

RSL VICTORIA

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# Product Services Team

*Expert gaming advice at cost price*

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### **Disclaimer**

This document is commercial in confidence and must remain confidential and remain the property of the Sub-Branch. Must not be disclosed without prior approval of RSL Victoria.

## 1 Introduction/Background

On the 16<sup>th</sup> of August 2022, the gaming services contract with MAX Performance Services (MPS) expires. This coincides with the commencement of the new 10-year gaming entitlement licences.

There was a Gaming Services Transition working party setup under the auspice of the Corporate & Business Services Committee (C&BSC) in early 2018 to explore the commercial options available to the 10A network post 16 August 2022. The intention of this project was to:

***Engage the market; leveraging the potential contracting ability of the Sub-Branch network to elicit the most competitive commercial offers for the Sub-Branch network to consider on an individual basis.***

The Gaming Services Transition working party and the C&BSC identified several operating models as options, the most cost efficient is for Sub-Branches to own and operate their own gaming machines directly and then engage directly with suppliers for other services required.

There was a Request for Information (RFI) and Request for Price (RFP) process conducted and presented to the combined members of the working group and C&BSC. The results of the RFP were presented to each Sub-Branch in 2019 in small forums and individually to each Sub-Branch in 2019/2020. This included a detailed folder with all the results from the process. The RFP process officially ceased after MPS presented their final offer to Sub-Branches at the Combined Forum in August 2020.

RSL Victoria believes it is now in a position to provide unique and focused gaming services advice through an expert inhouse Product Services Team for Sub-Branches post August 2022 and further into the future.

## 2 Why Product Services Team?

RSL Victoria (like Sub-Branched) is a registered charity and has a charitable purpose to provide welfare for veterans and dependents. Having a highly efficient and profitable commercial activity gives RSL Sub-Branched the ability to fulfill and enhance its charitable objects.

The global pandemic has had a marked impact on the hospitality industry in Victoria and this has applied significant pressure on the commercial businesses of RSL Sub-Branched. The need to focus on the core hospitality product and be creative and nimble will be a clear focus in the short-medium term future. Efficiencies will need to be scoped and applied to ensure that margins and profitability are maximised across all food, beverage and gaming offerings.

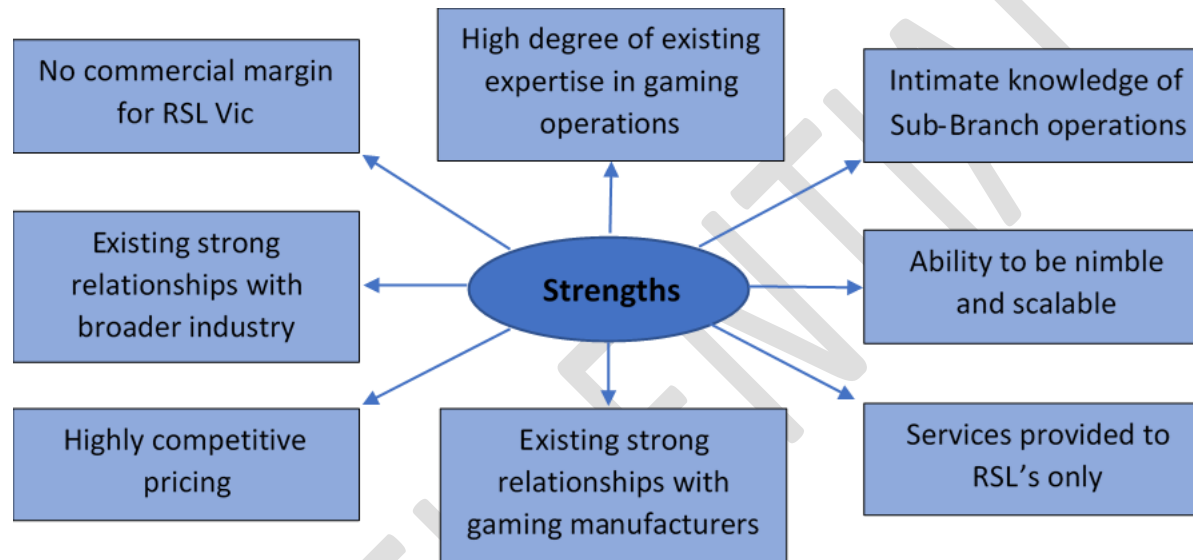
RSL Victoria presently provides services to the 10A Sub-Branch network relating to commercial and general Sub-Branch operations. This includes (amongst other things) gaming advice (over and above what is included in the current TGS contract), purchasing, HR and IR matters, compliance (both commercial and charitable), contracting, building works, marketing and communications, membership and volunteer management.

### ***Objective of a dedicated RSL Product Services Team:***

***To leverage the commercial benefit of the network to achieve competitive pricing and competitive advantage through the provision of high-quality EGM performance analysis and purchasing advice.***

***To partner with Sub-Branched to co-ordinate EGM installs, conversions and internal moves and any refurbishment activities with externals such as VCGLR and Intralot.***

Expanding on existing relationships within the RSL network, the team would meet with the Sub-Branch on a regular basis to ensure a tailored and hands on approach to optimising gaming performance. This service will include suitably qualified industry expertise to assist Sub-Branched with seamless transition in August 2022.



