

REQUEST FOR PROPOSALS FOR

Financial Consulting Services for applicant suitability, slot machine operations, mergers and acquisitions and other related services

ISSUING OFFICE:

Pennsylvania Gaming Control Board

RFP NUMBER

PGCB 2007-1

DATE OF ISSUANCE

May 28, 2008

**REQUEST FOR PROPOSALS FOR
Financial Consulting Services**

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CALENDAR OF EVENTS

The Commonwealth will make every effort to adhere to the following schedule:

| Activity | Responsibility | Date |
|--|--------------------|------------------------------|
| Deadline to submit Questions via email to RFPQuestions@state.pa.us | Potential Offerors | 06/11/2008 |
| Answers to Potential Offeror questions posted to the PGCB website (http://www.pgcb.state.pa.us) no later than this date. | Issuing Office | 06/13/2008 |
| Please monitor website for all communications regarding the RFP. | Potential Offerors | Ongoing |
| Sealed proposal must be received by the Issuing Office at Pennsylvania Gaming Control Board 303 Walnut Street, Strawberry Square 5th Floor Verizon Tower Harrisburg, PA 17101 | Offerors | 06/27/2008 NLT 12:00 p.m. |

PART I

GENERAL INFORMATION

I-1. Purpose. This request for proposals (RFP) provides to those interested in submitting proposals for the subject procurement (“Offerors”) sufficient information to enable them to prepare and submit proposals for the **Pennsylvania Gaming Control Board’s (PGCB)** consideration on behalf of the Commonwealth of Pennsylvania (“Commonwealth”) to satisfy a need for **Financial Consulting Services** (“Project”).

I-2. Issuing Office. The PGCB (“Issuing Office”) has issued this RFP on behalf of the Commonwealth. The sole point of contact in the Commonwealth for this RFP shall be,

Steven D. Wilson
303 Walnut Street, Strawberry Square
5th Floor Verizon Tower
Harrisburg, PA 17101
swilson@state.pa.us

the Issuing Officer for this RFP. Please refer all inquiries to the Issuing Officer.

I-3. Scope. This RFP contains instructions governing the requested proposals, including the requirements for the information and material to be included; a description of the service to be provided; requirements which Offerors must meet to be eligible for consideration; general evaluation criteria; and other requirements specific to this RFP.

I-4. Problem Statement The PGCB is currently in the process of executing a sourcing initiative to coordinate and aggregate spending policies for financial consulting. This RFP presents Offerors with the PGCB’s current situation and solicits their responses. Through this RFP, the PGCB also seeks to learn more about Offerors and their capabilities as they relate to financial consulting solutions. This RFP includes information pertaining to the following key areas:

Questions related to Offeror's core value-add capabilities: The PGCB is seeking to engage industry-leading Offerors who have the proven and evidenced ability to handle large accounts. In addition, the PGCB is seeking to gather in-depth information about all potential Offerors’ capabilities, credentials, and strengths.

Specific PGCB requirements: The selected Offeror(s) must have the ability to partner with the PGCB to meet high-level objectives. While the selected Offeror is expected to meet specific requirements at the base level, the PGCB expects its Offerors to understand the organization’s higher-level objectives and, as a result, to provide evidence of value-added services in the area of financial consulting services

Additional detail is provided in Part IV of this RFP.

Type of Contract. It is proposed that if the Issuing Office enters into a contract as a result of this RFP, it will be a **multiple year, labor hour** contract containing the Standard Contract Terms and Conditions as shown in **Appendix A** and available at <http://www.dgs.state.pa.us>. The Issuing Office, in its sole discretion, may undertake negotiations with Offerors whose proposals, in the judgment of the Issuing Office, show them to be qualified, responsible and capable of performing the Project.

I-5.Rejection of Proposals. The Issuing Office reserves the right, in its sole and complete discretion, to reject any proposal received as a result of this RFP.

I-6.Incurring Costs. The Issuing Office is not liable for any costs the Offeror incurs in preparation and submission of its proposal, in participating in the RFP process or in anticipation of award of the contract.

I-7.Questions & Answers. If an Offeror has any questions regarding this RFP, the Offeror must submit the questions by email (**with the subject line “RFP PGCB 2007-1 Question”**) to the Issuing Officer named in **Part I, Section I-2** of the RFP. If the Offeror has questions, they must be submitted via email **no later than** the date indicated on the Calendar of Events. The Offeror shall not attempt to contact the Issuing Officer by any other means. The Issuing Officer shall post the answers to the questions on the PGCB website by the date stated on the Calendar of Events.

All questions and responses as posted on the PGCB website are considered as an addendum to, and part of, this RFP in accordance with RFP **Part I, Section I-11**. Each Offeror shall be responsible to monitor the PGCB website for new or revised RFP information. The Issuing Office shall not be bound by any verbal information nor shall it be bound by any written information that is not either contained within the RFP or formally issued as an addendum by the Issuing Office. The Issuing Office does not consider questions to be a protest of the specifications or of the solicitation. The required protest process is described on the PGCB website

I-8.Addenda to the RFP. If the Issuing Office deems it necessary to revise any part of this RFP before the proposal response date, the Issuing Office will post an addendum to the PGCB website at www.pgcb.state.pa.us. It is the Offeror’s responsibility to periodically check the website for any new information or addenda to the RFP. Answers to the questions asked during the Questions & Answers period also will be posted to the website as an addendum to the RFP.

I-9. Response Date. To be considered for selection, hard copies of proposals must arrive at the Issuing Office on or before the time and date specified in the RFP Calendar of Events. The Issuing Office will **not** accept proposals via email or facsimile transmission. Offerors who send proposals by mail or other delivery service should allow sufficient delivery time to ensure timely receipt of their proposals. If, due to inclement weather, natural disaster, or any other cause, the PGCB office location to which proposals are to be returned is closed on the proposal response date, the deadline for submission will be automatically extended until the next PGCB business day on which the office is open, unless the Issuing Office otherwise notifies Offerors. The hour

for submission of proposals shall remain the same. The Issuing Office will reject, unopened, any late proposals.

I-10. Proposals. To be considered, Offerors should submit a complete response to this RFP to the Issuing Office, , **using the format provided in Part II, providing 6 paper copies of the Technical Submittal and one (1) copy each of the Cost Submittal and Disadvantage Business Submittal proposal to the Issuing Office.** In addition to the paper copies of the proposal, Offerors shall submit two **complete and exact** copy of the entire proposal (Technical, Cost and Disadvantage Business Submittals, along with all requested documents) on CD-ROM or Flash Drive in Microsoft Office or Microsoft Office-compatible format. The electronic copy must be a mirror image of the paper copy and any spreadsheets must be in Microsoft Excel. The Offeror's cannot lock or protect any cells or tabs. Ensure there is no costing information in the technical submittal. The Offeror shall make no other distribution of its proposal to any other Offeror or Commonwealth official or Commonwealth consultant. Each proposal page should be numbered for ease of reference. **An official authorized to bind the Offeror to its provisions must sign the proposal.** For this RFP, the proposal must remain valid for 120 days or until a contract is fully executed. If the Issuing Office selects the Offeror's proposal for award, the contents of the selected Offeror's proposal will become, except to the extent the contents are changed through Best and Final Offers or negotiations, contractual obligations. The information in the proposal will become a public record upon contract execution, except as limited by Section 106 (b)(1) of the *Commonwealth Procurement Code*, 62 Pa. C.S. § 106 (b)(1).

Each Offeror submitting a proposal specifically waives any right to withdraw or modify it, except that the Offeror may withdraw its proposal by written notice received at the Issuing Office's address for proposal delivery prior to the exact hour and date specified for proposal receipt. An Offeror or its authorized representative may withdraw its proposal in person prior to the exact hour and date set for proposal receipt, provided the withdrawing person provides appropriate identification and signs a receipt for the proposal. An Offeror may modify its submitted proposal prior to the exact hour and date set for proposal receipt only by submitting a new sealed proposal or sealed modification, which complies with the RFP requirements.

