

RFP PGCB 2007-1
Addendum – June 13, 2008

Responses to Questions received on June 11, 2008

1. The RFP has a requirement to estimate the number of hours required to perform the necessary analysis and reporting. In order to be able to provide an estimate of the total number of hours, we need to know the estimated number of reports and/or projects. Can you better define the scope of the project.

Under Section IV-4 (Tasks) of the RFP, the five (5) different types of reports are listed for slot machine licensee applicants; and the types of reports for analyzing the mergers and acquisitions of a PGCB licensed entity are also listed. The contents and guidelines are indicated on pages 23-26 of the RFP.

2. The RFP does not indicate any requirement for in-person consultations with members of the PGCB, are there any anticipated need for formal or informal presentation requirements?

The possibility certainly exists for in-person consultations with members of the PGCB staff. If these types of consultations do occur, the costs for them would be based on the specified hourly rates.

3. Appendix D: Cost Matrix indicates that we need to estimate hours based on report, should we utilize the example provided to arrive at these estimates? If not, can you provide us with an estimate of the quantity of each type of report?

The appendix provided in Appendix D is just that – an example. Whatever information pertains to the Offeror's/Bidder's proposal may be included. However, if additional information is needed, or if information in the example does not pertain to the Offeror's/Bidder's proposal, then the necessary adjustments should be made to the proposal.

4. In Item 2-9 C, it appears that you would like the travel and subsistence rates to restated, would it be sufficient to reference Commonwealth Management Directive 230-10?

Yes, Commonwealth Management Directive 230-10 will be the guideline for all travel and subsistence costs associated with this RFP.

5. Do you anticipate finding one firm to provide all the requested services, or would you consider allowing a firm to bid on a few of the certain requested services? In other words, is it all or nothing?

As noted in Section I-24 of the RFP (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. In other words, it is all or nothing.

6. I can't seem to find the Standard Terms and Conditions for the PA Gaming Control Board project located at the link provided. Can you please send me the specific T&C document or a more specific link?

<http://www.pgcb.state.pa.us/?p=125>

7. Are you looking for a specific sized accounting firm as an Offeror for this RFP?

No, whatever sized accounting firm that can perform the tasks required in this RFP can bid of this project.

8. Is there any weight leant in certain areas of expertise versus other areas? It would seem to me that there would only be a handful of firms with the "Prior experience with state start-up gaming regulatory agencies." Will you reject all other offers from accounting firms that do not have this experience?

Whatever experience an Offeror/Bidder possesses will be taken into consideration during the bidding analysis process. The bidding process includes an analysis of various different areas to analyze, including "Prior experience with state start-up gaming regulatory agencies."

9. Where on the website are Offerors able to monitor the responses given in regards to the RFP?

<http://www.pgcb.state.pa.us/?p=125>

10. In Part III section III-3 it is stated that "[t]he Issuing Office has selected a committee of qualified personnel to evaluate timely submitted proposals". Who are the members of this committee?

The members of the committee are comprised of PGCB personnel familiar with the services to be procured.

11. Does the PGCB have guidelines in place that is required for applicants?

The PGCB does have guidelines in place that are required for applicants for a slot machine license. The guidelines are associated with the application process.

12. Is the PGCB require licensee entities to have an annual audit?

Yes, the PGCB does require slot machine licensees to have an annual audit conducted of the licensee's financial statements and internal controls over financial reporting.

13. What are the growth plans for license issuance?

According to Act 71, as amended, slot machine licenses may be issued to seven (7) Category 1 applicants, to five (5) Category 2 applicants, and to two (2) Category 3 applicants. These fourteen (14) licenses are the only licenses to be awarded under this act.

14. How many persons are in the finance department at the PGCB that could potentially perform applicant evaluations?

The applicant evaluations are performed by personnel from a variety of areas.

The following questions relate to the Generic Example on page 21-23 of the RFP

The answers to questions 15 through 24 are the same. Basically, the information provided in the Generic Example is a starting point, per se. "...any other information that the bidder may deem relevant to permit a proper evaluation of the financial suitability of the applicant" is to be generated by the Offeror/Bidder. To provide an answer to any proposed question from 15 through 24 would be to defeat the purpose of the RFP. Therefore, the Offeror/Bidder is to provide whatever information necessary to complete the offer/bid.

15. Will the long term debt from Parent fund only the \$425 million in project costs?

16. Please quantify and describe the form of the equity contributions from the A, B, C and Partnership 1.

17. Will the Parent be required to contribute an equity contribution to Applicant similar to individuals and the Partnership?

18. What is the future funding requirements of the owners of Partnership 1? What is the cash balance and capital structure for Partnership 1?

19. The example refers to Parent issuing new debt in the form of 20 year bonds tied to LIBOR. Is this debt only to fund construction or is it also used to fund Parent's equity in Partnership 1?

20. Is there some type of lease arrangement in place between the land owner and the casino ? If so please explain whether it is derived by mortgage payments or a percentage of win by casino. If no lease please clarify the arrangement.

21. What covenants can we include on this debt?

22. How was The Las Vegas Sands derived as the example? Metrics change constantly in Las Vegas and the public offering proceeds were used to fund the Macau project. Numbers may not be split between Las Vegas Macau and other properties which may make it hard to drill down on any one entity. Will these breakdowns be available?

23. Can we use Las Vegas Sands profile as the Parent company for the example? If not, what is the Parents credit rating? What is the Parent's borrowing rate?

24. Will you be providing actual data from existing slot machine licensees? What pre-determined date should be used?