



AMENDMENT NO. 11
to the
CONTRACT FOR INSTANT TICKET MANUFACTURING AND SERVICES
between the
TEXAS LOTTERY COMMISSION
and
POLLARD BANKNOTE LIMITED

WHEREAS, the Texas Lottery Commission (the "Commission" or "Texas Lottery") and Pollard Banknote Limited ("the Contractor") (collectively, "the Parties") entered into a contract for Instant Ticket Manufacturing and Services with an effective date of September 1, 2012, as amended by Amendment No. 1 effective March 22, 2013, Amendment No. 2 effective November 20, 2014, Amendment No. 3 effective March 5, 2015, Amendment No. 4 effective September 15, 2015, Amendment No. 5 effective March 22, 2016, Amendment No. 6 effective August 18, 2016, Amendment No. 7 effective June 8, 2017, Amendment No. 8 effective January 31, 2018, Amendment No. 9 effective August 27, 2018, and Amendment No. 10 effective January 28, 2019 (collectively, the "Contract");

WHEREAS, pursuant to Section IV of the Contract, the Parties may by mutual agreement modify the scope, personnel and prices set forth in the Contract; and

NOW, THEREFORE, pursuant to Section IV of the Contract, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree to amend the Contract as follows:

1. Attachment A to this Amendment No. 11 supersedes and replaces Contractor's Revised Sealed Cost Proposal in Amendment No. 10, and shall apply during the Contract term and any renewal period. Attachment A is incorporated by reference and expressly made a part of this Amendment No. 11 and the Contract.
2. Except as amended hereby, all of the terms of the Contract remain in full force and effect. All capitalized terms not specifically defined herein shall have the meaning assigned to such terms in the Contract.
3. This Amendment shall be effective upon execution by both parties.

TEXAS LOTTERY COMMISSION

By: _____

Gary Grief
GARY GRIEF
EXECUTIVE DIRECTOR

5/2/19

(Date)

POLLARD BANKNOTE LIMITED

By: _____

Douglas E. Pollard
(Signature)

Douglas E. Pollard
(Printed Name)

Co-Chief Executive Officer
(Title)

April 24, 2019
(Date)

Pollard Banknote

ATTACHMENT A to Amendment No. 11 **REVISED SEALED COST PROPOSAL**

NOTE TO ALL PROSPECTIVE PROPOSERS: THE COST PROPOSAL MUST BE SUBMITTED IN A SEPARATE SEALED ENVELOPE AS AN ATTACHMENT TO THE ORIGINAL PROPOSAL.

Payment will be based on cost per thousand tickets manufactured.

Options

As part of the base cost (price per thousand tickets) submitted by a Proposer, all items represented in the Proposal must be provided unless specifically identified as Invited, Offered or Specified Options. Any such options must be specifically detailed in the Proposal.

If the services represented in the Proposal are not clearly indicated as Invited, Offered or Specified Options, the cost for such services is included in the base price.

Offering a required item as an option may be cause for rejection of the Proposal.

Evaluation of the Cost Proposal

For purposes of evaluation and comparison, all cost cells for the Base Price and the following four Specified Options (Full UV Coating, Dual Color Imaging, Metallic Ink and Fluorescent Ink) will be evaluated. While all cost cells will be evaluated, some may have greater weight.

Common Price

The Texas Lottery's objective is to maximize revenue to the State of Texas through the selection of industry best games and those consistent with the Texas Lottery's current product mix and instant ticket strategy. The Texas Lottery evaluates games based on a variety of criteria including, but not limited to, sales performance, ticket theme, play style, planned start date and overall fit within the overall instant game portfolio. Using these criteria and others, the Texas Lottery also includes branded, proprietary or licensed games which it believes present the best opportunity for maximizing ticket sales and generating revenues for the State.

