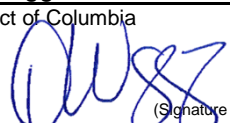


<b>AMENDMENT OF SOLICITATION / MODIFICATION OF CONTRACT</b>		1. Solicitation Number CFOPD-19-I-042		Page of Pages 1 Attachments	
		2. Amendment/Modification Number Amendment No. 1	3. Effective Date See Box 16C	4. Requisition/Purchase Request No.	5. Solicitation Caption Due Diligence Investigative Services
6. Issued by: Office of the Chief Financial Officer Office of Contracts 1100 4 <sup>th</sup> Street SW Suite E610 Washington, DC 20024		Code	7. Administered by (If other than line 6)		
8. Name and Address of Contractor (No. street, city, county, state and zip code)  ALL POTENTIAL OFFERORS  Code Facility		X	9A. Amendment of Solicitation No. CFOPD-19-I-042		
			9B. Dated (See Item 11) 06/04/19		
			10A. Modification of Contract/Order No.		
			10B. Dated (See Item 13)		
11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS					
<input checked="" type="checkbox"/> The above numbered solicitation is amended as set forth in item 14. The hour and date specified for receipt of Offers <input type="checkbox"/> is extended. <input checked="" type="checkbox"/> is not extended. Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods: (a) By completing Items 8 and 15, and returning a <u>1</u> written copy of the amendment: (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) BY separate letter or fax which includes a reference to the solicitation and amendment number. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such may be made by letter or fax, provided each letter or telegram makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.					
12. Accounting and Appropriation Data (If Required)					
13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS , IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14					
A. This change order is issued pursuant to (Specify Authority):					
B. The above numbered contract/order is modified to reflect the administrative changes.					
C. This supplemental agreement is entered into pursuant to authority of:					
D. Other (Specify type of modification and authority) Administrative					
<b>E. IMPORTANT:</b> Contractor <input type="checkbox"/> is not <input type="checkbox"/> is required to sign this document and return 1 copy to the issuing office.					
14. Description of Amendment/Modification (Organized by UCF Section headings, including solicitation/contract subject matter where feasible.)  The above referenced solicitation to Due Diligence Investigative Services is hereby amended to effect the following changes (Attachment A) and response to inquiries received (Attachment B).  <b>ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED</b>					
Except as provided herein, all terms and conditions of the document is referenced in Item 9A or 10A remain unchanged and in full force and effect.					
15A. Name and Title of Signer (Type or print)			16A. Name of Contracting Officer		
			Drakus Wiggins		
15B. Name of Contractor  (Signature of person authorized to sign)		15C. Date Signed	16B. District of Columbia  (Signature of Contracting Officer)		16C. Date Signed June 11, 2019

## ATTACHMENT A

**The following changes are hereby incorporated into the solicitation.**

1. **Section L.2.1 is hereby amended to extend the deadline for inquiries to June 14, 2019, 2:00PM EST.**
2. Delete the content of Box 9 of the solicitation front page and replace with:
  9. One (1) bid via email for furnishing the supplies or services in the Schedule will be received as specified in Section L.12 of this solicitation until 2:00PM local time, June 21, 2019.
3. Delete Section B.4 Requirement Contract and replace with B.4 as follows to add reference to task order and blended hourly rate:

### **B.4 REQUIREMENT CONTRACT**

B.4.1 The District will purchase its requirements of the services included herein from the Contractor. The estimated quantities stated in the Pricing Schedule reflect the best estimates available. The estimate shall not be construed as a representation that the estimated quantity will be required or that conditions affecting requirements will be stable. The estimated quantities shall not be construed to limit the quantities which may be required from the Contractor by the District or to relieve the Contractor of its obligation to fill all such requirements.

B.4.2 Services shall be ordered upon issuance of a detailed task order.

B.4.3 The Contractor's pricing shall be a firm, fixed blended hourly rate to provide the Investigative Services and Results Reports required in Section C Scope of Work.

4. Section C.3.3 is hereby deleted and replaced with the following for clarification:

### **C.3.3 TRAINING**

1. The Contractor shall provide full-day training sessions to OLG staff regarding how to perform due diligence investigations related to Applicants to be licensed by the OLG under the Sports Wagering Lottery Amendment Act of 2018.
2. The training shall include at a minimum:
  - a) identification of all databases used to conduct public searches of companies and officers, as well as used to perform searches for civil, criminal and bankruptcy actions;

- b) information on how to read and analyze financial statements, as well as various ratios to be used when determining the financial suitability of applicants;
  - c) any other information deemed necessary in order to complete a comprehensive due diligence investigation; and
  - d) written training materials.
5. Section C.3.1.6 is hereby deleted and replaced with the following to add reference to task orders:
- C.3.1.6 The Contractor's due diligence investigations of Sports Wagering Operators, Management Services Provider, and Supplier applicants shall include, but not be limited to the following, as determined by assigned detailed task orders to the Contractor by the District:
6. Section C.3.1.6.a is hereby deleted and replaced with the following to add FBI checks:
- a. Review application and documentation, including any FBI criminal record checks, that will be supplied by the OLG.

