



Memo

Date:	Feb. 20, 2025
To:	Oregon Lottery Commissioners
From:	Mike Wells, director
Subject:	Major Procurement Recommendation- IGT, VLT Master Service Agreement

Summary

The Video Product Team is seeking the Commission's approval to enter into a major procurement with the vendor IGT for the purpose of establishing a new contract vehicle to acquire firm fixed pricing on the purchase of IGT video lottery terminal (VLT) hardware, software, and associated services. The new contract vehicle will replace the current master service agreement (MSA) that was executed on April 26, 2018, to facilitate the field trial & purchase of the Crystal Dual 27 VLT. The previous MSA has required numerous amendments to update business requirements and processes over its term and only affords the Lottery to purchase a specific VLT model offered by IGT. The new master service agreement will incorporate current business practices for entering field trials, purchases, and game development contracts. The new contract vehicle will also afford the video product team the contract controls to evaluate and purchase more than one VLT model offered by IGT over the term of the MSA.

Executing the new MSA will sustain the video product team's current vendor diversity for product development with an active vendor that has a proven track record with the Oregon State Lottery for customer support, product innovation, and quality. The new MSA will support the video product teams management of product life cycles and encourage competitive pricing between vendors. The current Sierra VLT model that's available for purchase under the new agreement would provide a new product that can continue to offer IGT proven and popular game titles that have been solid revenue generators in the Oregon market.

Contracting Details

Below is a high-level overview of the agreement structure that OSL will use for this Major Procurement:

1. Master Service Agreement (MSA)
 - a. The MSA is comprised of the following contract exhibits required to execute the purchase of the Sierra Video Lottery Terminal:
 - i. VLT Purchase Contract



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b. MSA Terms & Conditions shall include, but not limited to:

- i. Performance Bonds
- ii. Liquidated Damages
- iii. Software Escrow Accounts
- iv. Quality Assurance Testing
- v. Training & Support
- vi. Liability & Insurance levels
- vii. Product Specifications
- viii. Warranty Support

The MSA will provide the Oregon State Lottery an effective and efficient contract structure with controls that assist video product managers business objectives of managing risk and product development. The MSA is the governing body of terms & conditions over all the exhibit identified above in section 1(a).