In working toward its objective to maximize revenue to the State of Texas through the selection of industry best games and those consistent with the Texas Lottery's current product mix and instant ticket strategy, the Texas Lottery believes that utilizing multiple vendors for instant ticket manufacturing and services promotes competition, optimizes vendor performance and enhances business resumption capabilities.

The Texas Lottery desires to select multiple Successful Proposers that demonstrate superior technical quality and service and that offer competitive pricing.

The Texas Lottery, through negotiations with all Apparent Successful Proposers, desires to establish common prices for the goods/services included in the Base Price and four specified options (Full UV Coating, Dual Color Imaging, Metallic Ink and Fluorescent Ink).

As an incentive to accept the common prices established by the Texas Lottery and at the agency's sole discretion, Successful Proposers may be offered an opportunity to produce a comparable number of games for a set period (as determined by the Texas Lottery in its sole discretion) following Contract Award. The Texas Lottery, in its sole discretion, will determine the quantity and volume of ticket production awarded to each Successful Proposer and expressly reserves the right to decrease or increase game orders consistent with the considerations in section 1.1.7, together with other factors including, but not limited to, technical quality and customer service.

Base Price

Each Proposer should complete the following matrix utilizing cost per thousand tickets and provide pricing information for each quantity and actual ticket size printed on the identified ticket stock. Prices must be proposed to two (2) decimal places (example: \$6.60/thousand). Base price includes any and all requirements, goods and services described in this RFP that are not Invited, Offered or Specified Options as referenced in this RFP. Specifically, base price shall include insertion of 4 " X 4 " POS cards in each pack, four color processing, expanded imaging and any additional spot colors required to produce the game tickets as represented in the executed working papers.

Table 1: 10 Point Virgin/Recyclable - Coated Two Sides

NOTE: Use the format provided on the attached Table for your response.

NOTE: INTERMEDIATE QUANTITIES WILL BE DETERMINED BY INTERPOLATION

Pollard Banknote
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Table 1A - 10 Point Virgin/Recyclable-Coated Two Sides