## ATTACHMENT B

### **The following responses to inquiries are hereby provided.**

Question 1. The IFB per Item #9 on the SOLICITATION page states that sealed offers in original and 1 copies for furnishing the supplies or services in the Schedule will be received at the place specified in Item # 8, to be delivered as a hard copy, however, on page 58, L-12.1 it states that the bid is to be submitted electronically. Can you please advise how this bid is to be submitted?

Response 1. Bids are to be submitted electronically. See Attachment A, Item 2.

Question 2. Will the Office of the Chief Financial Officer be able to provide a projection of a breakdown of the number of license applicants in each category A, B, C and D?

Response 2. For the purpose of this response, the OLG assumes that category A is Operator Licenses (Class A and Class B), category B is Management Services Provider Licenses, category C is Supplier Licenses and category D is Occupational Licenses. The projected number of applications to be received in the Base Year of the contract are as follows: category A: 8; category B: 3; category C: 2 and, category D: 30.

Question 3. In section: B.5 - Price Schedule Requirement: What does the quantity "1000" Represent? Is it possible to quote each Category (A,B,C, and D) separately and the Quantity in each category? Is it acceptable to submit a blended rate for each category as opposed to a blended rate for all of them?

Response 3. The estimated quantity of 1000 represents the estimated number of hours for Investigation Services and Results Reports for the Base Year. The bidder's rate must be an all-inclusive, blended rate for all categories. Offerors should make not change to the Section B, as changes may cause the bid to be non-responsive.

Question 4. As is typical in most American and international gaming jurisdictions, will the applicants in category A, B, and C pay for the cost of their investigation?

Response 4. There is no provision in the statute that allows for the OLG's collection of fees above the license application fee from the applicant. It is expected that the license application fee will cover costs associated with licensure. Any additional expenses incurred, at this time, would be at the expense of the OLG. The contractor will invoice the District for contract services.

Question 5. Will applicants in category D pay either a flat fee or a partial fee to cover the investigative fees?

Response 5. OLG assumes that category D is Occupational Licenses. There is no provision in the statute that allows for the OLG's collection of fees above the license application fee from the applicant. It is expected that the license application fee will cover costs associated with licensure. Any additional expenses incurred, at this time, would be at the expense of the OLG. The contractor will invoice the District for contract services.

Question 6. Will the Office of the Chief Financial Officer be able to provide a projection of a breakdown of the quantity of domestic and international applicants there are or may be?

Response 6. The OLG does not have a projection on the breakdown of domestic versus international applicants.

Question 7. Regarding Category D licenses, will applicants be able to show rehabilitation from an otherwise disqualifying integrity issue subject to certain defined standards?

Response 7. There are some convictions that will require mandatory denial of a license application. Applicants who can demonstrate rehabilitation from other convictions will be considered by the Executive Director for licensure.

Question 8. Will the investigations also include parent companies of the DC companies that will be applying for Licensure? For example, if the applicant is a local company, will the investigation also include the parent company of the applicant company?

Response 8. Yes.

Question 9. In regard to Training Sessions, are the training sessions expected to be half day or full day sessions? Is the training in C3.3 to be gaming-related?

Response 9. The training sessions are to be related to due diligence investigations of applicants for a gaming-related license and are expected to be full day sessions. See Attachment A, Item 4.

Question 10. As is the case in most American gaming jurisdictions, Is there a mechanism for a waiver of qualifications for the institutional investor 5% qualification clause? For instance, if there is an investment that is passive in nature, will the 5% stockholder investment clause still be applicable?

Response 10. Yes, there is a mechanism for a waiver.

Question 11. We note that the requirements call for an evaluation of financial stability, however will the Applicant also need to demonstrate financial integrity that would include source of financing and beneficial ownership?

Response 11. Yes.

Question 12. Will DC allow for temporary licensure prior to the actual suitability investigation being conducted?

Response 12. Yes. There is a provision in the proposed regulations that will allow for temporary licensure based on active licensure in other jurisdictions.

Question 13. Our database research we enable us to conduct local criminal checks and due diligence investigations on a state by state basis and we should be able to ascertain convictions via public record court decisions; however, we cannot conduct a FBI criminal record check. In the past, our government clients have worked with us to obtain FBI checks. Would the DC government be willing to do so for the purposes

of these investigations?

Response 13. Yes. See Attachment A, Item 6.

