



**COMMONWEALTH LOTTERY
COMMISSION**

P.O. Box 5234 CHRB, Saipan MP 96950

TEL: (670) 664-1100 FAX: (670) 664-1115



**REQUEST FOR PROPOSALS
CLC-RFP-001**

**PROPOSAL FOR THE PROVISION OF SOFTWARE AND SERVICES
FOR THE MARIANAS BLOCKCHAIN LOTTERY**

The Commonwealth of the Northern Marianas Lottery Commission (the “Commission”), is soliciting sealed proposals for the provision of services for the Marianas Blockchain Lottery, a video lottery authorized game.

Proposers comply with all requirements identified in the Request for Proposal CLC-RFP-001. Proposals shall be submitted in a sealed envelope marked CLC-RFP-001 containing (1) original and three (3) copies and submitted to the Office of the Secretary, Capitol Hill, Saipan, MP 96950 no later than Friday, January 31, 2025. Any proposal submitted after the aforementioned date and time will not be accepted. All inquiries concerning this proposal shall be submitted in writing and must be received by 4:30 p.m. local time, Friday, January 24, 2025. Questions may be either submitted mail or personal delivery and should be addressed to:

**Lottery Commission
Executive Secretary, Tracy B. Norita
P.O. Box 5234 CHRB
Saipan, MP 96950**

Proposals will be evaluated based on the following criteria:

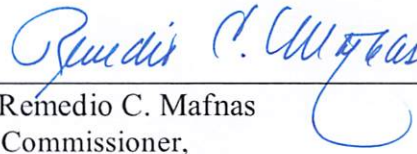
1. Adequacy of the proposal as to the needs of the Commonwealth as identified in CLC-RFP-001 (50%);
2. Experience of the Proposer (25%);
3. Financial Capacity (25%)

This request for proposals is issued under the authority of the Commonwealth Lottery Commission, P.O. Box 5234 CHRB, Capitol Hill Saipan, MP 96950.

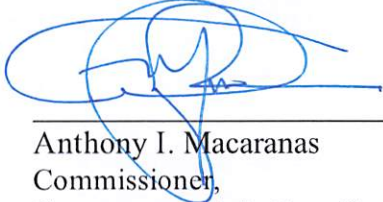
The Government reserves the right to reject any or all proposals and waive any imperfections in any proposal if, in its opinion to do so, would be in the best interest of the Government. All proposals shall become the property of the CNMI Government.



Tracy B. Norita
Executive Secretary,
Commonwealth Lottery Commission



Remedio C. Mafnas
Commissioner,
Commonwealth Lottery Commission



Anthony I. Macaranas
Commissioner,
Commonwealth Lottery Commission

**REQUEST FOR PROPOSALS
CLC-RFP-001**

**PROVISION OF SOFTWARE OR SERVICES
FOR THE MARIANAS BLOCKCHAIN LOTTERY**

Proposal Requirements

The Commonwealth of the Northern Mariana Islands (the “Commonwealth”) has established the Marianas Blockchain Lottery (the “MBL”) in the Commonwealth of the Northern Marianas Lottery Rules and Regulations (the “Rules”), as adopted on November 15, 2024 in the Commonwealth Register, Volume 46, Number 11, Page 051466, and seeks proposals from qualified applicants for the following available licenses:

- 1. Video Lottery Site Operator (NMIAC § 70-50.2 -105)**
- 2. Video Lottery Central Monitoring Contractor (NMIAC § 70-50.2-110)**
- 3. Video Lottery Terminal Contractor (NMIAC § 70-50.2-115)**

Under the video lottery structure, an individual or entity may apply for both a license to be a video lottery terminal contractor and a license to be a video lottery central monitoring contractor. *See* NMIAC § 70-50.2-101(b).

The MBL will be operated by selected licensee under the authority of the Commission and shall be administered by the Commission to produce the maximum amount of net revenues of the Commonwealth consistent with the general welfare of the people. The applicants selected for software and/or services (the “MBL Licensee”) must comply with all elements of Commonwealth law, contract requirements, and Commonwealth administrative regulations to allow the Commonwealth to fairly and securely operate the MBL. Submitted proposals must comply with all requirements as identified in CLC-RFP-001 Proposal Requirements.

A. Background

The Commonwealth first established the Lottery Commission and the Commonwealth of the Northern Marianas Lottery (the “Lottery”) in 1983, however the lottery games have been inactive for many years. The Commission seeks to establish the MBL to generate much needed revenues for the Commonwealth.

B. Marianas Blockchain Lottery

The MBL is a video lottery game, as defined in the Lottery Rules and Regulations § 70-50.1-345, in which players select three to six numbers from a field of numbers one (1) to one hundred twenty-seven (127) for the chance to participate in a game where a random number is generated via public blockchain data. This lottery is distinct and separate from an on-line lottery and a license to operate the Marianas Blockchain Lottery does not permit or allow one to preclude on-line lottery activities nor does an on-line lottery license permit operation of the MBL.