Ticket Size	<u>A</u>			<u>B</u>				<u>C</u>				<u>D</u>			
	2.4" x 4"			4" x 4"				6" x 4"				8" x 4"			
Pack Size	250	150	100	250	150	125	100	150	125	100	75	125	75	50	25
Qty (000's)															
20															
120		\$173.93	\$174.27			\$178.47	\$178.67								
240		\$90.60	\$90.93			\$95.13	\$95.33								
360		\$62.82	\$63.16			\$67.36	\$67.56								
480		\$48.93	\$49.27			\$53.47	\$53.67								
600		\$40.60	\$40.93			\$45.13	\$45.33								
720		\$35.04	\$35.38			\$39.58	\$39.78								
840		\$31.08	\$31.41			\$35.61	\$35.81								
960		\$28.10	\$28.43			\$32.63	\$32.83								
1,000	\$27.00	\$27.27	\$27.60	\$31.40	\$31.67	\$31.80	\$32.00	\$36.42	\$36.55	\$36.75	\$37.08	\$41.80	\$42.33	\$43.00	\$45.00
2,000	\$17.00	\$17.27	\$17.60	\$21.40	\$21.67	\$21.80	\$22.00	\$26.42	\$26.55	\$26.75	\$27.08	\$31.80	\$32.33	\$33.00	\$35.00
3,000	\$13.67	\$13.93	\$14.27	\$18.07	\$18.33	\$18.47	\$18.67	\$23.08	\$23.22	\$23.42	\$23.75	\$28.47	\$29.00	\$29.67	\$31.67
4,000	\$12.00	\$12.27	\$12.60	\$16.40	\$16.67	\$16.80	\$17.00	\$21.42	\$21.55	\$21.75	\$22.08	\$26.80	\$27.33	\$28.00	\$30.00
5,000	\$11.00	\$11.27	\$11.60	\$15.40	\$15.67	\$15.80	\$16.00	\$20.42	\$20.55	\$20.75	\$21.08	\$25.80	\$26.33	\$27.00	\$29.00
6,000	\$10.33	\$10.60	\$10.93	\$14.73	\$15.00	\$15.46	\$15.66	\$19.75	\$19.88	\$20.08	\$20.17	\$22.53	\$23.07	\$26.33	\$28.33
7,000	\$9.86	\$10.12	\$10.46	\$14.26	\$14.52	\$14.64	\$14.69	\$19.27	\$19.41	\$19.61	\$19.69	\$22.06	\$22.59	\$25.86	\$27.86
8,000	\$9.50	\$9.77	\$10.10	\$13.90	\$14.17	\$14.15	\$14.33	\$18.92	\$19.05	\$19.25	\$19.58	\$21.70	\$22.22	\$25.50	\$27.50
9,000	\$9.22	\$9.49	\$9.71	\$13.62	\$13.89	\$13.72	\$13.92	\$18.64	\$18.77	\$18.97	\$19.31	\$21.42	\$21.96	\$25.22	\$27.22
10,000	\$9.00	\$9.26	\$9.49	\$13.40	\$13.67	\$13.80	\$14.00	\$18.42	\$18.55	\$18.75	\$19.08	\$21.20	\$21.73	\$25.00	\$27.00
12,000	\$8.67	\$8.74	\$9.16	\$13.07	\$13.33	\$13.47	\$13.67	\$18.08	\$18.22	\$18.42	\$18.75	\$20.87	\$21.40	\$24.67	\$26.67
15,000	\$8.33	\$8.60	\$8.83	\$12.73	\$13.00	\$13.13	\$13.33	\$17.75	\$17.88	\$18.08	\$18.42	\$20.19	\$21.08	\$24.33	\$26.33
20,000	\$8.00	\$8.27	\$8.50	\$12.40	\$12.67	\$12.80	\$13.00	\$17.42	\$17.55	\$17.75	\$18.08	\$19.55	\$20.73	\$24.00	\$26.00
30,000	\$7.67	\$7.31	\$8.17	\$10.97	\$11.05	\$11.12	\$12.29	\$15.13	\$15.27	\$15.47	\$16.63	\$19.20	\$20.40	\$23.67	\$25.67
50,000	\$7.40	\$7.67	\$8.00	\$10.70	\$10.79	\$10.91	\$12.09	\$14.87	\$15.00	\$15.20	\$16.34	\$19.60	\$20.13	\$23.40	\$25.40
75,000	\$7.27	\$7.53	\$7.87	\$10.57	\$10.65	\$10.78	\$10.98	\$14.73	\$14.87	\$15.07	\$15.40	\$19.47	\$20.00	\$23.27	\$25.27
100,000	\$7.20	\$7.47	\$7.80	\$10.50	\$10.59	\$10.71	\$10.91	\$14.67	\$14.80	\$15.00	\$15.33	\$19.40	\$19.93	\$23.20	\$25.20

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Table 1B - 10 Point Virgin/Recyclable-Coated Two Sides