I-11. Disadvantaged Business Information. The Issuing Office encourages participation by small disadvantaged businesses as prime contractors, joint ventures and subcontractors/suppliers and by socially disadvantaged businesses as prime contractors.

Small Disadvantaged Businesses are small businesses that are owned or controlled by a majority of persons, not limited to members of minority groups, who have been deprived of the opportunity to develop and maintain a competitive position in the economy because of social disadvantages. The term includes:

- a. Department of General Services Bureau of Minority and Women Business Opportunities (BMWBO)-certified minority business enterprises (MBEs) and women business enterprises (WBEs) that qualify as small businesses; and
- b. United States Small Business Administration-certified small disadvantaged businesses or 8(a) small disadvantaged business concerns.

Small businesses are businesses in the United States that are independently owned, are not dominant in their field of operation, employ no more than 100 persons and earn less than \$20 million in gross annual revenues (\$25 million in gross annual revenues for those businesses in the information technology sales or service business).

Socially disadvantaged businesses are businesses in the United States that BMWBO determines are owned or controlled by a majority of persons, not limited to members of minority groups, who are subject to racial or ethnic prejudice or cultural bias, but which do not qualify as small businesses. In order for a business to qualify as “socially disadvantaged,” the offeror must include in its proposal clear and convincing evidence to establish that the business has personally suffered racial or ethnic prejudice or cultural bias stemming from the businessperson’s color, ethnic origin or gender.

Questions regarding this Program can be directed to:

Department of General Services
Bureau of Minority and Women Business Opportunities
Room 611, North Office Building
Harrisburg, PA 17125
Phone: (717) 787-6708
Fax: (717) 772-0021
Email: gs-bmwbo@state.pa.us

Program information and a database of BMWBO-certified minority- and women-owned businesses can be accessed at www.dgs.state.pa.us/bcabd. The federal vendor database can be accessed at www.ccr.gov by pointing to *Search* and selecting *Dynamic Small Business Search* (choose “Required (Active Certifications only)” for the Small Disadvantaged Business option).

I-12. Information Concerning Small Businesses in Enterprise Zones. The Issuing Office encourages participation by small businesses, whose primary or headquarters facility is physically located in areas the Commonwealth has identified as *Designated Enterprise Zones*, as prime contractors, joint ventures and subcontractors/suppliers.

The definition of headquarters includes, but is not limited to, an office or location that is the administrative center of a business or enterprise where most of the important functions of the business are conducted or concentrated and location where employees are conducting the business of the company on a regular and routine basis so as to contribute to the economic development of the geographical area in which the office or business is geographically located.

Small businesses are businesses in the United States that are independently owned, are not dominant in their field of operation, employ no more than 100 persons and earn less than \$20 million in gross annual revenues (\$25 million in gross annual revenues for those businesses in the information technology sales or service business).

There is no database or directory of small businesses located in Designated Enterprise Zones. Information on the location of *Designated Enterprise Zones* can be obtained by contacting:

Aldona M. Kartorie
Center for Community Building
PA Department of Community and Economic Development
4th Floor, Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120-0225
Phone: (717) 720-7409
Fax: (717) 787-4088
Email: akartorie@state.pa.us

Economy of Preparation. Offerors should prepare proposals simply and economically, providing a straightforward, concise description of the Offeror's ability to meet the requirements of the RFP.

I-13. Alternate Proposals. The Issuing Office has identified the basic approach to meeting its requirements, allowing Offerors to be creative and propose their best solution to meeting these requirements. **The Issuing Office will not accept alternate proposals.**

I-14. Discussions for Clarification. Offerors may be required to make an oral or written clarification of their proposals to the Issuing Office to ensure thorough mutual understanding and Offeror responsiveness to the solicitation requirements. The Issuing Office will initiate requests for clarification.

I-15. Prime Contractor Responsibilities. The contract will require the selected Offeror to assume responsibility for all services offered in its proposal whether it produces them itself or by subcontract. The Issuing Office will consider the selected Offeror to be the sole point of contact with regard to contractual matters.

I-16. Proposal Contents. Offerors should not label proposal submissions as confidential or proprietary. The Issuing Office will hold all proposals in confidence and will not reveal or discuss any proposal with competitors for the contract, unless disclosure is required:

- i) Under the provisions of any Commonwealth or United States statute or regulation; or
- ii) By rule or order of any court of competent jurisdiction.

After a contract is executed, however, the successful proposal is considered a public record under the *Right-to Know Law*, 65 P.S. § 66.1—66.9, and therefore subject to disclosure. The financial capability information submitted under **Part II, Section II-7** shall not be disclosed in the final contract. All material submitted with the proposal becomes the property of the Commonwealth of Pennsylvania and may be returned only at the Issuing Office's option. The Issuing Office, in its sole discretion, may include any person other than competing Offerors on its proposal

evaluation committee. The Issuing Office has the right to use any or all ideas presented in any proposal regardless of whether the proposal becomes part of a contract.

I-17. Best and Final Offers. The Issuing Office reserves the right to conduct discussions with Offerors for the purpose of obtaining “best and final offers.” To obtain best and final offers from Offerors, the Issuing Office may do one or more of the following:

- i) Enter into pre-selection negotiations, including the use of an online auction;
- ii) Schedule oral presentations; and
- iii) Request revised proposals.

The Issuing Office will limit any discussions to responsible Offerors (those that have submitted responsive proposals and possess the capability to fully perform the contract requirements in all respects and the integrity and reliability to assure good faith performance) whose proposals the Issuing Office has determined to be reasonably susceptible of being selected for award. The Criteria for Selection found in **Part III, Section III-4**, shall also be used to evaluate the best and final offers. Price reductions offered through any reverse online auction shall have no effect upon the Offeror’s Technical Submittal. Dollar commitments to Disadvantaged Businesses and Enterprise Zone Small Businesses can be reduced only in the same percentage as the percent reduction in the total price offered through negotiations, including the online auction.

I-18. News Releases. Offerors shall not issue news releases, Internet postings, advertisements or any other public communications pertaining to this Project without prior written approval of the Issuing Office, and then only in coordination with the Issuing Office.

I-19. Restriction of Contact. From the issue date of this RFP until the Issuing Office selects a proposal for award, the Issuing Officer is the sole point of contact concerning this RFP. Any violation of this condition may be cause for the Issuing Office to reject the offending Offeror’s proposal. If the Issuing Office later discovers that the Offeror has engaged in any violations of this condition, the Issuing Office may reject the offending Offeror’s proposal or rescind its contract award. Offerors must agree not to distribute any part of their proposals beyond the Issuing Office. An Offeror who shares information contained in its proposal with other Commonwealth personnel and/or competing Offeror personnel may be disqualified.

I-20. Debriefing Conferences. Offerors whose proposals are not selected will be notified of the name of the selected Offeror and given the opportunity to be debriefed. The Issuing Office will schedule the time and location of the debriefing. The debriefing will not compare the Offeror with other Offerors, other than the position of the Offeror’s proposal in relation to all other Offeror proposals. An Offeror’s exercise of the opportunity to be debriefed does not constitute the filing of a protest.

Issuing Office Participation. Offerors shall provide all services, supplies, facilities, and other support necessary to complete the identified work. The PGCB will not provide any office space, reproduction facilities or other logistical support for this project.

I-21. Term of Contract. The initial term of the contract will commence on the Effective Date and will end **two (2) years from the effective date, with three (3), one (1) year renewal terms, which may be exercised at the PGCB's sole option.** The Issuing Office will fix the Effective Date after the contract has been fully executed by the selected Offeror and by the PGCB and all approvals required by Commonwealth contracting procedures have been obtained. The selected Offeror shall not start the performance of any work prior to the Effective Date of the contract and the PGCB shall not be liable to pay the selected Offeror for any service or work performed or expenses incurred before the Effective Date of the contract.

