

BTC

Bangalore Turf Club Ltd
“Requirement for Proposal”
For
Promotion of BTC's Tote Betting.

Version 1.2
July 31, 2019
Registered Office

Bangalore Turf Club Limited
Post Box No 5038
52, Race Course Road
Bangalore - 560 001, INDIA

Phone: +91.80.2226 6291
Fax: +91.80.2220 6372
e-mail : secretary@btraces.com

www.bangaloreraces.com

Contents

1.	Introduction.....	3
1.1	Definitions:	5
1.2	Brief of Totalizator Statistics:.....	7
2.	General instructions for Vendors:.....	8
2.1	Instructions to vendors.....	8
2.2	Clarification, Amendments to RFP document.....	8
2.3	Language & Period of validity of Proposal.	8
2.4	Documents comprising the Proposal.	8
2.5	Proposal Business Model.....	9
2.6	Proposal Security Deposit.....	10
2.7	Format and Signing of the Proposal.....	10
2.8	Proposal Submission, Late Submission and Modification.	11
2.9	Proposal Opening and Evaluation.....	11
2.10	Evaluation Attributes:	12
2.11	BTC’s right to accept any Proposal or reject any or all proposals.....	13
2.12	Notification of Outcome and Award.....	13
2.13	Signing of Contract & Performance Security	14
2.14	Time lines & Implementation Plan:.....	14
2.15	Deliverables at conclusion of the BOT contract:.....	14
2.16	BTC Tote Infrastructure, Mobile App and Internet Betting Server:.....	14
2.17	Acceptance Criteria & Warranty:	15

BTC Tote Marketing and facilitation of remote betting through Internet and Mobile Betting: Requirement for Proposal

1. Introduction

Bangalore Turf Club Limited (BTC) is one of the premier racing centers in India conducting Thorough Breed Horse Racing. The club conducts betting operation at Totalizators and Book makers for Racing conducted at the Bangalore Race Course (On-Course) during two seasons Bangalore Summer Races and Bangalore Winter Races spread over eight months in a year. BTC also conducts betting operations on racing held at other racing center in India - Mysore, Mumbai, Poona, Calcutta, Hyderabad, Delhi Chennai and Ooty race courses (Inter-venue Betting or IVB). In all BTC conducts betting operations on 330 days in a year. BTC has implemented an Automated Betting System (ABS) to facilitate Totalizator Betting Operations. The Totalizators are the financial backbone of the club and has grown leaps and bounds in the last two decades. However with the recent introduction of GST at 28% on Tote Wagering / bets, the turnover has dramatically reduced the number of people betting on BTC Totalizators as reflected by the reduction in Tote turnover by more than 60% in the last 12 to 18 months.

While people continue to bet it is apparent that money continues to be bet via illegal channels and both the BTC and Government of Karnataka are losing considerable revenue. In order to achieve more revenue that has taken a drastic dip recently BTC would like to expand the reach of the Tote to more people and thereby also increase tax revenue for the Government of Karnataka.

BTC being one of the fastest growing racing centres in India and has also been the innovator in technology and is one of the first to implement many changes to Racing and the technologies would continue to do so and is keen to expand its Tote operations reach to garner more revenue by going to the patrons instead of expecting the patrons to come to the club to place their bets.

The Club is exploring many options for popularizing the Totes again for a broader customer base and reach, and is in the process of identifying a vendor who can work with BTC on the following and which are essential for promotion of the BTC's Tote Betting:

1. The vendor shall market & promote BTC Tote betting and make available option to bet on BTC Tote for existing and new patrons in remote locations without access to the BTC's Race Course Tote facilities.
2. The vendor should have a proven understanding of the nuances of Horse racing and must have been in horse-racing promotion and/or allied business for at least 15 years.
3. The vendor should be able to promote BTC's Tote Betting to at least 100,000 new patrons in one year, after deploying the solution, which will require that the vendor already has a data base of prospective customers / visitors / users who

