



Sports Wagering Application Guide
for Class B Operators & Management Service Providers



DSLBD's Scope of Authority:

"a piece of the puzzle"

- The **Office of Lottery and Gaming (OLG)** is the regulatory body over all licensed gaming in the District of Columbia, including sports wagering. OLG regulates 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.
- Under District law, OLG is only permitted to issue an operator or management service provider (MSP) license if the applicant submits and receives approval of a CBE plan from DSLBD.
- The **Department of Small and Local Business Development (DSLBD)** reviews, approves, and monitors CBE plans submitted in conjunction with an operator or MSP's sports wagering application.
- Therefore, it is important for applicants to note that DSLBD's determinations are a "piece of the puzzle" for obtaining a sports wagering license. However, the approval of a CBE plan does not necessitate the approval of a sports wagering license; however, the denial of a CBE Plan will prohibit an applicant from obtaining a SW license.



Operators & Management Service Providers

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.

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.
- 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.

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.



Operator & MSP CBE Application Requirements

- ✓ Operational Budget
- ✓ Capacity Building Plan
- ✓ CBE Utilization Plan
- ✓ Auditor's Report
- ✓ Waiver Request*



*An Applicant may submit a request to waive part or all of the 35% CBE requirements if it can clearly demonstrate that it cannot expend at least 35% of its operating budget with CBEs. If a waiver request is sought, it must accompany an applicant's application.

The CBE contracting requirement may *only be* waived through the Director of Department of Small and Local Business Development (DSLBD).



Operational Budget

- An **Operating Budget** is a breakdown of all estimated revenues and expenses generated from the operations of a Sports Wagering Facility, or where wagering occurs in connection with a Sports Wagering License.
- This document serves as the financial plan for a sports wagering licensee. It is a breakdown of annual expenses targeting a goal of **35% SBE spend**. In developing the budget, factors such as non-sub contractible expenditures will be considered.
- All applicants, **whether a CBE or not**, are required to submit an operational budget. In evaluating the budget, factors such as non-contractible expenditures will be considered for exclusion.



Operational Budget Expenses to Consider



What should be included in the Capacity Building Plan?

A CBE capacity building plan that includes:

1. A detailed description of how the Applicant will operate and manage Sports Wagering activities for each year of the licensing period, increase contracting with CBEs for both professional and non-professional services;
2. A detailed description of how the Applicant will develop the capacity of SBEs and SBE-eligible firms to become Sports Wagering Operators and Management Service Providers; and
3. A detailed description of how the Applicant will develop the capacity of SBEs and SBE-eligible firms to become equity partners in the various Sports Wagering licensed operations.
4. For MSPs, the Plan should reflect capacity building within a year. For Operators, the capacity building plan should reflect capacity building within five years.



Potential Areas of Capacity Building

Developing strategies with DSLBD to facilitate increased SBE participation

Conducting bi-annual seminars for SBEs on how to do business with established sports wagering operators

Maintaining instructions on how to bid on upcoming and current contracting and procurement opportunities

Posting the relevant or applicable National Institute of Government Purchasing codes to the Office's and DSLBD's websites

Sending new procurement opportunity alerts to SBEs, electronically

Participating in small business forums, workshops, and trainings sponsored by DSLBD

Partnering with DSLBD to invite potential bidders to pre-bid conferences for sports wagering related contract or procurement

Developing an annual plan regarding the utilization of qualified SBEs



Waiver Request



- An Applicant may submit a waiver request if it is determined that the 35% CBE requirement cannot be met. Subcontracting requirements may only be waived through the Department of Small and Local Business Development (DSLBD).
- The Office of Lottery and Gaming on behalf of an Applicant will submit a waiver request with an Applicant's CBE Plan.



CBE Utilization Plan & Auditors Report

CBE Utilization Plan

- A CBE Plan demonstrates how the applicant will meet the 35% CBE contracting or subcontracting requirement of the Applicant's Operating Budget.

Auditor's Report

- The Applicant must submit a copy of the Auditor's report in order for a CBE packet to be considered complete. This is found in the Applicant's initial application with the Office of Lottery and Gaming.



How & Where to Submit Documents?

Steps to Submitting Application

1. Sports Wagering Operator License (Class A and Class B) or Management Services Provider Applicant (Applicant) initiates a licensing application.
2. Applicants are required to download a CBE Packet from the OLG website.
3. Applicants are required to submit a completed CBE Packet along with its application to OLG in person, by email, or by mail:

Email: swcbeplan@dc.gov

In Person: **Office of Lottery and Gaming**
Sports Wagering Regulation and Oversight Division
Ask for: Executive Office
2235 Shannon Place, SE
Washington, DC 20020

Mail: **Office of Lottery and Gaming**
Sports Wagering Regulation and Oversight Division
Attention: Executive Office
2235 Shannon Place, SE
Washington, DC 20020