I-22. Offeror's Representations and Authorizations. By submitting its proposal, each Offeror understands, represents, and acknowledges that:

- a. All of the Offeror's information and representations in the proposal are material and important, and the Issuing Office may rely upon the contents of the proposal in awarding the contract(s). The PGCB shall treat any misstatement, omission or misrepresentation as fraudulent concealment of the true facts relating to the Proposal submission, punishable pursuant to 18 Pa. C.S. § 4904.
- b. The Offeror has arrived at the price(s) and amounts in its proposal independently and without consultation, communication, or agreement with any other Offeror or potential offeror.
- c. The Offeror has not disclosed the price(s), the amount of the proposal, nor the approximate price(s) or amount(s) of its proposal to any other firm or person who is an Offeror or potential offeror for this RFP, and the Offeror shall not disclose any of these items on or before the proposal submission deadline specified in the Calendar of Events of this RFP.
- d. The Offeror has not attempted, nor will it attempt, to induce any firm or person to refrain from submitting a proposal on this contract, or to submit a proposal higher than this proposal, or to submit any intentionally high or noncompetitive proposal or other form of complementary proposal.
- e. The Offeror makes its proposal in good faith and not pursuant to any agreement or discussion with, or inducement from, any firm or person to submit a complementary or other noncompetitive proposal.
- f. To the best knowledge of the person signing the proposal for the Offeror, the Offeror, its affiliates, subsidiaries, officers, directors, and employees are not currently under investigation by any governmental agency and have not in the last **four (4)** years been convicted or found liable for any act prohibited by State or Federal law in any jurisdiction, involving conspiracy or collusion with respect to

bidding or proposing on any public contract, except as the Offeror has disclosed in its proposal.

- g. To the best of the knowledge of the person signing the proposal for the Offeror and except as the Offeror has otherwise disclosed in its proposal, the Offeror has no outstanding, delinquent obligations to the Commonwealth including, but not limited to, any state tax liability not being contested on appeal or other obligation of the Offeror that is owed to the Commonwealth.
- h. The Offeror is not currently under suspension or debarment by the Commonwealth, any other state or the federal government, and if the Offeror cannot so certify, then it shall submit along with its proposal a written explanation of why it cannot make such certification.
- i. The Offeror has not made, under separate contract with the Issuing Office, any recommendations to the Issuing Office concerning the need for the services described in its proposal or the specifications for the services described in the proposal.
- j. Each Offeror, by submitting its proposal, authorizes Commonwealth agencies to release to the Commonwealth information concerning the Offeror's Pennsylvania taxes, unemployment compensation and workers' compensation liabilities.
- k. Until the selected Offeror receives a fully executed and approved written contract from the Issuing Office, there is no legal and valid contract, in law or in equity, and the Offeror shall not begin to perform.

I-23. Notification of Selection. The Issuing Office will notify the selected Offeror in writing of its selection for negotiation after the Issuing Office has determined, taking into consideration all of the evaluation factors, the proposal that is the most advantageous to the Issuing Office.

I-24. Method of Award. The PGCB intends to make a multiple award for this project to the top two (2) Offerors whose proposals are determined to be the most advantageous to the PGCB. The PGCB, in its sole discretion, may make an award to a single Offeror if it is determined to be in the best interests of the PGCB or the Commonwealth.

I-25. RFP Protest Procedure. The RFP Protest Procedure is on the PGCB website at <http://www.dgs.state.pa.us> . A protest by a party not submitting a proposal must be filed within **seven** days after the protesting party knew or should have known of the facts giving rise to the protest, but no later than the proposal submission deadline specified in the Calendar of Events of the RFP. Offerors may file a protest within **seven** days after the protesting Offeror knew or should have known of the facts giving rise to the protest, but in no event may an Offeror file a protest later than **seven** days after the date the notice of award of the contract is posted on the PGCB website. The date of filing is the date of receipt of the protest. A protest must be filed in writing with the Issuing Office.

I-26. Use of Electronic Versions of this RFP. This RFP is being made available by electronic means. If an Offeror electronically accepts the RFP, the Offeror acknowledges and accepts full responsibility to insure that no changes are made to the RFP. In the event of a conflict between a version of the RFP in the Offeror's possession and the Issuing Office's version of the RFP, the Issuing Office's version shall govern.

PART II

PROPOSAL REQUIREMENTS

Offerors must submit their proposals in the format, including heading descriptions, outlined below. To be considered, the proposal must respond to all requirements in this part of the RFP. Offerors should provide any other information thought to be relevant, but not applicable to the enumerated categories, as an appendix to the Proposal. All cost data relating to this proposal and all Disadvantaged Business cost data should be kept separate from and not included in the Technical Submittal. Each Proposal shall consist of the following **three (3)** separately sealed submittals:

- a. Technical Submittal, which shall be a response to RFP **Part II, Sections II-1 through II-8**;
- b. Disadvantaged Business Submittal, in response to RFP **Part II, Section II-9**; and
- c. Cost Submittal, in response to RFP **Part II, Section II-10**.

The Issuing Office reserves the right to request additional information, which, in the Issuing Office's opinion, is necessary to assure that the Offeror's competence, number of qualified employees, business organization, and financial resources are adequate to perform according to the RFP.

The Issuing Office may make investigations as deemed necessary to determine the ability of the Offeror to perform the Project, and the Offeror shall furnish to the Issuing Office all requested information and data. The Issuing Office reserves the right to reject any proposal if the evidence submitted by, or investigation of, such Offeror fails to satisfy the Issuing Office that such Offeror is properly qualified to carry out the obligations of the RFP and to complete the Project as specified.

II-1. Statement of the Problem. State in succinct terms your understanding of the problem presented or the service required by this RFP.

II-2. Management Summary. Include a narrative description of the proposed effort, a list of the services to be provided, and an organizational chart for the project team. Include an organizational chart listing the names and titles of the proposed individuals who will provide the support services requested. Identify all subcontractors you intend to use for this Project and describe the general responsibility each subcontractor will have for this Project

II-3. Work Plan. Describe in narrative form your technical plan for accomplishing the work. Use the task descriptions in **Part IV** of this RFP as your reference point. Modifications of the task descriptions are permitted; however, reasons for changes should be fully explained. Indicate the number of person hours allocated to each task. Include a Program Evaluation and Review Technique (PERT) or similar type display, time related, showing each event. If more than one approach is apparent, comment on why you chose this approach.

II-4. Prior Experience.

Include experience in providing financial consulting services for various size companies. Experience shown should be work done by individuals who will be assigned to this project as well as that of your company. Studies or projects referred to must be identified and the name of the customer shown, including the name, address, and telephone number of the responsible official of the customer, company, or agency who may be contacted. Offerors must include at least five customer references for projects within the past two years. Include point of contact information to include phone number and email. Include brief description of project. At least two of the projects must be with a governmental entity.

Because of the nature of the regulatory work the PGCB is required to perform on an ongoing basis with existing licensees, the Offeror should have experience in all of the following areas:

- **Prior experience with state start-up gaming regulatory agencies;**
- **Experience with Sarbanes-Oxley requirements, including extensive experience regarding Section 404 of the Sarbanes-Oxley Act;**
- **Extensive experience with IFRS reporting;**
- **Multi-state tax experience;**
- **Multi-national tax experience; and**
- **Merger and acquisition experience. Experience in the gaming industry is a plus.**

II-5. Personnel. Include the number of executive and professional personnel, analysts, auditors, researchers, programmers, consultants, etc., who will be engaged in the work. Show where these personnel will be physically located during the time they are engaged in the Project. For key personnel include the employee's name and, through a resume or similar document, the Project personnel's education and experience in financial consulting services. Indicate the responsibilities each individual will have in this Project and how long each has been with your company. Identify by name any subcontractors you intend to use and the services they will perform.