Ticket Size	<u>E</u>				<u>F</u>				<u>G</u>			<u>H</u>	
	10" x 4"				12" x 4"				14" x 4"			6" x 8"	
Pack Size	75	50	25	20	75	50	25	20	50	25	20	20	10
Qty (000's)													
1,000	\$47.58	\$48.25	\$50.25	\$51.25	\$52.83	\$53.50	\$55.50	\$56.50	\$60.15	\$62.15	\$63.15	\$56.50	\$61.50
2,000	\$37.58	\$38.25	\$40.25	\$41.25	\$42.83	\$43.50	\$45.50	\$46.50	\$50.15	\$52.15	\$53.15	\$46.50	\$51.50
3,000	\$34.25	\$34.85	\$36.92	\$37.92	\$39.50	\$40.17	\$42.17	\$42.66	\$46.82	\$48.82	\$49.82	\$43.17	\$48.17
4,000	\$31.83	\$32.16	\$35.25	\$36.25	\$37.83	\$38.50	\$39.95	\$40.00	\$45.15	\$47.15	\$48.15	\$41.50	\$46.50
5,000	\$31.03	\$31.36	\$34.25	\$35.25	\$36.83	\$37.50	\$39.50	\$39.95	\$44.15	\$46.15	\$47.15	\$40.50	\$45.50
6,000	\$29.77	\$30.10	\$33.58	\$34.58	\$36.17	\$36.83	\$38.83	\$39.83	\$43.48	\$45.48	\$46.48	\$39.83	\$44.83
7,000	\$30.44	\$31.11	\$33.11	\$34.11	\$35.69	\$36.36	\$38.36	\$39.36	\$43.01	\$45.01	\$46.01	\$39.36	\$44.36
8,000	\$30.08	\$30.75	\$32.75	\$33.75	\$35.33	\$36.00	\$38.00	\$39.00	\$42.65	\$44.65	\$45.65	\$39.00	\$44.00
9,000	\$29.81	\$30.47	\$32.47	\$33.47	\$35.06	\$35.72	\$37.72	\$38.72	\$42.37	\$44.37	\$45.37	\$38.72	\$43.72
10,000	\$29.58	\$30.25	\$32.25	\$33.25	\$34.83	\$35.50	\$37.50	\$38.50	\$42.15	\$44.15	\$45.15	\$38.50	\$43.50
12,000	\$27.08	\$27.42	\$31.92	\$32.92	\$34.50	\$35.17	\$37.17	\$38.17	\$41.82	\$43.82	\$44.82	\$38.17	\$43.17
15,000	\$26.75	\$27.08	\$31.58	\$32.58	\$34.17	\$34.83	\$36.83	\$37.83	\$41.48	\$43.48	\$44.48	\$37.83	\$42.83
20,000	\$26.72	\$27.05	\$31.25	\$32.25	\$33.83	\$34.50	\$36.50	\$37.50	\$41.15	\$43.15	\$44.15	\$37.50	\$42.50
30,000	\$26.66	\$26.99	\$27.67	\$31.92	\$33.50	\$34.17	\$36.17	\$37.17	\$40.82	\$42.82	\$43.82	\$37.17	\$42.17
50,000	\$26.52	\$26.85	\$27.40	\$31.65	\$33.23	\$33.90	\$35.90	\$36.90	\$40.55	\$42.55	\$43.55	\$36.90	\$41.90
75,000	\$26.38	\$26.72	\$27.27	\$31.52	\$33.10	\$33.77	\$35.77	\$36.77	\$40.42	\$42.42	\$43.42	\$36.77	\$41.77
100,000	\$26.32	\$26.65	\$27.20	\$31.45	\$33.03	\$33.70	\$35.70	\$36.70	\$40.35	\$42.35	\$43.35	\$36.70	\$41.70

NOTE: INTERMEDIATE QUANTITIES WILL BE DETERMINED BY INTERPOLATION

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Table 1C - 10 Point Virgin/Recyclable-Coated Two Sides