The valid license period proposed by the Commission **may not exceed 5 years.** NMAC 70-50.1-144(d).

To ensure fair and secure operation, the MBL will be required to meet the highest technical standards and provide a return to players consistent with similar lotteries. The MBL will be constantly monitored through a centralized monitoring system, to be provided by the MBL Licensee, to ensure proper operation and protection of Commonwealth funds. All MBL activities will be controlled by Lottery Regulations (NMIAC §§ 70-50.1-70-50.2).

C. Provision of Software and Services

The Commonwealth seeks proposals for a qualified licensee to provide software and services for the MBL and associated maintenance for a **5 year** contract term. The software and services provided must follow the most advanced industry standards and comply with strict Commonwealth standards.

Contract price is to include all required software and/or services, including but not limited to ongoing testing, maintenance, support, and upgrades.

The MBL Licensee must meet the following Rules and standards adopted by the Commonwealth and provide certification as required to continued compliance:

1. Be duly incorporated and in good standing in the Commonwealth
2. Operate on a public blockchain that provides an electronic record of transactions
3. Conduct ticket validation cryptographically on the public blockchain and redemption of winning tickets and payments via virtual currency

The MBL Licensee must provide games tailored explicitly to the MBL market. Games should be selected that encourage play and are in a format and language requirements for the MBL market.

The Commission will strictly control the operation of the MBL to protect the interests of the Commonwealth. The Commonwealth will also strictly control the operation and access to the MBL. The MBL must meet specific Commonwealth standards to ensure accuracy, transparency, and integrity.

D. Costs and Risks

Proposals should outline, at a minimum:

1. Detailed market research and financial model for generating Lottery revenue
2. Breakdown of revenues to be received by the Commonwealth
3. Measures taken to mitigate risk to the people of the Commonwealth
4. Further measures taken to ensure Responsible Gaming practices
5. Benefits and improvements to be generated for the Commonwealth
6. Unique qualifications of the MBL Licensee for the Lottery
7. Ability to meet bond requirements set forth in NMIAC § 70-50.1-120

The Commonwealth recognizes that this project requires the commitment of significant capital assets and associated risks. The MBL Licensee will incur ongoing personnel, equipment, and other operational expenses. The MBL will be a 24-hour year-round operation; proposers should plan accordingly.

Recognizing the significant investment and risks associated with a new market, the Commonwealth seeks to partner with operators and/or contractors to provide a competitive contract structure with adequate return and risk mitigation.

E. Qualification of Proposers

For the Video Lottery Central Monitoring and Video Lottery Terminal Contractors, these proposed MBL Licensees must have existing technology that meets the stringent Commonwealth rules and standards, possess an extensive background in gaming, and the financial capacity necessary. These proposers must have existing technology that meets the stringent Commonwealth Rules and standards, and demonstrate one or more existing games that meet the Rules and a release schedule for new games. For this reason, only licensees with existing software and services should make proposals. **Applications will only be accepted from companies directly and must show evidence of significant capabilities and experience.**

Proposers must present a credible business plan to achieve proposed sales targets that will significantly benefit the Commonwealth. Proposals must clearly outline the revenues to be received by the Commonwealth, including future increases.

Additionally, prospective licensees must meet the law enforcement background check requirements on all principals and key personnel. If selected, a proposed licensee must obtain a valid Commonwealth business license.

F. Financial Plan

Commonwealth is primarily concerned that the MBL Licensee selected has the financial resources to provide the required technology, updates, and maintenance. Therefore, an important

element of the evaluation is the presentation of a written financial plan indicating projected capital and operational costs.

This plan must discuss the potential MBL Licensee's approach to the following items:

1. initial capital expenditure:
2. operational costs including, but not limited to:
 - a. personnel;
 - b. taxes;
 - c. lease costs;
 - d. utilities;
 - e. software development/maintenance costs;
 - f. training;
 - g. marketing costs

This plan should be for a five-year period. This information will be used to estimate the potential return on investment.

Proposers should commit to a regular attestation and third-party financial audit schedule of at least weekly attestation and yearly financial audit from an accounting firm approved by the Commission.

G. Operational Plan

The Commonwealth seeks to ensure that the MBL is properly maintained so as to ensure that the customer experience is of a high standard. The proposal requires a written management plan that will become part of the contract. The management plan should discuss elements such as:

1. software updates;
2. game testing, evaluation, and changes;
3. security and privacy standards;
4. establishment and operation of maintenance staff; and
5. establishment and operation of 24-hour year-round customer support in multiple languages for the MBL market

The management plan should address a five-year period from initial start-up.