may be provided. For questions that were posed without reference to a specific RFP section or requirement number, those questions and responses, or citations to applicable clarifications, are provided in a digest at the end of the document.

The Video and Sports Lottery Study Commission thanks all prospective vendors for their inquiries and interest in RFP DOF 2009-10: Additional Video Lottery Venues Study Consulting Services.

Section III. Scope of Services, Paragraph 1.b.i : “Characteristics of DE slots players – residents vs non residents” (p.3)

In preparing this section, will the consultant have access to player database output or patron survey results from the three existing facilities? Should the consulting firm expect to conduct a primary patron survey?

The State does not have access to a player database. If the respondent feels a primary patron survey effort is needed to meet the requirements of the RFP, then such activity should be included in their response.

Section III. Scope of Services, Paragraph 1.b.iii.: “What is the penetration rate of DE’s racinos with respect to: (1) Delaware residents and (2) Residents from other states” (p.3)

In prior years, has the VSLSC previously conducted studies on penetration rates of DE racinos and casinos? If yes, will these studies be made available to the successful bidder?

The Video and Sports Lottery Study Commission has not previously conducted such studies.

Section III. Scope of Services, Paragraph 1.c: “Establish economic and fiscal estimates for current DE offerings” (p.3)

Is this to include estimates for 1) the current market as is; 2) the future market forecast given the impact of such new competition as Maryland and potential table games in Pennsylvania and at Charlestown Races, WV; or 3) both.

Economic and fiscal estimates should be established for both.

Section III. Scope of Services, Paragraph 2.b.iii: “Effect on Horse Racing Industry” (p.6)

In terms of purse contributions, would a non-racing gaming facility be subject to the same rate as the racinos?

This is to be determined.

Section III. Scope of Services, Paragraph 2.c.vi.: “From the baseline levels established in Item 1 above, establish costs and benefits of new venue for a person that”; Methodology

requirements Methodology/Requirements, Please list the demographics for the following types of players: (1) Video lottery, (2) Horse racing, (3) Sports lottery. (4) Table Games. (p.7)

Can you please clarify whether you want the list of demographics for the following types of players to be included in the bidder's response to the RFP (as a requirement of the RFP proposal submission process) or do you want this list of demographics included in the Methodology section of the study that the successful bidder will eventually complete for the VSLSC?

This list of demographics will be completed as part of the study completed by the successful bidder.

Section IV. Proposal Procedures, Paragraph 8.f: "Has, in the judgment of the Proposal Evaluation Committee, a conflict of interest, potential conflict of interest or whose engagement would cause the appearance of such a conflict with respect to the engagement" (p.9)

Would performing market assessments for current and/or potential licensees constitute grounds for exclusion?

This determination would be made by the committee after the review of all circumstances.

Section IV. Proposal Procedures. Paragraph B. 2. Proposals, second paragraph: "Any proposal submitted by mail shall be sent by either certified or registered mail." (p.10)

Can you please clarify whether proposals may also be submitted by overnight mail delivery, such as Federal Express?

The proposals may be delivered by Express Delivery (e.g., FedEx, UPS, etc.), US Mail (any proposal submitted by U.S. Mail shall be sent either certified or registered), or by hand.

Section VIII. Contract Conditions, Paragraph A, Term of Contract: "The term of the contract between the successful bidder and the State of Delaware shall be one (1) year from the date of the execution of the contract." (p.20)

This section states "The term of the contract between the successful bidder and the State of Delaware shall be one (1) year from the date of the execution of the contract." However, in Section I, Overview, fourth complete paragraph, Page 2, the second sentence states that, "The VSLSC anticipates that the services provided in this study should be materially completed by the successful bidder in an expedited fashion to allow consideration of the results of the study by the VSLSC in a time frame to be determined by the VSLSC, but that it is expected to be no later than the end of calendar year 2009."

Can you please clarify whether the study is expected to be completed by December 31, 2009 or within one year from the date of the execution of the contract?

This study should be completed no later than the end of calendar year 2009.

Bidders are required to submit responses to this RFP by October 30th. Assuming that the Evaluation Committee selects a successful bidder within the first two weeks of November and given that there are the Veteran's Day, Thanksgiving Day, and Christmas Day holidays in the months of November and December as well as the amount of work requested to be conducted in the Scope of Services, does the VSLSC still expect that the study be completed before the end of calendar year 2009?

This study should be completed no later than the end of calendar year 2009.

The following questions are general in nature and do not conform to the Section Number, Paragraph Number, Page Number format.

Could the State provide historical monthly statewide gaming revenues, including a separate summary of historical revenues of each existing video lottery agent? Visitation statistics?

Video lottery statistical public data may be found on delottery.com

Could the State provide information on current and historical tax structure (e.g. state and county tax rates; state and county tax revenues)?

Only to the extent data is publicly available.

Could the State provide detailed historical financial and employment data for Dover Downs, Delaware Park Racetrack & Slots, and Harrington Raceway? This includes, but is not limited to, purses, races, wagers, non-slot revenues, concessions, and hotel revenues.

The state does not have access to this data.

Does the Commission have any reciprocal contacts in PA, MD, NJ, WV, and NY that we can approach?

Not at this time.

Have there been any previous gaming and or horse racing studies commissioned by the State of Delaware that we will have access to?

Only to the extent data is publicly available.

Will the State share research and studies that it has in its possession with regard to gaming and or horse racing?

Only to the extent data is publicly available.

Could the State provide the names and addresses of entities or persons that are known to have done gaming and or horse racing studies about Delaware or surrounding states not in the State of Delaware's possession?

Only to the extent data is publicly available.

Has the State selected any potential locations for the new licenses?

The State has not selected any potential locations.

How many locations is the State considering for the new licenses?

Not applicable at this time.

Could the State provide access to players' club data from the existing gaming facilities?

The State does not have access to players club data from the existing gaming facilities.

Does the State envision that the selected firm will conduct of a survey of gamers in DE and the Northeast region?

If the respondent feels this effort is needed to meet the requirements of the RFP then such activity should be included in their response.

Is there any flexibility in the project timeline? Considering the tight timeframe and the impending holiday season, would the delivery of a series of interim reports be possible? Could the deadline for the full and final report be extended into 2010?

There is no flexibility in the project timeline.

What is the State's budget for this contract?

This contract is being bid through the RFP process to give the state the best pricing alternatives for the services provided.

Are there specific locations to be assessed as potential new Delaware VLT licenses? If so, how many?

- *If yes is the consulting firm expected to recommend other locations to optimize State revenues?*
- *If no is the consulting firm expected to recommend general locations to optimize State revenues?*

This will be resolved between the State and the successful bidder.

Does the Video and Sports Lottery Commission already have in place an existing model that they use for fiscal and economic impact analyses? If yes, what is the name of the model and who prepared/constructed this model?

The Video and Sports Lottery Commission does not already have an existing model used for fiscal and economic impact analyses.

Will operating revenue and expenditure data and baseline (socioeconomic, visitor surveys, etc.) data from existing (currently operating) casinos/racinos in the State of Delaware be made available to the successful bidder?

The State does not have access to this data.