Ticket Size	<u>I</u>					<u>J</u>					<u>K</u>					<u>L</u>				
	8" x 8"					10" x 8"					11" x 8"					12" x 8"				
Pack Size	75	50	25	20	10	75	50	25	20	10	75	50	25	20	10	75	50	25	20	10
Qty (000's)																				
1,000	\$65.33	\$66.00	\$68.00	\$69.00	\$74.00	\$76.33	\$77.00	\$79.00	\$80.00	\$85.00	\$81.83	\$82.50	\$84.50	\$85.50	\$90.50	\$87.33	\$88.00	\$90.00	\$91.00	\$96.00
2,000	\$55.33	\$56.00	\$58.00	\$59.00	\$64.00	\$66.33	\$67.00	\$69.00	\$70.00	\$75.00	\$71.83	\$72.50	\$74.50	\$75.50	\$80.50	\$77.33	\$78.00	\$80.00	\$81.00	\$86.00
3,000	\$52.00	\$52.67	\$54.67	\$55.67	\$60.67	\$63.00	\$63.67	\$65.67	\$66.67	\$71.67	\$68.50	\$69.17	\$71.17	\$72.17	\$77.17	\$74.00	\$74.67	\$76.67	\$77.67	\$82.67
4,000	\$50.33	\$51.00	\$53.00	\$54.00	\$59.00	\$61.33	\$62.00	\$64.00	\$65.00	\$70.00	\$66.83	\$67.50	\$69.50	\$70.50	\$75.50	\$72.33	\$73.00	\$75.00	\$76.00	\$81.00
5,000	\$47.75	\$48.08	\$52.00	\$53.00	\$58.00	\$58.31	\$58.64	\$63.00	\$64.00	\$69.00	\$63.37	\$63.70	\$68.50	\$69.50	\$74.50	\$68.44	\$68.77	\$73.95	\$75.00	\$80.00
6,000	\$45.40	\$45.73	\$50.34	\$52.33	\$57.33	\$55.62	\$55.95	\$60.84	\$63.28	\$68.33	\$60.73	\$61.06	\$66.09	\$68.55	\$73.83	\$65.84	\$66.17	\$71.35	\$73.82	\$79.33
7,000	\$44.58	\$44.91	\$49.53	\$51.82	\$56.86	\$54.69	\$55.02	\$59.91	\$62.36	\$67.86	\$59.75	\$60.08	\$65.11	\$67.57	\$73.36	\$64.80	\$65.13	\$70.31	\$72.79	\$78.86
8,000	\$44.30	\$44.63	\$49.25	\$51.50	\$56.50	\$54.41	\$54.74	\$59.63	\$62.08	\$67.50	\$59.33	\$59.66	\$64.69	\$67.15	\$73.00	\$64.24	\$64.57	\$69.75	\$72.23	\$78.50
9,000	\$43.65	\$43.98	\$48.60	\$50.89	\$56.22	\$53.66	\$53.99	\$58.88	\$61.32	\$67.22	\$58.54	\$58.87	\$63.90	\$66.36	\$72.72	\$63.42	\$63.75	\$68.92	\$71.40	\$78.22
10,000	\$43.05	\$43.38	\$47.99	\$50.29	\$56.00	\$53.00	\$53.33	\$58.22	\$60.67	\$67.00	\$57.87	\$58.20	\$63.23	\$65.69	\$72.50	\$62.73	\$63.06	\$68.24	\$70.72	\$78.00
12,000	\$42.43	\$42.76	\$47.38	\$49.67	\$55.67	\$52.33	\$52.66	\$57.55	\$60.00	\$66.67	\$57.28	\$57.61	\$62.65	\$65.11	\$72.17	\$62.23	\$62.56	\$67.74	\$70.22	\$77.67
15,000	\$46.67	\$47.33	\$49.33	\$50.33	\$55.33	\$57.67	\$58.33	\$60.33	\$61.33	\$66.33	\$63.17	\$63.83	\$65.83	\$66.83	\$71.83	\$68.67	\$69.33	\$71.33	\$72.33	\$77.33
20,000	\$46.33	\$47.00	\$49.00	\$50.00	\$55.00	\$57.33	\$58.00	\$60.00	\$61.00	\$66.00	\$62.83	\$63.50	\$65.50	\$66.50	\$71.50	\$68.33	\$69.00	\$71.00	\$72.00	\$77.00
30,000	\$46.00	\$46.67	\$48.67	\$49.67	\$54.67	\$57.00	\$57.67	\$59.67	\$60.67	\$65.67	\$62.50	\$63.17	\$65.17	\$66.17	\$71.17	\$68.00	\$68.67	\$70.67	\$71.67	\$76.67
50,000	\$45.73	\$46.40	\$48.40	\$49.40	\$54.40	\$56.73	\$57.40	\$59.40	\$60.40	\$65.40	\$62.23	\$62.90	\$64.90	\$65.90	\$70.90	\$67.73	\$68.40	\$70.40	\$71.40	\$76.40
75,000	\$45.60	\$46.27	\$48.27	\$49.27	\$54.27	\$56.60	\$57.27	\$59.27	\$60.27	\$65.27	\$62.10	\$62.77	\$64.77	\$65.77	\$70.77	\$67.60	\$68.27	\$70.27	\$71.27	\$76.27
100,000	\$45.53	\$46.20	\$48.20	\$49.20	\$54.20	\$56.53	\$57.20	\$59.20	\$60.20	\$65.20	\$62.03	\$62.70	\$64.70	\$65.70	\$70.70	\$67.53	\$68.20	\$70.20	\$71.20	\$76.20