Question 14. For applicants, specifically in category A and B, the applicants will likely consist of the applicant entity and its parent company. In addition, there will be “qualifiers” consisting of the members of the Board of Directors, Corporate Officers, key officers or Key Members, and Investors in excess of 5%. As the costs for the investigation are based in part on the number of entities and individuals that will need to be investigated, we are assuming two entities and up to 15 individuals that will be required to file application forms. In the event the numbers exceed our assumptions above, we will likely have to request additional funding, can you please advise of the process to do so? Will the additional investigative fees be paid by the applicant/licensee?

Response 14. There is no provision in the statute that allows for the OLG’s collection of fees above the license application fee from the applicant. It is expected that the license application fee will cover costs associated with licensure. Any additional expenses incurred, at this time, would be at the expense of the OLG. The contractor will invoice the District for contract services. Once OLG has a need for the contractor to perform due diligence investigations on an applicant(s), the OLG will establish the detailed scope of the investigation and the total number of hours in conjunction with the contractor, and the District and the contractor will execute a bilateral task order for the contractor to perform the work. See Attachment A, Items 3 and 5.

Question 15. Will applicants be required to complete application form similar to those used in states such as New Jersey or Nevada or the “Multi-Jurisdictional Application Form” as adopted by the International Association of Gaming Regulators with a District of Columbia supplement?

Response 15. Yes.

Question 16. Our company is fully staffed and able to complete the entire project, without having to hire additional staff. We would be able to perform all the services necessary during the term of the contract, without a need to hire additional staff. Since we are fully staffed, is it necessary to comply with the “New Hire Requirements and First Source Employment Agreement” as set forth in Section I.31?

Response 16. Even though your company is not planning on hiring new District’s staff, the First Source employment agreement and First Source Employment non-construction agreement must be properly completed to be eligible for an award. Pursuant to Section I.31, if the offeror’s proposed Base Year Total Estimated Price is in the amount of \$300,000 or more, the offeror must comply with the First Source Employment Agreement, agreeing that the first source for finding employees to fill all jobs created in order to perform the contract and to fill any vacancy occurring in all jobs covered by the Employment Agreement shall be the First Source Register.

Question 17. Is it a mandatory requirement for a bidder, that is a small business enterprise that has met all applicable provisions of the District of Columbia Business Organizations Code but is not certified as an SBE, to subcontract services and submit a subcontractor plan pursuant to section H3 (Certified Business Enterprise Subcontracting Requirements) of the bid proposal if the bidder is capable of performing all required services specified in the bid proposal by its own staff without a need for retaining subcontractors?

Response 17. Any bidder who is not a certified business enterprise, certified by the DC Department of Small and Local Business Development, and bid a Base Year total Estimated Price in excess of \$250,000 is required to submit a subcontracting plan pursuant to Section H.3 of the solicitation; unless a waiver is granted in accordance with Section H.3.12. In the absent of a waiver, failure of a bidder to submit a proper subcontracting plan in this scenario will make the bid non-responsive.

Question 18. If there is no guarantee that the monetary threshold specified in section H3 of the bid proposal will be exceeded relating to the retention of subcontractors, is it mandatory that the bidder submit a subcontractor plan?

Response 18. If the bidder's bid Base Year Total Estimated Price is in excess of \$250,000, the bidder must submit a subcontracting plan pursuant to Section H.3 of the solicitation; unless waived. On the subcontracting plan, the Total Prime Contract Value amount should be the bid Base Year Total Estimated Price and the LSDBE Total and the Percentage Set Aside must be at least 35% of the amount. The bidder's subcontracting plan may contain a condition that the Total Price Contract Value and LSDBE Total are estimated amounts. The contractor's compliance with the 35% CBE subcontracting requirement will be determined based on actual spend under the contract. In the absent of a waiver, failure of a bidder to submit a proper subcontracting plan in this scenario would make the bid non-responsive.

Question 19. Section H.3 of the RFP lists the Certified Business subcontracting requirements. We assume that any proposed subcontractor must come from the list of certified businesses maintained by the DC Department of Local and Small Business Development at <https://dslbd.secure.force.com/public/>. Confirm if this is the list to use.

Response 19. For the purpose of Section H.3, the subcontractor shall be a business enterprise certified by the District's Department of Small and Local Business Development (DSLBD). Certified business enterprises (CBEs) may be found at the referenced link or by contacting DSLBD at (202) 727-3900.

Question 20. Section L.2.1 indicates, in part, that this question-and-answer period is for prospective offerors' "exceptions/alternatives." In addition, section K.3 says

proposals must be submitted “without exception.” For ease of contract negotiation, we respectfully request the District allow offerors to include exceptions to contract terms or other items in the proposal document itself for the District’s future review and consideration. This would also facilitate understanding among all parties by allowing future discussions.

Response 20. Bidders may not take exceptions or condition their bid response. Bidders should submit their exceptions, assumptions and any other inquires in accordance with Section L.2 of the solicitation. See Attachment A, Item 1. Bids submitted with exceptions and conditions may be deemed non-responsive to the solicitation.