- could be introduced to the BTC Totes. The vendor should be able to demonstrate how it would achieve the above numbers from its current offering and how they have grown for the last 3 years for their horse racing information / marketing offering.
4. The vendor may develop marketing methods such as print and online media advertisement, TV/Radio commercials, facilitate Sponsorship of races, provide online gaming based on horse racing wagering concepts.
 5. The vendor may socialize and popularize the king of sport by means of online webinar/chat sessions, local seminars and talks in major cities.
 6. The vendor may deploy Targeted advertisement to individuals via email, Whatsapp and SMS campaigns in accordance with the laws of the land.
 7. The vendor should already have worked with well known ambassadors of the sport and utilize their services for advice, conduct awareness webinars and utilize their deep insight to propagate the nuances of the sport to the masses.
 8. The vendor may devise other techniques to spread awareness at its discretion, which are trending in the IT industry and eventually convert such users as new tote punters to participate in actual tote betting.
 9. The vendor should demonstrate significant increase in awareness of the king of sport and thereby contribute to significant increase in Tote collections.
 10. To facilitate popularization of BTC Tote system, BTC shall provide access to the Tote software and other “live” information that it currently displays on its monitors on its premises.
 11. BTC shall also provide video feed of live races and pre-race and post-race videos that are generally displayed on its monitors.
 12. The Vendor should provide technology enabler for new patrons to understand the game and should be able to remotely place a bet with the BTC Totes - like a mobile app which will facilitate like a teller operated PoS Tote window which is currently available at Race Course and its OTBC's, The solution should be a technology based enabler to the Tote software

To facilitate and optimize the promotion and marketing efforts of the combined efforts of BTC and Vendor, the Club proposes enabling betting on mobile phone using internet for connectivity from any location to the Tote Systems currently being offered at the race Club.

Tote System at the Club is Multi Tiered Application Architecture in a Local Area Network. The concept of enabling betting on mobiles removes the restriction on the access to betting at teller operated windows and this model is the preferred model for any enterprise to reach out to a larger audience.

Encouraged by the Govt. of Karnataka's support all along to BTC for promoting Tote Betting, BTC to make up for the loss of revenue to the Government due to drop in Tote betting in the recent months, intends to be the first in India (as permitted by law) to expand their Tote betting reach without boundaries within defined regions using smart phones as Point of Sale for accepting bets on Totes.

The most important advantage of access to Tote Betting on Mobile Phone is to provide access to information on the move, like the Probable Dividend which can be made available along with live webcast of the races with instantaneous payouts.

The vendor shall market BTC Tote and facilitate betting into the BTC's Totalizators remotely using mobile app solution at its cost.

There are two important aspects for making this initiative achieve its objective of expanding the reach for Tote Punter base by bringing in new patrons:

1. Promotion and Marketing of the Horse Racing as a King of Sports and associated Tote Betting System with appropriate self learning tools and incentives for participation.
2. Technology Solution which has proven features for a high volume-based business critical application like, Reliability, Redundancy and Availability, which can dovetail into BTC's Tote Betting System.

1.1 Definitions:

“Totalizator” means any equipment for betting or any other machine or instrument of betting of like nature operated by the club.

“Leg “means each nominated race in those forms of betting where selections are required in more than one race, each nominated race is termed as a leg.

“Unit-bet” means in respect of each of the betting pools the minimum amount fixed by the club as the amount on which Dividends will be calculated.

“Valid Bet” means each bet which has been processed in accordance with the Totalizator rules has been added in the pool.

“Pool” means, in respect of each distinct bet type, the total rupee value of the valid bets made by backers for each such distinct bet type.

“Percentage Deduction” means the percentage of betting tax payable to the state government and the club commission payable to the club to be deducted from each pool / bet.

“Dividend” means the amount declared to be paid in respect of the winning combination as applied for each type of betting as calculated in accordance with Totalizator rules.

“Winning Ticket” means any betting ticket which qualifies for a dividend in accordance with the Totalizator rules where the backer is required to produce the winning ticket either physically or electronically for en-cashing of the dividend.

“Probable Dividend” means the dividend payable at that instant for each pool in case the specific runner or combination of runners becoming the winning combination. This is an indication and not a commitment.

“Combined Operation” means the bets placed at each of the betting centers are merged for a common pool and common dividend.