NOTE: INTERMEDIATE QUANTITIES WILL BE DETERMINED BY INTERPOLATION

In addition, Proposers shall show the cost breakdown of the following line items that are included in the base costs.

1. 4 color processing Per square inch \$0.02 per square inch
2. Expanded imaging Per square inch \$ No Cost
3. Additional spot colors Per color per square inch \$ No Cost
4. Includes 4x4 card insertion in each pack
 - a. Price Per Pack for insertion of ITVM card \$0.01 per pack
 - b. Price Per Pack for printing of ITVM card (4/4 printing, 10pt card) \$0.02 per pack

SPECIFIED OPTIONS

Prospective Proposers are required to submit specifications and pricing for the following options.

Each Proposer should indicate the additional cost per thousand (1,000) tickets for the options listed below.

Specified Options to be negotiated to establish a common price:

1. Cost per thousand tickets for fluorescent inks (other than required by fluorescent benday)
Per color per square inch \$ Add \$0.0665 per square inch per color
2. Cost per thousand tickets for metallic inks
Per color per square inch \$ Add \$0.0665 per square inch per color
3. Cost per thousand tickets for dual color game data imaging
Per color per square inch \$ 0.24 per square inch per color
4. Cost per thousand tickets for full ultraviolet coating in display area
Per color per square inch \$ Add \$0.076 per square inch per color

Other Specified Options:

1. Cost per thousand tickets for any reduction for colors less than ten (10).

Price decrease per color \$ 0.0525

2. Cost per thousand tickets for multiple scenes or continuous scene game

\$ Add \$0.1425

3. Cost per thousand tickets for color pulsing - color changes within a press run.

Per color pulse \$ Add \$0.39584 per color pulse

4. Cost per thousand tickets for marking process other than full opaque security coating covering.

Per square inch \$ Add \$0.06650 per square inch per color

5. Cost for cylinder or plate change before or during production

\$ Add \$1425 per cylinder change or plate change that results in a press stoppage

6. Cost per thousand tickets difference for multiple games across the web

\$ Deduct \$2,100 lump sum for each additional game printed across the web.
Working papers must be signed-off at the same time as the initial game for
the multiple games across the web credit to apply.

7. Price per square inch for foil ticket stock

Per square inch \$ Add \$0.2375 per square inch of ticket

8. Price per square inch for holographic ticket stock

Per square inch \$ 1.50 per square inch of ticket

9. Hole drilling

Per 1,000 tickets \$ Add \$250 per 1,000 tickets

Test Games

Hourly rate for software programming test games \$ Add \$150 per hour.

Bar Coded Coupons

Each coupon must have a unique bar code that meets the validation specifications as outlined in this RFP.

