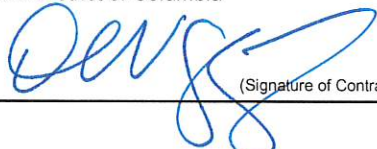


<b>AMENDMENT OF SOLICITATION / MODIFICATION OF CONTRACT</b>		1. Solicitation Number CFOPD-19-I-055		Page of Pages 1 Attachments	
2. Amendment/Modification Number  Amendment No. 2	3. Effective Date  See Box 16C	4. Requisition/Purchase Request No.	5. Solicitation Caption  Due Diligence Investigative Services		
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		<b>X</b>	9A. Amendment of Solicitation No. CFOPD-19-I-055		
Code			9B. Dated (See Item 11) 09/23/19		
Facility			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 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 October 7, 2019

## ATTACHMENT A

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

1. Section I.3.1 is hereby amended to add the following sentence to the end of the section.

This indemnification clause will only be subject to criminal activity, negligence, or willful misconduct by the Contractor or any other person acting for or by permission of the Contractor in the course of performing work under the Contract.

## ATTACHMENT B

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

Question 1. Is it possible to receive a description on the license types for Operator Class A, Operator Class B, MSPs, and Supplier?

Response 1. The statute legalizing sports wagering in the District dictates that Class A Operator Licenses may be issued at four designated stadiums and arenas located in the District – Audi Field, Capital One Arena, Nationals Park and St. Elizabeths East Entertainment and Sports Arena.

A Class A Operator License permits physical and mobile wagering within the licensed physical location, as well as mobile wagering within the 2-blocks surrounding the licensed location. No other form of sports wagering may be licensed within a Class A facility or within the 2-blocks surrounding the licensed Class A facility.

A Class B Operator License authorizes physical and mobile sports wagering at businesses located within the District. All wagering, including mobile, offered by a Class B Operator must be conducted on Premise within the physical confines of the licensed location. There is no restriction on the type of business a Class B Operator can be (could be a bar, restaurant or hotel setting as just a few examples), though it cannot be in business solely for the purpose of sports wagering. There is no designation where a Class B facility must be located. However, it is important to note that a Class B Operator License cannot be issued within 2-blocks surrounding a Class A facility or within areas of the District where gambling is restricted.

A Management Services Provider or “MSP” License permits an independent entity affiliated with a licensed Operator (Class A or Class B) to conduct sports wagering operations on its behalf at its licensed location. If a Class A or Class B Operator chooses to engage an MSP to manage its sportsbook operations, both the Operator and MSP must be licensed by the OLG and the applications for licensure should be submitted in tandem for optimal review.

An individual, group of individuals or entity that seeks to sell or lease sports wagering equipment, software, systems, data or services

relating to the conducting of sports wagering, as determined by the OLG, must obtain a Supplier License.

An individual, group of individuals or entity that provides odds on sporting events to Operators or Management Services Providers when such information is not available to the public electronically in real time, must be licensed as a Supplier.

Question 2. Furthermore, is there a resource where we can find which jurisdictions DC has approved for potential provisional licenses?

Response 2. The OLG maintains a microsite with information pertaining to sports wagering in the District. On that microsite is the list of approved jurisdictions that will be taken under consideration in the OLG's provisional sports wagering licensing process, which include Delaware, Mississippi (including Tribal), Nevada, New Jersey, Pennsylvania, Rhode Island, West Virginia, and British Columbia.

The microsite can be accessed at:  
<https://www.dclotterysportsbetting.com>

Question 3. Does Operator Class A include Key employees in the scope, and if so, is there an estimated number of key employees per entity?

Response 3. The Operator Class A does include Key employees in the scope. The OLG does not have an estimated number of key employees per entity; however, it is estimated that there will be three Class A Operator applications in total.

Question 4. If the Intralot single source contract is ultimately approved, what form of license will that company be receiving - Operator, Management Services Provider, supplier or occupational? If they are going to be the single Operator, why have you estimated 18 Operator licenses in Section C.2(4) of the Solicitation?

Response 4. The Sports Wagering Lottery Amendment Act of 2018 legalized sports wagering in the District of Columbia and designated the OLG to assume two distinct roles in the District's sports wagering offerings: Regulator and Operator.

The Office will regulate privately-operated sports wagering throughout the District, licensing and monitoring these operations and their gaming-related suppliers for compliance with applicable District and federal laws. It is anticipated that approximately 18 applications for Operator Licenses will be received.