“Off-Course Betting” or “Inter Venue Betting” means Totalizator operations being accepted for racing held at other racing centers within India.

“Off-Course Betting Centers” means Totalizator operation outside the race course premises.

“Payout” means the bets which are winners and are eligible for a dividend.

“Repeat Print” means a backers request for repeating his bet multiple times.

Type of betting for a Race – Single Leg Pools:

- ✓ Win Pool (WNP) – “Win” means the type of betting where the backer has to select the 1st horse to be eligible for a return on investment
- ✓ Place Pool (PLP) – “Place” means the type of betting where the backer has to select at least one of the placed horses to be eligible for a return on investment.
- ✓ Second Horse Pool (SHP) – “Second Horse” means the type of betting where the backer has to select the 2nd horse to be eligible for a return on investment.
- ✓ Third Horse Pool (THP) – “Third Horse” means the type of betting where the backer has to select the 3rd horse to be eligible for a return on investment.

- ✓ Forecast Pool (FRP) – “Forecast” means the type of betting where the backer has to select the 1st and 2nd horse in a race in the correct finishing order and to be eligible for a return on investment.
- ✓ Quinella Pool (QNP) – “Quinella” means the type of betting where the backer has to select the 1st and 2nd placed horses in a race regardless of the finishing order of the two selected horses to be eligible for a return on investment.
- ✓ Trinalla Pool (TNP) – “Trinalla” means the type of betting where the backer has to select the 1st, 2nd and 3rd placed horses in a race in the correct finishing order and to be eligible of a return on investment.
- ✓ Exacta Pool (EXP) – “Exacta” means the type of betting where the backer has to select the 1st, 2nd, 3rd and 4th placed horses in a race in the correct finishing order and to be eligible for a return on investment.

Type of betting for the days Races – Multi Leg Pools:

- ✓ Jackpot Pool (JPP) – “Jackpot” means the type of betting where the backer has to select the 1st horse in each of the five nominated races and is eligible for a return on investment if the selected horse is placed 1st in each of the nominated races.
- ✓ Treble Pool (TBP) – Treble means the type of betting where the backer has to select the 1st horse in each of the three nominated races and is eligible for a return on investment if the selected horse is placed 1st in each of the nominated races.

1.2 Brief of Totalizator Statistics:

Totalizators are in operation for Bangalore Race, Inter Venue and accept bets on multiple types of pools and the following are some of the relevant information on Totalizator Operations.

Totalizator Statistics for the financial year 2018 -19

- ✓ Bangalore Race Days – 52 days
- ✓ Off-course / Inter venue betting days – 299
- ✓ Investment at Totalizators – Rs 850.50 Crore
- ✓ No of Off-course Betting Centers – 6 centers in Bangalore and 2 Centers in other cities within state of Karnataka (Mangalore & Tumakuru).
- ✓ %age investment from Off-course Betting Centers – 20% of total investment
- ✓ %age investment form Win, Place and Second Horse Pools is 78.06 % of the total investment

- ✓ Peak Investment in a race –Rs.137.47 lakhs
- ✓ Teller Operated PoS Terminals within Race Course and OCBC's– 635 Nos
- ✓ Approximate No of bet transaction recorded for the peak investment – 4.5 lakhs
- ✓ Approximate No of payouts on the peak investment – 1.5 lakhs

2. General instructions for Vendors:

BTC invites sealed proposals for a Build Operate and Transfer (BOT) from eligible vendors for providing a turnkey solution for: Marketing of BTC Tote System and facilitating Mobile Betting for the BTC's Automated Tote Betting by a seamless integration of a Mobile Betting System to facilitate betting form anywhere as permitted by the laws of the land.

2.1 Instructions to vendors

The participants shall bear all costs associated with the preparation and submission of its bid. BTC will in no case be responsible or liable for those costs, regardless of the conduct or outcome of the invited tender process.

2.2 Clarification, Amendments to RFP document.

BTC may at its own consideration amend the RFP document, in which case those amendments will be notified to all vendors who have received the RFP document.