Direct Mail Bar Coded Coupons

Self-Mailer:

Cost to produce bar coded direct mail pieces of multiple finished and folded sizes (8 ½" x 14" flat and below), on various paper types (110# card stock and below) with 4-color process printing on both sides, full bleeds ink coverage and various perforations for coupons (up to 4 coupons attached to self-mailer). An example of size, finish and paper is 100# uncoated or coated on an 8 ½" x 11" sheet with two or three folds. The mailer will be a self-mailer. Perforations would allow for four (4) or fewer unique, bar-coded coupons. The printing, handling and application of the mailing addresses shall be the responsibility of the Successful Proposer

1. Cost per thousand for 250,000 self-mailer pieces w/coupons \$110,250 per promotion
2. Cost per thousand for 500,000 self-mailer pieces w/coupons \$140,625 per promotion
3. Cost per thousand for 1 million self-mailer pieces w/coupons \$195,000 per promotion
4. Cost per thousand for 1.5 million self-mailer pieces w/coupons \$258,000 per promotion
5. Cost per thousand for 2 million self-mailer pieces w/coupons \$318,000 per promotion

Electronic Coupons:

Cost to develop bar-coded, web-based or mobile app based electronic coupons that interact with the validation equipment used by the Texas Lottery. Each coupon must have a bar code that meets the validation specifications outlined in this RFP. Limited time vouchers and single-use, unique coupons are necessary. Both types of coupons will have bar codes, and must be able to be presented on both the Internet via a web page, through a mobile app or through email messages. Where applicable, costs should include any fees for programming for distribution/dissemination of e-coupons via the Texas Lottery website or email to provide unique bar codes for each contact or visitor.

Cost to create and distribute multi-use, limited-time offer e-coupons \$ 10,000 per promotion
(single bar code per offer, not unique bar codes per recipient)

1. Cost per thousand for unique, single-use e-coupons for 100,000 \$ 140.00 per 1,000 coupons
2. Cost per thousand for unique, single-use e-coupons for 250,000 \$ 56.00 per 1,000 coupons
3. Cost per thousand for unique, single-use e-coupons for 500,000 \$ 28.00 per 1,000 coupons
4. Cost per thousand for unique, single-use e-coupons for 1,000,000 \$ 14.00 per 1,000 coupons
5. Cost per thousand for unique, single-use e-coupons for 2,000,000 \$ 7.00 per 1,000 coupons

Hand Out Coupons - Cost to produce bar coded coupon insert as noted below:

- Size: Approximately 8.5” x 3.5”, bleed design
- Paper: 70lb Pollard Banknote Integrity stock or 100lb matte card stock
- Colors:
 - 4c process front, unprinted back (Option A)
 - 4c process front, 1c back (Option B)
 - 4c process front, 4c back (Option C)
- Imaging: Image bar code on front in black ink
- Finishing: Padded & glued in pads of 125. (Pad on 8.5in. edge)
- Freight is extra per actual freight invoice.

Prices per 1,000 individual coupons	Option A	Option B	Option C
5,000 coupons = 40 pads of 125	\$30,075	\$30,081	\$30,100
10,000 coupons = 80 pads of 125	\$30,150	\$30,163	\$30,200
20,000 coupons = 160 pads of 125	\$30,300	\$30,325	\$30,401
30,000 coupons = 240 pads of 125	\$30,450	\$30,488	\$30,601
50,000 coupons = 400 pads of 125	\$30,750	\$30,813	\$31,002
100,000 coupons = 800 pads of 125	\$31,500	\$31,626	\$32,004
125,000 coupons = 1,000 pads of 125	\$31,875	\$32,033	\$32,505
250,000 coupons = 2,000 pads of 125	\$33,750	\$34,065	\$35,010
500,000 coupons = 4,000 pads of 125	\$37,500	\$38,130	\$40,020
1,000,000 coupons = 8,000 pads of 125	\$45,000	\$46,260	\$50,040

Branded, Proprietary and Licensed Games, and Non-Licensed Games with Experiential or Merchandise Prizes

Licensed Properties Pricing

All Licensed Properties Pricing is provided in addition to contract base price.