II-6. Training. If appropriate, indicate recommended training of agency personnel. Include the agency personnel to be trained, the number to be trained, duration of the program, place of training, curricula, training materials to be used, number and frequency of sessions, and number and level of instructors.

II-7. Financial Capability. Describe your company's financial stability and economic capability to perform the contract requirements. Provide your company's Dunn & Bradstreet number, if available; otherwise, provide three (3) years of your company's financial documents such as audited financial statements or recent tax returns.

II-8 Objections and Additions to Standard Contract Terms and Conditions.

Identify which, if any, of the standard terms and conditions contained in **Appendix A** you would like to negotiate and what additional terms and conditions you would like to add to the standard contract terms and conditions. Failure to make a submission under this paragraph will result in

waiving the right to do so later, but the Issuing Office may consider late objections and requests for additions if to do so, in the Issuing Office's sole discretion, would be in the best interest of the Commonwealth. The Issuing Office may, in its sole discretion, accept or reject any requested changes to the standard contract terms and conditions. **You may not request changes to the other provisions of the RFP, nor may you request to completely substitute your own terms and conditions for Appendix A. All terms and conditions must appear in one integrated contract. The Issuing Office will not accept references to any online guides or terms and conditions contained in any proposal.**

REGARDLESS OF ANY OBJECTIONS SET OUT IN YOUR PROPOSAL, YOU MUST SUBMIT YOUR PROPOSAL, INCLUDING THE COST SUBMITTAL, ON THE BASIS OF THE TERMS AND CONDITIONS SET OUT IN APPENDIX A. THE ISSUING OFFICE WILL REJECT ANY PROPOSAL THAT IS CONDITIONED ON THE NEGOTIATION OF THE TERMS AND CONDITIONS SET OUT IN APPENDIX A OR TO OTHER PROVISIONS OF THE RFP.

II-9 Cost Submittal. The information requested in this **Part II, Section II-10** shall constitute the Cost Submittal. The Cost Submittal shall be placed in a separate sealed envelope within the sealed proposal, separated from the technical submittal. The total proposed cost shall be broken down into the following components: **Offerors should not include any assumptions in their cost submittals.** If the Offeror includes assumptions in its cost submittal, the Issuing Office may reject the proposal. Offerors should direct in writing to the Issuing Office pursuant to **Part I, Section I-8**, of this RFP any questions about whether a cost or other component is included or applies. All Offerors will then have the benefit of the Issuing Office's written answer so that all proposals are submitted on the same basis.

- a. **Direct Labor Costs.** Itemize to show the following for each category of personnel with a different hourly rate:
 - i) Category (e.g., partner, project manager, analyst, senior auditor, research associate).
 - ii) Estimated hours.
 - iii) Rate per hour.
 - iv) Total cost for each category and for all direct labor costs.
- b. **Labor Overhead.** Specify what is included and rate used.
- c. **Travel and Subsistence.** Itemize transportation, lodging and meals per diem costs separately. Travel and subsistence costs must conform to the requirements of the most current version of Commonwealth Management Directive 230.10, *Travel and Subsistence Allowances*.
- d. **Consultant Costs.** Itemize as in (a) above.

- e. **Subcontract Costs.** Itemize as in (a) above.
- f. **Cost of Supplies and Materials.** Itemize.
- g. **Other Direct Costs.** Itemize.
- h. **General Overhead Costs.** Overhead includes **two** major categories of cost, operations overhead and general and administrative overhead. Operations overhead includes costs that are not **100%** attributable to the service being completed, but are generally associated with the recurring management or support of the service. General and administrative overhead includes salaries, equipment and other costs related to headquarters management external to the service, but in support of the activity being completed. Specify what specific items are included and the rates used and which part constitutes direct variable costs and indirect variable costs.

The Issuing Office will reimburse the selected Offeror for work satisfactorily performed after execution of a written contract and the start of the contract term, in accordance with contract requirements, and only after the Issuing Office has issued a notice to proceed.

II-10 Domestic Workforce Utilization Certification. Complete and sign the Domestic Workforce Utilization Certification contained in **Appendix B** of this RFP. Offerors who seek consideration for this criterion must submit in hardcopy the signed Domestic Workforce Utilization Certification Form in the same sealed envelope with the Cost Submittal.

PART III

CRITERIA FOR SELECTION

III-1. Mandatory Responsiveness Requirements. To be eligible for selection, a proposal must be:

- a. Timely received from an Offeror;

AND

- b. Properly signed by the Offeror.

III-2. Technical Nonconforming Proposals. The Issuing Office reserves the right, in its sole discretion, to waive technical or immaterial nonconformities in an Offeror's proposal.

III-3. Evaluation. The Issuing Office has selected a committee of qualified personnel to review and evaluate timely submitted proposals. Independent of the committee, BMWBO will evaluate the Disadvantaged Business Submittal and provide the Issuing Office with a rating for this component of each proposal. The Issuing Office will notify in writing of its selection for negotiation the responsible Offeror whose proposal is determined to be the most advantageous to the Commonwealth as determined by the Issuing Office after taking into consideration all of the evaluation factors. The Issuing Office will award a contract only to an Offeror determined to be responsible in accordance with the most current version of Commonwealth Management Directive 215.9, *Contractor Responsibility Program*.

Criteria for Selection. The following criteria will be used, in order of relative importance from the highest to the lowest weighted factors, in evaluating each proposal

- a. **Technical:** Evaluation will be based upon the following in order of importance:
 - i.) **Organizational Capacity:** Level of technical and professional ability to meet required services. This scoring area will focus on strength of organization and on your response to the project management aspect of this RFP. This criterion will also look at evidence of fiscal stability/staying power that demonstrates long-term stability of your company.
 - ii.) **Services and Value Added Services:** Evaluation will be based upon the actual work accomplishment models proposed to fulfill services needed
 - iii.) **Demonstrated Effectiveness:** Evidence of prior successful experience in working on projects similar in scope and scale to that requested in this solicitation.
 - iv.) **Updating Technology while Maintaining Price:** Evaluation will be based upon the contractor's plan for guaranteeing that the PGCB will always procure the

most cost effective services while maintaining strict attention to timeliness of services, use of the latest standards and technology, and highly qualified team members.

- b. **Cost.** . Itemize to show the following for each category of personnel with a different hourly rate:
 - i) Category (e.g., partner, project manager, analyst, senior auditor, research associate).
 - ii) Estimated hours.
 - iii) Rate per hour.
 - iv) Total cost for each category and for all direct labor costs.
- c. **Labor Overhead.** Specify what is included and rate used.
- d. **Travel and Subsistence.** Itemize transportation, lodging and meals per diem costs separately. Travel and subsistence costs must conform to the requirements of the most current version of Commonwealth Management Directive 230.10, *Travel and Subsistence Allowances*.
- e. **Consultant Costs.** Itemize as in (a) above.
- f. **Subcontract Costs.** Itemize as in (a) above.
- g. **Cost of Supplies and Materials.** Itemize.
- h. **Other Direct Costs.** Itemize.
- i. **General Overhead Costs.** Overhead includes **two** major categories of cost, operations overhead and general and administrative overhead. Operations overhead includes costs that are not **100%** attributable to the service being completed, but are generally associated with the recurring management or support of the service. General and administrative overhead includes salaries, equipment and other costs related to headquarters management external to the service, but in support of the activity being completed. Specify what specific items are included and the rates used and which part constitutes direct variable costs and indirect variable costs.
- j. **Disadvantaged Business Participation:**