The participant's / vendors can visit the race course with prior appointment during betting operations to understand the business and betting operations.

2.3 Language & Period of validity of Proposal.

The bids and all related correspondence shall be written in the English language.

Proposals shall remain valid for 30 days after the date of bid opening prescribed by BTC.

2.4 Documents comprising the Proposal.

Following documents will comprise the proposal.

- ✓ Documentary evidence that the vendor and its business partner if any is eligible to participate and is qualified to perform the contract if the proposal is accepted.
- ✓ That the vendor has the financial and technical capability to perform the contract.

- ✓ That the vendor is a registered enterprise in India.
- ✓ Proposal security furnished
- ✓ Technical proposal.
- ✓ Financial proposal in a separate sealed envelope.

2.5 Proposal Business Model

It is proposed to execute this project in Build Operate and Transfer Model -BOT.

Suggested time line for the Transfer under the BOT Model is 10 years from the signing of the winning vendor contract.

The vendor has to bear all costs related to the BTC Tote Promotion activity, technology investment both in terms of Hardware and Software for facilitation of BTC's Tote betting remotely through mobile or internet, system integration requirements of Mobile Betting System with the existing Tote Betting System at BTC.

The vendor is required to follow the Govt. laws related to the various regions and states within India in relation to betting on Horse racing, as in some of the states betting using medium of Internet is not permitted.

The scope of remote betting facilitation is limited to within India and such of the states where it is not forbidden or as permitted by Law.

Remote betting includes betting using the medium of Internet to place a bet with BTC's Tote servers using smart phones and web application, it does not provide for starting OCBC's / Teller Operated PoS Betting Centers within the state of Karnataka or other states.

Seamless Integration of the proposed remoting betting system with current BTC Tote system which will require a good understanding of the current betting system at BTC.

Operations and support of the promotion activity.

The revenue model proposed is a fixed % age on Club Commission earned by the club through the remote mobile betting achieved through promotional activity and facilitation of remote betting on mobile and internet.

Vendor is welcome to suggest alternative revenue model under the BOT system.

The remote betting facilitation on smart phone and internet (web application) will be an extension of the Off-Track Betting Centers, though operated by the vendor.

Vendor should provide a business plan listing the proposed Promotional activities on a quarterly basis for the first five years and the new customer acquisition that would be

added on a monthly basis in the first year and subsequently on a quarterly basis and the projected Tote betting turn over.

It is also proposed that a daily settlement in respect of cash movement between the remote betting and BTC Tote is made on a daily basis and the whole system of remote betting is subject to being supervised and audited by BTC's Management.

The following are the BTC Tote Handle for the last financial year:

Venue	Season	No of race days	Total no of races	Tote Collections
Bangalore	BSM	25	177	118,43,93,910
Bangalore	BWM	27	202	93,63,53,220
Mumbai	Main	39	272	91,60,47,730
Poona	Main	25	172	73,02,97,170
Mysore	Main	18	128	48,30,68,240
Mysore	Summer	12	85	44,06,01,220
Mysore	Winter	14	101	33,93,06,710
Hyderabad	Main	60	434	144,11,66,920
Calcutta	Main	40	302	85,25,09,080
Delhi	Main	54	338	68,88,00,860
Chennai	Main	29	200	38,95,66,740
Ooty	Main	8	60	10,29,83,850

The objective is that BTC intends to leverage the vendors strengths in Marketing and Promotion of the Horse racing and facilitation of remote Tote Betting technology for a jump start in view of the failing BTC's Tote Popularity, and own the same in a pre-defined time line including source code and IP rights related to facilitation of remote betting.

2.6 Proposal Security Deposit

The proposal security deposit of Rs.5,00,000/- (Rupees five lakhs) shall be denominated in the form of bank guarantee in favour of BTC or Letter of Credit issued by a reputed bank in India and accepted by BTC, or by Demand Draft in favour of BTC.

Unsuccessful vendor's proposal security will be returned latest 30 days after the contract has been signed with the winning vendor

2.7 Format and Signing of the Proposal

The participants shall prepare two copies of the Technical and Financial proposal clearly marking each "Original Technical / Financial proposal" and "Copy of Technical / Financial proposal" as appropriate. Proposals should be signed (on all the sheets) by a person or persons duly authorized to sign the proposal and to bind the proposal to the contract.

