

CHAPTER 16 - GAMING MACHINES

[Please note that, in Feb 10, the MOD gave NAAFI the required notice (12 months) of its withdrawal from the GB Gaming SLA mentioned below. From Feb 11 onwards, the single Services and PJHQ will be able to consider gaming through NAAFI in the future, but supplier decisions will be able to be made on an individual value for money basis. The guidance below therefore applies until that date].

1601. **Introduction.** NAAFI is to be the provider of gaming and entertainment machines (hereinafter referred to as 'Machines') at MOD establishments in GB except where exemptions have been granted prior to the SLA or where additional exemptions have been granted by CD (C&C). A Service Level Agreement (SLA) has been entered into in good faith by both Parties (NAAFI and MoD). This SLA (Ref 2006DIN02-072) will initially remain in force for a period of 2 years. It may be terminated by either party giving 12 months notice of its intention to withdraw from it. This SLA only applies to GB. Other locations are to make arrangements in accordance with local legislation.

1602. **Management and Maintenance.** Where requested to do so, NAAFI will provide, manage and maintain Machines on Military Units in GB. They may also include SNCOs' and Officers' Messes at the discretion of the CO. The numbers and types of Machines to be provided at each Location will be agreed between NAAFI and the local MAC Contractor, and approved by the CO.

1603. NAAFI will ensure that machines at every site are replaced with new ones on a rolling basis in order to maximise receipts, to keep abreast of technological developments and to minimise the possibility of recurring breakdown. NAAFI Account Managers will make a minimum of 6 visits to each site per annum. A formal report and action plan will be forwarded to the local MAC contractor and the CO or his authorised representative following each visit.

1604. NAAFI will ensure availability of an engineering/repair service between 0900 hrs and 2200 hrs 364 days per annum (Christmas day exempt). The average period between receipt of a request for assistance and check-in at the site by an engineer will not normally exceed 2 hours. The Parties will work together and NAAFI will work with the local MAC Contractor to ensure that the Services are maintained in accordance both with this SLA and the requirement that the provision of the services overall must be both cost effective and efficient.

1605. **Customer/Supplier Relationship.** NAAFI will work with the Armed Forces to establish a customer/supplier relationship with the local CO (or his authorised representative) to monitor service delivery. If the local CO or NAAFI considers that there has been a breach of the SLA, then either party may refer to the clause entitled 'Dispute Resolution' contained in the SLA. Nothing in this SLA will prevent the local MAC Contractor from providing internet cafes, but MoD will undertake that MAC contractors do not provide machines at any location at which NAAFI has been invited to provide them.

1606. **Cost and Management Fee.** NAAFI Cost and Management Fee (which excludes rental charge) will be levied on each machine. The Cost and Management Fee will cover sundries, licence fees and any other charges incurred by NAAFI in providing the Machines. It will be retained by NAAFI from monies collected from the machines. Income remaining after deduction of the NAAFI Cost and Management Fee and the appropriate machine rental charge will be distributed as follows:

- a. 25% will be paid to the MAC contractor at the Unit.
- b. 75% will be paid to MoD as non-public funds. For each Location this payment will be made by NAAFI to the fund nominated by that site.

1607. Exceptions to this distribution are detailed in 2006 DIN02-072. Payments will be made at intervals in accordance with NAAFI's accounting periods and no later than one month after the end of each accounting period.

1608. **Cash Floats.** NAAFI will be responsible for the provision of the initial cash float as and when a new machine is installed. NAAFI will recoup this float from subsequent collections, and will thus have first claim to the income of the machine before any further distribution of share between the MAC contractor and MoD.

1609. **Monthly Management Information.** NAAFI will provide to the Service Representatives¹, without prejudice, monthly management information on a machine-by-machine basis, grouped by site, as an audit trail to support the make-up of the income distribution and to enable continued cost-effectiveness to be monitored.

1610. **Responsibility for Cash.** Responsibility for cash inside any machine rests with the MoD and the relevant contractor (as appropriate) until such time as NAAFI signs for cash on collection. If any cash is stolen the loss will be borne in the proportion that the cash would have been split between the unit and the contractor. NAAFI shall retain the right to charge a management fee for any machine incurring such a loss.

1611. **Queries.** Queries relating to the operation of this SLA and gaming machine policy should be addressed in the first instance to CD (C&C) and/or the Service Representatives.

1612 -1699. Reserved.

¹ Each Service has a senior Representative based at NAAFI HQ (Amesbury)
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