Evaluation will be based upon the following in order of priority:

| | |
|------------------------|--|
| Priority Rank 1 | Proposals submitted by Small Disadvantaged Businesses. |
| Priority Rank 2 | Proposals submitted from a joint venture with a Small Disadvantaged Business as a joint venture partner. |
| Priority Rank 3 | Proposals submitted with subcontracting commitments to Small Disadvantaged Businesses. |
| Priority Rank 4 | Proposals submitted by Socially Disadvantaged Businesses. |

Each proposal will be rated for its approach to enhancing the utilization of Small Disadvantaged Businesses and/or Socially Disadvantaged Businesses. Each approach will be evaluated, with Priority Rank 1 receiving the highest score and the succeeding options receiving scores in accordance with the above-listed priority ranking

To the extent that an Offeror qualifies as a Small Disadvantaged Business or a Socially Disadvantaged Business, the Small Disadvantaged Business or Socially Disadvantaged Business cannot enter into subcontract arrangements for more than **40%** of the total estimated dollar amount of the contract. If a Small Disadvantaged Business or a Socially Disadvantaged Business subcontracts more than **40%** of the total estimated dollar amount of the contract to other contractors, the Disadvantaged Business Participation scoring shall be proportionally lower for that proposal.

- k. **Enterprise Zone Small Business Participation:** The following options will be considered as part of the final criteria for selection:

| | |
|------------------------|--|
| Priority Rank 1 | Proposals submitted by an Enterprise Zone Small Business will receive the highest score. |
| Priority Rank 2 | Proposals submitted by a joint venture with an Enterprise Zone Small Business as a joint venture partner will receive the next highest score for this criterion. |
| Priority Rank 3 | Proposals submitted with a subcontracting commitment to an Enterprise Zone Small Business will |

receive the lowest score for this criterion.

Priority Rank 4

Proposals with no Enterprise Zone Small Business Utilization shall receive no points under this criterion.

To the extent that an Offeror is an Enterprise Zone Small Business, the Offeror cannot enter into contract or subcontract arrangements for more than **40%** of the total estimated dollar amount of the contract in order to qualify as an Enterprise Zone Small Business for purposes of this RFP.

1. **Domestic Workforce Utilization** Each proposal will be scored for its commitment to use domestic workforce in the fulfillment of the contract. Maximum consideration will be given to those Offerors who will perform the contracted direct labor exclusively within the geographical boundaries of the United States. Those who propose to perform a portion of the direct labor outside of the United States will receive a correspondingly smaller score for this criterion. Offerors who seek consideration for this criterion must submit in hardcopy the signed Domestic Workforce Utilization Certification Form in the same sealed envelope with the Cost Submittal. The certification will be included as a contractual obligation when the contract is executed.

PART IV

WORK STATEMENT

IV-1 Objectives.

- a) **General.** The PGCB is responsible for ongoing licensing evaluation and approval of mergers and acquisitions of entities and individuals that operate casinos in Pennsylvania, have parent, subsidiary or affiliate relationships entities holding or requesting slot machine licenses or are related to slot machine operations. In addition, the PGCB is responsible for ongoing evaluation and analysis of slot machine operations and financial suitability of slot machine licensees, manufacturers, suppliers, vendors and other related entities that have received licenses or are renewing licenses. The evaluations and analyses require the ability to review and interpret a wide variety of documents, including but not limited to, such items as debt offerings, complex financial structures, various contracts and agreements between and among the entities and others, numerous types of tax returns, audited and unaudited financial statements, and filings with regulatory agencies, both domestic and foreign. In addition, continuing pronouncements emerge from various regulatory bodies that affect the licensing process, which may require interpretation or explanation.

- b) **Specific.** Offeror will need to be able to provide ongoing services in four areas:
 - i) To provide written responses and evaluations to specific issues raised by PGCB staff in the areas of financial suitability, corporate compliance, internal controls, accounting pronouncements and mergers and acquisitions;
 - ii) To prepare, or provide assistance in the preparation of, reports and presentations required for the determination of financial suitability of applicants for Pennsylvania gaming licenses; and
 - iii) To prepare, or provide assistance and analysis in the preparation of reports and presentations required to evaluate the mergers and acquisitions involving entities licensed by the PGCB.
 - iv) Prepare internal control questionnaire and audit plan and train PGCB personnel to conduct the audits.

IV-2 Nature and Scope of the Project

The PGCB will use the consulting services in the following areas:

- a) To provide expert opinions in response to specific questions presented by PGCB staff. The areas to be covered include, but are not limited to, interpretation of various pronouncements promulgated by the American Institute of Certified Public Accountants, the Securities and Exchange Commission, the International Accounting Standards Board, the U.S. Financial Accounting Standards Board, and the Internal Revenue Service;

- b) To prepare, or to provide assistance in the preparation of, reports that will be used to determine the financial suitability for applicants for Category 1, 2 or 3 slot machine licenses; and
- c) To prepare, or to provide assistance in the preparation of, reports or presentations analyzing and evaluating mergers and acquisitions.
- d) Conduct audits, reviews or examinations of licensed entities' internal control environment and compliance with PGCB regulations.
- e) Prepare draft internal control audit plan and train PGCB personnel in audit procedures.

IV-3 Service Requirements.

Responses to requests for analysis, interpretation or explanation of specific issues will be in the form of a memorandum, with appropriate references. Turn-around time for completion of a memorandum will be five business days. Three printed copies will be provided. In addition, one copy will be sent electronically in a Microsoft Word compatible format. The email copy will be encrypted. The person receiving the email will be provided with the information necessary to unlock the document.

Due dates for preparation and completion of reports relating to the licensing of applicants will be based on the requirements of the Board of Commissioners. Three printed copies will be provided. In addition, one copy will be sent electronically in a Microsoft Word compatible format. The email copy will be encrypted. The person receiving the email will be provided with the information necessary to unlock the document.

Due dates for preparation and completion of reports relating to mergers and acquisitions of licensed entities will be based on the requirements of the Board of Commissioners. Three printed copies will be provided. In addition, one copy will be sent electronically in a Microsoft Word compatible format. The email copy will be encrypted. The person receiving the email will be provided with the information necessary to unlock the document.

IV-4 Tasks

Memorandum of expert opinion relating to specific requests for analysis, interpretation or explanation will require that:

- a) A written request will be provided to Offeror specifying the nature of the issue.
- b) Both parties will agree on the format of the report. Most reports will be expected to be in the format of a memorandum as described below.
- c) The Offeror will provide an estimate of the total hours needed to complete the project.
- d) The Offeror will provide a budget of the time to be spent at each professional level with the appropriate rate proved for each level.
- e) A completion and delivery date will be agreed upon.
- f) The memorandum format will include the following:
 - i) Name of issuing professional from Offeror;

- ii) Name of person that is to receive the report. This will always be the Director of the Bureau of Investigations and Enforcement;
- iii) Date of delivery;
- iv) Subject line indicating the nature of the issue being reported; and
- v) The body of the memorandum will contain the following sections:
 1. **Issue(s) Presented** A summary of the issue(s) and/or question(s) presented);
 2. **Sources Utilized** A summary of the relevant sources used in preparing the memorandum;
 3. **Analysis** A detailed analysis of the issue with specific references to sources used; and
 4. **Conclusions** Including recommendations, if necessary.

Preparation, or assistance in the preparation, of reports related to an entity's application for a slot machine license in Pennsylvania. The types of reports that may be prepared include:

- a) A Corporate Structure Analysis;
- b) An Entity Debt Recap;
- c) An Individual Financial Recap;
- d) A Corporate Financial Analysis; and
- e) A Drive-Time Analysis.

Written approval from the Director of the Bureau of Investigations and Enforcement as to the design, structure, format and content of each type of report must be obtained prior to commencement of work. Ongoing work will be reviewed by PGCB personnel on a regular basis as agreed upon in statement of work. Written approval from the Director of the Bureau of Investigations and Enforcement of each final report will be required.