2.8 Proposal Submission, Late Submission and Modification.

The participants / vendors shall submit the technical proposals and financial proposals separately in sealed covers in original and address them to the Secretary, Bangalore Turf Club Limited, Race Course Road Bangalore 560001, India, and marked “Not to be opened before 9th August 2019” on the technical proposal. Proposals can also be hand delivered at the BTC Office on Race Course Road and deposit them in the Dispatch section at Gate no 1 entrance.

Proposals must be received no later than 1.30 pm on the 9th August 2019.

Proposals received by BTC after the last date & time for submission of proposal under this RFP will be rejected. The participants / vendors may withdraw their proposal after proposal submission, provide that a written notice of withdrawal is received by BTC prior to the last date and time for submission of proposal.

Proposals once submitted cannot be modified subsequent to the last date and time for submission of proposal unless it is presented and the evaluation is in process and with prior approval of BTC Management.”

2.9 Proposal Opening and Evaluation

Technical Proposals will be opened on the same day, 9th August 2019 at 4.30 pm at the office of the Secretary, Bangalore Turf Club Ltd.

BTC will carry out a preliminary examination of proposals to determine whether they are complete and responsive to the invitation and in conformity with the specifications. BTC will prepare minutes of the proposal opening.

BTC may seek clarification for better understanding of the proposal and the solution offered. The Vendor evaluation and Technical Proposal evaluation will be carried out by the Management of BTC and opportunity will be provided to the short listed vendors to present their Company credentials / technical solution / proposals, the vendors will be rated based on their Company credentials in respect of Wagering on horse Racing / Technical Solution Offered, the financial proposals of the further short listed vendors based on the ranking of their Technical proposal will be opened and the date & time for the same will be informed to all concerned vendors. The final evaluation of proposals will be based on weighing different bid factors as follows:

Marketing Expertise of the Vendor	10
Horse Racing Domain Association of Vendor	15
Technology Expertise related to Wagering of Vendor	10
Total score: Company	35
Marketing Strategy by Vendor of BTC's Tote System	15
Mobile Application features	18
Turnkey Offer	8

Support & Services	2
Proposed work plan & approach	2
Total score: Technical	45
Financial proposal	20
Total score	100

2.10 Evaluation Attributes:

#	Attribute	Weight	Score
1	Marketing Expertise of Vendor	10	300
	Reputation of Vendor in wagering systems		50
	Litigation and Arbitration History		50
	General Organizational Capability which is likely to affect the project (size of the firm, loose consortium)		50
	Extent to which the work would be subcontracted		25
	Quality Assurance procedures and warranty		25
	Relevance to: Specialized Knowledge, Experience in similar projects		100
2	Horse Racing Domain Association	15	450
	Offering of Racing information on the Web / Portal		75
	Current Customer Base for their Portal		150
	Offering a simulated horse racing wagering game		50
	Association with the Horse racing Industry		50
	Marketing Strategy for Internet and Mobile Betting		125
3	Technology Expertise related to Wagering of Vendor	10	300
	Totalizator / Game mobile application experience		100
	Expertise of OLTP based application		100
	<u>Expertise in redundant, high availability application</u>		100
	Total	35	1050
3	Marketing Strategy by Vendor of BTC's Tote System	15	450
	Understand the Marketing requirement of BTC		150
	Important aspects of the business requirements being taken care		50
	Is the scope well defined and is in line with the expected scope of work		150
	Is the presentation clear and is in the sequence of activities and the planning logical, realistic and promise efficient solution		100
4	Mobile Application features	18	540
	Are the different modules of the Internet / Mobile Betting facilitation have been weighted relative one on other.		150
	Horizontal and Vertical Scaling		100
	Operating System / Solution framework adopted appropriately for the business requirements		100
	Server Database		50

		Integration with BTC Tote betting system and Secure Messaging of Ticketing.		140
5	Turnkey Offer		8	240
		Single Vendor for Marketing / Promotion of BTC Tote, Having a Portal / Fantasy Game for Horseracing / Mobile App for Tote Betting Facilitation		80
		Single Vendor for Web and Mobile application		80
		Payment Gateway option for mobile app and MIS reports		80
6	Support and Services		2	60
		If already a vendor, quality of support		20
		Customer Reference		40
7	Proposed Work Plan & Approach		2	60
	Total		45	1650

Composition of the Technical Committee for evaluation of the Technical Proposals will not be informed to the Vendors.