Services provided in-house carry no commercial margin and as such are the most commercially efficient method.

The per machine per day cost will be no higher than \$1.72.

### 3 Commercials and Execution

See below table that outlines the band of EGM's, resources required and per machine per day cost. The fees outlined below will commence on 16<sup>th</sup> August 2022. Pricing is exclusive of GST.

EGM's	PS Mgr	PS BIM	Analyst	Admin	Total FTE	PMPD
600	1.0	1.0	0.0	0.0	2.0	\$ 1.72
700	1.0	1.0	0.4	0.0	2.4	\$ 1.72
800	1.0	1.0	0.8	0.0	2.8	\$ 1.72
900	1.0	1.0	1.0	0.5	3.5	\$ 1.72
1000	1.0	1.0	1.0	1.1	4.1	\$ 1.72
1250	1.0	1.0	1.0	1.2	4.2	\$ 1.42
1500	1.0	1.0	1.0	1.9	4.9	\$ 1.32
1750	1.0	1.0	1.0	2.4	5.4	\$ 1.22
2000	1.0	1.0	1.0	2.4	5.4	\$ 1.07

The Product Services Team will be compromised of the following positions:

- Product Services Manager
- Product Services Business Improvement Manager
- Product Analyst\*
- Product Analyst/Administrator\*

\* *Dependant on the amount of EGM's contracted and the minimum hurdle of 600 EGM's is achieved.*

The below steps through the planned recruitment timeframes in the lead up to transition and establishment of the Product Services Team:

	2022							
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Recruitment of Product Services Manager	█							
Commencement of Product Services Mgr		█						
Recruitment of Product Services BIM		█						
Commencement of Product Services BIM			█					
Recruitment of Product Analyst *				█				
Commencement of Product Analyst *					█			
Recruitment of Product Administrator *						█		
Commencement of Product Administrator *							█	
Transition								█

\* *Dependant on the amount of EGM's contracted and the minimum hurdle of 600 EGM's is achieved.*

## Performance Analysis

Detailed reporting and analysis of gaming floor performance through regular reporting and scheduled meetings with the Product Services team and Sub-Branch management. This provides an opportunity to discuss and provide detailed reports that include the following:

- Venue Monthly Revenue
- YTD Revenue
- LGA Data
- Victorian State Data
- Information on competitors

- Market Share
- Denomination Mix
- Linked and SAP Jackpot Performance
- Manufacturer Mix
- RTP Analysis
- New Game Performance
- Dashboard reporting and analytics (Tableau Style) to provide detailed performance updates and insights

## 4 Purchasing Advice

Group purchasing passed on in full to ensure unbiased and optimal product advice.

- Liaising with gaming manufacturers regarding gaming and associated products
- Up to date technical and regulatory developments
- Product recommendation and purchasing options
- Unbiased recommendations on the best floor mix to maximise performance
- Product selection based on total number of product units in the market, sustainable performance and suitability for the Sub-Branch market profile
- Yearly Product Plan based on CAPEX forecast
- Dedicated, single point of contact who has a deep understanding and knowledge of your business

Being able to act as a group when it comes to purchasing will enable the Product Services Team and the Sub-Branch to achieve special pricing and group purchasing discounts across a wide range of gaming product.



## 5 Product Planning/Deployments

The Product Services Team will assist with annual capital expenditure budgets. Each Sub-Branch approach will be tailored to the needs of the Sub-Branch. This will be reflected in the regularity of product deployments scheduled. Each Sub-Branch will participate in a monthly gaming review meeting which will include review of historical performance and future planning. The service includes an end-to-end service with deployments including IGS scheduling, scheduled works forms, iGem works, jackpot request changes and on-site deployment day coordination.

## 6 Break Fix

The Product Services Team will negotiate a group deal with a gaming machine break fix maintenance operator to achieve a more efficiently priced offer for all contracted Sub-Branches. The benefits will also extend to having the Product Services Team monitoring Service Level Agreements (SLAs), contract management and keeping the providers accountable whilst enhancing the services provided.

## 7 Venue Fit Out and Design

The Product Services Team will be able to assist Sub-Branches with planning and execution of fit out and design. This will be conducted on an as needs basis and Sub-Branches will engage the services directly of contractors as required. The Product Services Team will recommend and introduce industry leading contractors who understand gaming and our Sub-Branches and who have a proven track record of delivering results.

## 8 Managing Transition in 2022

The Product Services Team will have the resources in place to assist Sub-Branches with transition. The Product Services Team will be engaging with gaming machine suppliers prior to transition to explore alternate floor transition options if an outright purchase option is not feasible. These options will include lease, time on floor, finance or outright purchase of machines from manufacturers.

## 9 Contract/Commitment

Pricing exclusive of GST.

The contract term would be 3 years from 16<sup>th</sup> of August 2022.

Pricing will be fixed for the first year of the contract term. CPI will be applied for years two and three of the contract.

Fees would be invoiced on a monthly basis. An invoice with 30 day payment terms will be issued from the RSL Victoria Accounts Department to the Sub-Branch on the 7<sup>th</sup> of each month for the month prior.

A written notice of termination would be required six months prior to the completion of the contract.

New contract terms will be determined six months out from the contract term ending.

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