- a) Preparation, or assistance in the preparation, of a report analyzing the merger or acquisition of an entity licensed by the PGCB. Report section may include:
 - i) Corporate Structure pre and post merger/acquisition;
 - ii) Prospectus analysis;
 - iii) Due diligence analysis;
 - iv) Proposed financing analysis, debt and equity; and
 - v) Other reports specific to the merger or acquisition in question.

IV-5 Reports and Project Control.

- a) **Task Plan.** A work plan for each task that identifies the work elements of each task, the resources assigned to the task, and the time allotted to each element and the deliverable items to be produced. Where appropriate, a PERT or GANTT chart display should be used to show project, task, and time relationship.
- b) **Status Report.** The Offeror will provide weekly written status updates for each report it is preparing. The update will contain a summary of work completed, an estimate of the percent of total work completed and an estimate date for providing a complete draft report for review. The update will be due by 3:00 pm Friday and may be in the form of an email to appropriately designated personnel of the PGCB to be determined.

- c) **Problem Identification Report.** A Problem Identification Report must be provided within 2 business days of the problem identification. The report should describe the problem and its impact on the overall project. This report should list possible courses of action with advantages and disadvantages of each, and include Offeror recommendations with supporting rationale. The report should be in the form of an email to appropriately designated personnel of the PGCB.
- d) **Final Report.** A “Draft Copy” of the final report must be provided 10 business days prior to the established Due Date. The Offeror’s project leader will be available in person for discussions and changes to the Draft Report and all changes to the report must be completed five business days prior to the Due Date.

A “Sample Report” for each of the 5 reports listed below must accompany a bid as part of the technical proposal. The Sample Report should be complete and detailed. A generic example of a new applicant’s information is attached. The sample reports should be based on the information provided therein and any other information that the bidder may deem relevant to permit a proper evaluation of the financial suitability of the applicant. The “costs” to prepare the sample reports should be included in the Cost Matrix (Appendix D), which will be submitted as part of the Cost Submittal.

**Generic Example
Applicant for a Category 2 Slot Machine License**

Applicant is a Limited Liability Company.

Applicant has 2 subsidiaries that are 100% owned as follows:

- Sub 1 owns the land on which the proposed casino will sit; and
- Sub 2 runs the concessions that will operate in the casino.

Applicant’s members will be as follows:

- Three individuals (A, B, C,) will own 30% of the Applicant, each will have a > 5% interest.
- Partnership 1 will own 20% of the Applicant. Partnership 1 will be composed of:
 - Two individuals (C, D), with each owning 20% of the Partnership; and
 - One publicly traded corporation (Parent) owning the remaining 60% of the Partnership.
- Parent will own the remaining 50% of the Applicant.
 - Parent is a full SEC filer.

Applicant is a new entity and has no existing debt. Applicant will finance the casino construction by borrowing money from Parent, which will sell new long-term debt to provide the funds. Applicant will also receive equity contributions from A, B, C and Partnership 1. Partnership 1 will provide the equity from existing funds available and from borrowings from its

partners C, D and its Parent. Parent’s new debt will be 20-year bonds with floating rates tied to LIBOR and will contain other covenants common to such bonds.

Applicant will make interest-only payments for five years to Parent at Parent’s borrowing rate plus 50 basis points. The principal will be paid off over 15 years, with a balloon payment of 30% of the total amount originally borrowed in the 20th year.

Applicant’s plans for the casino are as follows.

- Construction to take place over 18 months after groundbreaking;
 - Initially, the casino will have 2,000 slot machines, with another 2,000 slot machines to be added in the fourth year of operations; and
 - Total cost including the slot machines will be \$425 million.
-
- The estimated costs are:

| Project Estimated Costs | |
|--------------------------------|------------------|
| (\$, Thousands) | |
| Building Construction | \$175,000 |
| Gaming Equipment | \$32,000 |
| Parking Garage | \$27,000 |
| Sitework | \$35,000 |
| Gaming & Other Licenses | \$50,000 |
| Fees & Permits | \$3,000 |
| FF&E | \$18,000 |
| IT & Surveillance | \$2,000 |
| Pre-Opening | \$5,000 |
| Capitalized Interest | \$25,000 |
| Contingency | \$3,000 |
| Land | \$50,000 |
| Total Project Cost | \$425,000 |

Three individuals need to be licensed, as follows:

J. Smith, CEO of the Applicant:

- \$60 thousand total assets; and
- \$3 thousand total liabilities.

M. Coin, Chairperson of the Board of Directors of the Applicant:

- \$1.5 million total assets; and
- \$0.5 million total liabilities.

B. Johnson, Chairperson of the Independent Audit Committee of the Board of Directors for Applicant:

- \$645 thousand total assets; and
- \$595 thousand total liabilities.

The Applicant's casino will be located in eastern Pennsylvania near existing casinos and racinos as follows:

Mt. Airy Resort and Casino – within 100 miles of Applicant; and
Harrah's Chester Downs Race Track – within 80 miles of Applicant.

Financial ratio analysis

- Complete a three-year analysis of the financial statements filed in SEC Form 10K for the Las Vegas Sands Corporation for the years ended December 31, 2006, 2005 and 2004.
- The analysis should present the relevant financial data used to prepare the ratios and other requirements included as part of the Corporate Financial Analysis report.

End of example

The following describes the content, information sources and guidelines for each type of report.

- a) **Corporate Structure Analysis Report** - Content will include sections on:
 - i) Introduction
 - 1) Statement of purpose of report
 - 2) Documentation reviewed
 - 3) Time period of review process
 - ii) Definition of Terms;
 - 1) As appropriate for the specific report, to provide explanatory information on terms or processes used in the body of the report
 - iii) Corporate Organizational Chart;
 - 1) A graphic representation of the ownership structure of the entities/individuals reviewed
 - iv) Analysis of relevant/related entities to include:
 - 1) The ownership and relationship of the applicant, principal entities and affiliates that have filed;
 - 2) Description of the entities' structures as contained in the organizational documents;
 - 3) Entities that file with the SEC;
 - 4) Relevant audited financial statement information;
 - 5) Analysis of contracts and agreements relating to the slot machine applicant's operations, such as major financial commitments by owners, profit/loss sharing arrangements, involvement of the owners in the operations of the casino, management operating agreements, etc;
 - 6) Additional information necessary to provide a complete understanding of the applicant's structure,
 - v) Project Funding Analysis to include:
 - 1) Details of proposed equity ; and
 - 2) Details of proposed debt financing

- vi) The documents reviewed will include:
 - 1) Data obtained from the application and supplementary information filed.
 - 2) Actual organizing documents,
 - 3) Contracts,
 - 4) Agreements, and
 - 5) Other information determined to be necessary to provide a complete analysis

- b) **Entity Debt Recap Report** - Content will include sections on:
 - i) Introduction
 - 1) Statement of purpose of report
 - 2) Documentation reviewed
 - 3) Time period of review process
 - ii) Definition of Terms;
 - 1) As appropriate for the specific report, to provide explanatory information on terms or processes used in the body of the report
 - iii) Analysis of existing debt of relevant entities. Analysis will include:
 - 1) Details on outstanding debt, including but not limited to: description, amount outstanding, original amount, interest rates, due dates, security pledged, covenants, priority of debt, and guarantees;
 - 2) Analysis of actual debt agreements, as necessary and appropriate; and
 - 3) Any additional information determined to be necessary to the analysis of the debt.
 - iv) Documents reviewed will include:
 - 1) Data obtained from the application and supplementary information filed.
 - 2) Actual debt documents,
 - 3) Publicly available information, such as SEC filings,
 - 4) Contracts & Agreements, and
 - 5) Other information determined to be necessary to prepare a report that provides a relevant analysis of the existing debt.