In the second stage of evaluation, Financial Proposals of the short-listed vendors after the technical evaluation, will be opened and each of the vendors will be provided an opportunity to make a presentation of their Financial Proposal and for negotiation of price and other modalities.

No vendor shall contact BTC on any matter relating to its proposal, from the time of the proposal opening to the time the contract is awarded. Any effort by Vendors to influence the BTC in its proposal evaluation, proposal comparison or contract award decision will result in the rejection of the Vendor's Proposal.

2.11 BTC's right to accept any Proposal or reject any or all proposals.

BTC reserves the right to accept or reject any Technical / Financial proposal and to annul the process and reject at any time prior to award of contract, without incurring any liability to the affected Vendor or Vendor's or any obligation to inform the vendors of reasons for BTC's action.

2.12 Notification of Outcome and Award

BTC will notify both the successful and the unsuccessful vendors in writing if requested of the outcome. The notification to the successful vendor will constitute the beginning of forming the contract with the successful Vendor.

2.13 Signing of Contract & Performance Security

At the same time as the BTC notifies the successful vendor that its proposal has been accepted. BTC will send the Vendor the contract form. Within 14 days of receipt of the Contract form, the successful Vendor shall sign and date the contract and return it to BTC.

Within 14 days of the notification of award from BTC, the successful bidder shall furnish the performance security deposit to be decided at the time of drawing the contract in accordance with the conditions of Contract, at the same time the Proposal Security Deposit of Rs. 5,00,000/- will be refunded or will be adjusted against the Performance Security Deposit.

2.14 Time lines & Implementation Plan:

- ✓ Vendor in discussions with BTC to provide the initial analysis to provide a detailed Marketing Plan and details of the document for the remote Betting system within 4 week from the date of signing the contract.
- ✓ Vendor to start with their marketing and for smart phone mobile application and internet betting and have it up and running within 8 weeks of the signing of the contract.

2.15 Deliverables at conclusion of the BOT contract:

- ✓ Servers and associated IT infrastructure including transfer of ISP's
- ✓ Customer Base of the Mobile and Internet Betting to the BTC Tote.
- ✓ Share marketing plans and strategies.
- ✓ In respect of Mobile App and Internet Betting System
 - Software Requirements Specifications Document
 - System Design Document
 - Application Source Code
 - Application Executables
 - Application Installation, User Manual, Technical Reference Manual

2.16 BTC Tote Infrastructure, Mobile App and Internet Betting Server:

- ✓ The BTC Tote System servers are hosted in BTC premises.
- ✓ The Mobile App and Internet Betting Server also needs to be hosted within the BTC Premises and web enabled by appropriate redundant Internet services.
- ✓ Currently BTC Tote System Hardware and Application Software are under AMC contract with HP India ltd. Integration of the two systems needs to be achieved in consultation with HP India Ltd.

2.17 Acceptance Criteria & Warranty:

- ✓ BTC will define the acceptance tests specifications for various business functionalities / business modules in reference to smart phone mobile app, Internet betting and integration of the Mobile Betting System with the BTC Tote System.
- ✓ BTC will accommodate repeat tests to ensure adherence to the test specifications.
- ✓ Parallel runs for Business logic verification and acceptance
- ✓ Simulated and mock operations for load and performance evaluation and acceptance
- ✓ Final Acceptance test for commissioning is “Going Live” smart phone mobile and internet betting mock operations for multiple days successfully without any glitches.
- ✓ Vendor shall assure support to HW and Application Software against “Technology Obsolescence” and “ End of Support / Life” for a period of 5 years from the date competition of BOT contract and transfer of asset.