The OLG, as the DC Lottery, will also be an operator of sports wagering conducted through a District-wide mobile app and a network of licensed retailer locations. Intralot's contract with the District is to provide gaming system and related services

to power the DC Lottery-operated sports wagering and lottery game offerings. The DC Lottery's vendor is not considered an Operator as it pertains to a licensing category. Operator Licenses will be issued to qualified Applicants in privately-operated sports wagering. Therefore, the DC Lottery's vendor does not require an Operator License. The contract provides the DC Lottery's vendor authority to operate and therefore the vendor will not be subject to additional due diligence.

The resultant contractor(s) of this solicitation will conduct due diligence on the privately-operated sports wagering license Applicants only.

Question 5. What types of businesses do you anticipate will be applying for the Operator and MSP licenses?

Response 5. It is anticipated that the majority of applications will be received from casino operators, sportsbook operators, and mobile sports wagering app operators; however, there may be some Operator applications received from local bar or restaurant owners who pair up with an MSP to offer sports wagering at their establishment(s).

Question 6. Investigations of the sort that will be undertaken will require various data base inquiries such as social media, criminal and litigation record checks. There are fees for these services. Will those fees be included in the "Expense" category for pricing purposes?

Response 6. In accordance with Section B.4.6, the contractor may attribute the fees for social media, criminal and litigation record checks inquiries to Reimbursable Costs, as costs that the contractor does not include in the Consultant Fee in conjunction with the contract. Note, on a task order by task order basis, the budget for Reimbursable Costs must be pre-approved by the COTR. Evidence of the contractor's Reimbursable Cost, such as invoices, agreements, etc., must be submitted to the COTR for reimbursement.

Question 7. You have asked for suggestions for re-wording of Section I.3 (Indemnification). We respectfully submit that if any Indemnification provision is included, it should be very narrow. The activities contemplated by the Solicitation are typically rife with controversy. You will be awarding extraordinarily lucrative licenses. It is our experience that the applicants for those licenses will be multi-national corporations with enormous resources and proclivities toward litigation. Our firm has never been sued for any of our prior activities. However, we have been involved in jurisdictions in which licensing decisions are challenged and where the challenges involve issues related to the results of our investigations. While we have every confidence that our work will be above reproach, as you well know, litigation is always un-predictable, we simply cannot allow ourselves to agree to any set of

circumstance wherein we may become liable for all or any part of a successful challenge to a license decision.

Therefore, we ask again that the Indemnification provision be removed. If that is impossible, we request that the potential liability under that provision be limited to something in the nature of "criminal activity in the course of the conduct of the contractor's work under the Contract." If that is unacceptable, then we will consider your alternative language, but anything like what is presently in the Solicitation will make it very difficult for us to offer a bid.

Response 7. See Attachment A, Item 1.

Question 8. We understand that the District has an interest in making sure that local businesses become involved in the contracted activities. We share your interest. However, given the nature of these activities, we believe that the requirements of the "Revised Employment Plan" go further than is applicable. For example, we will utilize persons with a very unique set of skills. We do not see how we can develop a plan for the use of District Public Schools as requested at Section VIII of that Plan. How can we adapt our work to those requirements?

Response 8. The contractor will be subject to hire District of Columbia residents as an employee, in accordance with the First Source Act, **if the contractor creates a new employee job or hiring opportunity within its company specifically for the resultant contract.** The contractor utilizing local business is related to the 35% CBE subcontractor requirement referenced in Section H.3. Note, per Section L.1.7, the District will reject any bid that fails to include a subcontracting plan that is required by law, pursuant to Section H.3.

On the "Revised Employment Plan", Sections A and B, the contractor is to indicate all new employment position(s) that will be created as a result of the project or an explanation that no new employment opportunities will be created.

For specific questions, offerors may contact the First Source Employment Program at (202) 698-6284.

Question 9. We note in the media that the District had previously awarded a no-bid contract to Intralot and that the courts have now enjoined that award. How does this fit into the work of the Solicitation?

Response 9. The District's contract for sports wagering, lottery gaming system and related services has no correlation with the work entailed in this solicitation as the Intralot contract will not pertain to privately-operated sports wagering licenses (Class A and B). The work in this solicitation is to undertake due diligence of Applicants in privately-operated sports wagering.