- c) **Individual Financial Recap Report** - for each Key Employee Qualifier associated with an applicant for a Category 1, 2 or 3 license. Content will include:
 - i) Introduction
 - ii) Statement of purpose of report
 - iii) Documentation reviewed
 - 1) Time period of review process
 - iv) Definition of Terms;
 - 1) As appropriate for the specific report, to provide explanatory information on terms or processes used in the body of the report
 - v) Ratio Analysis Explanation, and
 - vi) Individual Financial Analysis
 - 1) Listing of individuals reviewed
 - 2) Summary of net worth components
 - 3) Ratio analysis of liquidity;
 - 4) Ratio analysis of leverage;

- 5) Benchmark ratios for comparison; and
 - 6) Comments section as appropriate.
- vii) Documents reviewed will include:
- 1) The original application submitted and any updates,
 - 2) Additional information provided as a result of personal interviews by Investigative Agents of BIE, and
 - 3) Information in public documents, such as SEC filings.
- d) **Corporate Financial Analysis Report** - Content will include sections on:
- i) Introduction
 - 1) Statement of purpose of report
 - 2) Documentation reviewed
 - 3) Time period of review process
 - ii) Definition of terms
 - 1) As appropriate for the specific report, to provide explanatory information on terms or processes used in the body of the report
 - iii) Actual analysis;
 - 1) Condensed summary of financial statement data, including information from the balance sheet, statement of income and cash flow statement, as available and determined to be relevant, for up to five prior years and for the latest twelve months;
 - 2) Assessments of liquidity, growth, profitability and leverage, in a format that includes ratio and trend analysis sections on;
 - Interest coverage ratios
 - Leverage ratios
 - Profitability ratios, such as cash flow margin, operating income margin
 - Annual growth
 - Liquidity
 - 3) Similar relevant gaming industry information for comparison purposes.
 - iv) Conclusions; and
 - v) Additional comments as needed.
 - vi) Documents reviewed will include:
 - 1) Financial statements including accompanying notes;
 - 2) Outside prepared industry reports; and
 - 3) Other documentation determined necessary.
- e) **Drive-Time Analysis Report** - Where available and appropriate, actual data from existing slot machine licensees will be used. In all areas and assumptions, a predetermined cut-off date will be used. Content will include sections on:
- i) Introduction.
 - 1) Statement of purpose of report
 - 2) Documentation reviewed
 - 3) Time period of review process
 - ii) Executive Summary of key findings
 - iii) Method of Analysis,

- iv) Market Area Analysis,
 - 1) Proposed site description
 - 2) Description of proposed development
 - 3) Analysis of regional gaming market
 - 4) Analysis of competitive market

- v) Visitation and Win Analysis,
 - 1) Analysis of the existing and anticipated competitive environment
 - 2) An estimate of potential gaming revenue, which will be based on an analysis that considers the expected level of spending at the facility by adults living in various zones around the proposed site location, with the zones defined by the approximate time it takes to drive to the proposed site.
 - 3) Estimates of overnight patrons
 - 4) Estimates of the population, potential customers, average number of trips annually to the casino, win per visitor and total revenue. This should be done for both the local market and the extended (overnight) market.

- vi) Analysis of Applicant's Estimates (applicant will provide – Not part of the sample report to be provided).

IV-6 Contract Requirements—Disadvantaged Business Participation and Enterprise Zone Small Business Participation. All contracts containing Disadvantaged Business participation and/or Enterprise Zone Small Business participation must also include a provision requiring the selected contractor to meet and maintain those commitments made to Disadvantaged Businesses and/or Enterprise Zone Small Businesses at the time of proposal submittal or contract negotiation, unless a change in the commitment is approved by the BMWBO. All contracts containing Disadvantaged Business participation and/or Enterprise Zone Small Business participation must include a provision requiring Small Disadvantaged Business subcontractors, Enterprise Zone Small Business subcontractors and Small Disadvantaged Businesses or Enterprise Zone Small Businesses in a joint venture to perform at least **50%** of the subcontract or Small Disadvantaged Business/Enterprise Zone Small Business participation portion of the joint venture.

The selected contractor's commitments to Disadvantaged Businesses and/or Enterprise Zone Small Businesses made at the time of proposal submittal or contract negotiation shall be maintained throughout the term of the contract. Any proposed change must be submitted to BMWBO, which will make a recommendation to the Contracting Officer regarding a course of action.

If a contract is assigned to another contractor, the new contractor must maintain the Disadvantaged Business participation and/or Enterprise Zone Small Business participation of the original contract.

The selected contractor shall complete the Prime Contractor's Quarterly Utilization Report (or similar type document containing the same information) and submit it to the contracting officer of the Issuing Office and BMWBO within **10** workdays at the end of each quarter the contract is

in force. This information will be used to determine the actual dollar amount paid to Small Disadvantaged Business and/or Enterprise Zone Small Business subcontractors and suppliers, and Small Disadvantaged Business and/or Enterprise Zone Small Business participants involved in joint ventures. In addition, this information will serve as a record of fulfillment of the commitment the selected contractor made and for which it received Disadvantaged Business and Enterprise Zone Small Business points. If there was no activity during the quarter then the form must be completed by stating "No activity in this quarter."

NOTE: EQUAL EMPLOYMENT OPPORTUNITY AND CONTRACT COMPLIANCE STATEMENTS REFERRING TO COMPANY EQUAL EMPLOYMENT OPPORTUNITY POLICIES OR PAST CONTRACT COMPLIANCE PRACTICES DO NOT CONSTITUTE PROOF OF DISADVANTAGED BUSINESSES STATUS OR ENTITLE AN OFFEROR TO RECEIVE CREDIT FOR DISADVANTAGED BUSINESSES UTILIZATION.

APPENDIX A

Standard Contract Terms and Conditions

<http://www.dgs.state.pa.us>

APPENDIX B
DOMESTIC WORKFORCE UTILIZATION CERTIFICATION

Each proposal will be scored for its commitment to use the domestic workforce in the fulfillment of the contract. Maximum consideration will be given to those offerors who will perform the contracted direct labor exclusively within the geographical boundaries of the United States. Those who propose to perform a portion of the direct labor outside of the United States will receive a correspondingly smaller score for this criterion.

In order to be eligible for any consideration for this criterion, offerors must complete and sign the following certification. This certification will be included as a contractual obligation when the contract is executed. Failure to complete and sign this certification will result in no consideration being given to the offeror for this criterion.

I, _____ [title] of _____ [name of Contractor] a _____ [place of incorporation] corporation or other legal entity, ("Contractor") located at _____ [address], having a Social Security or Federal Identification Number of _____, do hereby certify and represent to the Commonwealth of Pennsylvania ("Commonwealth") (Check **one** of the boxes below):

All of the direct labor performed within the scope of services under the contract will be performed exclusively within the geographical boundaries of the United States.

OR

_____ percent (____%) [Contractor must specify the **percentage**] of the direct labor performed within the scope of services under the contract will be performed within the geographical boundaries of the United States. Please identify the direct labor performed under the contract that will be performed outside the United States: _____

[Use additional sheets if necessary]

The Department of General Services [or other purchasing agency] shall treat any misstatement as fraudulent concealment of the true facts punishable under Section 4904 of the *Pennsylvania Crimes Code*, Title 18, of Pa. Consolidated Statutes.

Attest or Witness:

Corporate or Legal Entity's Name

Signature/Date

Signature/Date

Printed Name/Title

Printed Name/Title

**APPENDIX C - PROPOSAL COVER SHEET
COMMONWEALTH OF PENNSYLVANIA
Pennsylvania Gaming Commission Board
RFP# PGCB 2007-1**

Enclosed in three separately sealed submittals is the proposal of the Offeror identified below for the above-referenced RFP:

| Offeror Information: | |
|-----------------------------------|--|
| Offeror Name | |
| Offeror Mailing Address | |
| Offeror Website | |
| Offeror Contact Person | |
| Contact Person's Phone Number | |
| Contact Person's Facsimile Number | |
| Contact Person's E-Mail Address | |
| Offeror Federal ID Number | |

| Submittals Enclosed and Separately Sealed: | |
|---|----------------------------------|
| <input type="checkbox"/> | Technical Submittal |
| <input type="checkbox"/> | Disadvantaged Business Submittal |
| <input type="checkbox"/> | Cost Submittal |

| Signature | |
|--|--|
| Signature of an official authorized to bind the Offeror to the provisions contained in the Offeror's proposal: | |
| Printed Name | |
| Title | |

FAILURE TO COMPLETE, SIGN AND RETURN THIS FORM WITH THE OFFEROR'S PROPOSAL MAY RESULT IN THE REJECTION OF THE OFFEROR'S PROPOSAL

Appendix D: Cost Matrix

Report Deliverables

| Example | | | | | |
|---|------------------------|-------------|----------------|-------------|----------|
| Resource | Role | Hourly Rate | Required Hours | Cost | Subtotal |
| John Smith | Programmer | \$55.00 | 50 | \$2,750.00 | |
| Jane Smith | Database Administrator | \$46.00 | 10 | \$460.00 | |
| Joe Doe | Program Manager | \$86.00 | 120 | \$10,320.00 | |
| John Doe | Programmer | \$55.00 | 100 | \$5,500.00 | |
| <p>**Add rows as necessary to capture all necessary resources</p> | | | | | |

Corporate Structure Analysis Report

| Introduction, Definition of Terms and Corporate Org Chart | | | | | |
|---|------|-------------|----------------|--------|----------|
| Resource | Role | Hourly Rate | Required Hours | Cost | Subtotal |
| | | | | \$0.00 | |
| | | | | \$0.00 | |
| | | | | \$0.00 | |
| | | | | \$0.00 | |
| <p>Analysis Of Relevant/Related Entities</p> | | | | | |
| Resource | Role | Hourly Rate | Required Hours | Cost | Subtotal |
| | | | | \$0.00 | |

| | | | | | |
|--|--|--|--|--------|--------|
| | | | | \$0.00 | |
| | | | | \$0.00 | |
| | | | | \$0.00 | \$0.00 |

Project Funding Analysis

| Resource | Role | Hourly Rate | Required Hours | Cost | Subtotal |
|----------|------|-------------|----------------|--------|----------|
| | | | | \$0.00 | |
| | | | | \$0.00 | |
| | | | | \$0.00 | |
| | | | | \$0.00 | \$0.00 |

Entity Debt Recap report

Introduction, Definition of Terms

| Resource | Role | Hourly Rate | Required Hours | Cost | Subtotal |
|----------|------|-------------|----------------|--------|----------|
| | | | | \$0.00 | |
| | | | | \$0.00 | |
| | | | | \$0.00 | |
| | | | | \$0.00 | \$0.00 |

Analysis of Existing Debt of Relevant Entities

| Resource | Role | Hourly Rate | Required Hours | Cost | Subtotal |
|----------|------|-------------|----------------|--------|----------|
| | | | | \$0.00 | |
| | | | | \$0.00 | |
| | | | | \$0.00 | |
| | | | | \$0.00 | \$0.00 |

Individual Financial Recap Report

Introduction and Definition

| of Terms | | | | | |
|----------|------|-------------|----------------|--------|----------|
| Resource | Role | Hourly Rate | Required Hours | Cost | Subtotal |
| | | | | \$0.00 | |
| | | | | \$0.00 | |
| | | | | \$0.00 | |
| | | | | \$0.00 | \$0.00 |

| Ratio Analysis and Explanation | | | | | |
|--------------------------------|------|-------------|----------------|--------|----------|
| Resource | Role | Hourly Rate | Required Hours | Cost | Subtotal |
| | | | | \$0.00 | |
| | | | | \$0.00 | |
| | | | | \$0.00 | |
| | | | | \$0.00 | \$0.00 |

| Individual Financial Analysis (per person) | | | | | |
|--|------|-------------|----------------|--------|----------|
| Resource | Role | Hourly Rate | Required Hours | Cost | Subtotal |
| | | | | \$0.00 | |
| | | | | \$0.00 | |
| | | | | \$0.00 | |
| | | | | \$0.00 | \$0.00 |

Corporate Financial Analysis Report

| Introduction and Definition of Terms | | | | | |
|--------------------------------------|------|-------------|----------------|--------|----------|
| Resource | Role | Hourly Rate | Required Hours | Cost | Subtotal |
| | | | | \$0.00 | |
| | | | | \$0.00 | |
| | | | | \$0.00 | |
| | | | | \$0.00 | \$0.00 |

| Actual Analysis | | | | | |
|-----------------|------|-------------|-------|--------|----------|
| Resource | Role | Hourly Rate | Hours | Cost | Subtotal |
| | | | | \$0.00 | |
| | | | | \$0.00 | |
| | | | | \$0.00 | |
| | | | | \$0.00 | |
| | | | | \$0.00 | \$0.00 |

| Conclusions | | | | | |
|-------------|------|-------------|-------|--------|----------|
| Resource | Role | Hourly Rate | Hours | Cost | Subtotal |
| | | | | \$0.00 | |
| | | | | \$0.00 | |
| | | | | \$0.00 | |
| | | | | \$0.00 | |
| | | | | \$0.00 | \$0.00 |

Drive-Time Analysis Report

| Introduction | | | | | |
|--------------|------|-------------|-------|--------|----------|
| Resource | Role | Hourly Rate | Hours | Cost | Subtotal |
| | | | | \$0.00 | |
| | | | | \$0.00 | |
| | | | | \$0.00 | |
| | | | | \$0.00 | |
| | | | | \$0.00 | \$0.00 |

| Executive Summary of Key Findings | | | | | |
|-----------------------------------|------|-------------|-------|--------|----------|
| Resource | Role | Hourly Rate | Hours | Cost | Subtotal |
| | | | | \$0.00 | |
| | | | | \$0.00 | |
| | | | | \$0.00 | |
| | | | | \$0.00 | |
| | | | | \$0.00 | \$0.00 |

| Method of Analysis | | | | | |
|---------------------------|-------------|--------------------|--------------|-------------|-----------------|
| Resource | Role | Hourly Rate | Hours | Cost | Subtotal |
| | | | | \$0.00 | |
| | | | | \$0.00 | |
| | | | | \$0.00 | |
| | | | | \$0.00 | |
| | | | | | \$0.00 |

| Market Area Analysis | | | | | |
|-----------------------------|-------------|--------------------|--------------|-------------|-----------------|
| Resource | Role | Hourly Rate | Hours | Cost | Subtotal |
| | | | | \$0.00 | |
| | | | | \$0.00 | |
| | | | | \$0.00 | |
| | | | | \$0.00 | |
| | | | | | \$0.00 |

| Visitation and Win Analysis | | | | | |
|------------------------------------|-------------|--------------------|--------------|-------------|-----------------|
| Resource | Role | Hourly Rate | Hours | Cost | Subtotal |
| | | | | \$0.00 | |
| | | | | \$0.00 | |
| | | | | \$0.00 | |
| | | | | \$0.00 | |
| | | | | | \$0.00 |

| Analysis of Applicant's Estimates | | | | | |
|--|-------------|--------------------|--------------|-------------|-----------------|
| Resource | Role | Hourly Rate | Hours | Cost | Subtotal |
| | | | | \$0.00 | |
| | | | | \$0.00 | |
| | | | | \$0.00 | |
| | | | | \$0.00 | |
| | | | | | \$0.00 |