Exclusive Licensed Properties Pricing

Tier 1	Price in addition to contract base price				
	Option 1A - Standard	*Option 1B Standard	Option 2A Standard	*Option 2B Standard	*Option 3 Premium
	Not Including Printing Costs ¹	Including Printing Costs ²	Not Including Printing Costs ¹	Including Printing Costs ²	Including Printing Costs ²
It's a Wonderful Life	n/a	n/a	1.5% of sales	2.35% of sales	2.35% of sales and 4% merchandise allocation as a % of prize fund
Star Trek	8% merchandise allocation as a % of prize fund	10% merchandise allocation as a % of prize fund	1.5% of sales	2.35% of sales	2.35% of sales and 4% merchandise allocation as a % of prize fund
Tetris	8% merchandise allocation as a % of prize fund	10% merchandise allocation as a % of prize fund	1.5% of sales	2.35% of sales	2.35% of sales and 4% merchandise allocation as a % of prize fund
Frogger	n/a	n/a	1.5% of sales	2.35% of sales	2.35% of sales and 4% merchandise allocation as a % of prize fund

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Nascar	8% merchandise allocation as a % of prize fund	10% merchandise allocation as a % of prize fund	1.5% of sales	2.35% of sales	2.35% of sales and 4% merchandise allocation as a % of prize fund
Pac Man	8% merchandise allocation as a % of prize fund	10% merchandise allocation as a % of prize fund	1.5% of sales	2.35% of sales	2.35% of sales and 4% merchandise allocation as a % of prize fund
Ms. Pac Man	8% merchandise allocation as a % of prize fund	10% merchandise allocation as a % of prize fund	1.5% of sales	2.35% of sales	2.35% of sales and 4% merchandise allocation as a % of prize fund
Rubik's Cube	8% merchandise allocation as a % of prize fund	10% merchandise allocation as a % of prize fund	1.5% of sales	2.35% of sales	2.35% of sales and 4% merchandise allocation as a % of prize fund
BOO The World's Cutest Dog	n/a	n/a	1.5% of sales	2.35% of sales	2.35% of sales and 4% merchandise allocation as a % of prize fund
Corvette	8% merchandise allocation as a % of prize fund	10% merchandise allocation as a % of prize fund	1.5% of sales	2.35% of sales	2.35% of sales and 4% merchandise allocation as a % of prize fund
Awkward Family Photos	n/a	n/a	1.5% of sales	2.35% of sales	2.35% of sales and 4% merchandise allocation as a % of prize fund
Zoltar	n/a	n/a	1.5% of sales	2.35% of sales	2.35% of sales and 4% merchandise allocation as a % of prize fund

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Cookie Jam	n/a	n/a	1.5% of sales	2.35% of sales	2.35% of sales and 4% merchandise allocation as a % of prize fund
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* Option 1 B, Option 2B and Option 3 will be as per the standard printing specifications as specified in the Contract for Texas Lottery Instant Tickets and Services, excluding the following options which if used will be charged in addition to the % referenced in the table above:

Foil stock, holographic stock, dual color imaging, metallic inks, die cut tickets, Scratch FX TM, and Reflexions TM
Option 1B, Option 2B and Option 3 also assumes the Texas Lottery will print games that are consistent in ticket size to current non-licensed games that are presently on the market. For example:

\$1 2.4" x 4"
\$2 4" x 4"
\$3 4" x 6"
\$5 4" x 8"
\$7 4" x 8"
\$10 4" x 8"
\$20 4" x 12"
\$30 4" x 12"

Option 1 – The Lottery allocates a percentage of the prize fund for merchandise supplied by Pollard Banknote. Rates are indicated in table above.

Option 2 – The Lottery pays for the license by allocating a percentage of actual sales to be paid as a royalty fee. Rates are contained in the table above.

Option 3 – The Lottery pays for the license by allocating a percentage of actual sales to be paid as a royalty fee and the lottery allocated a percentage of the prize fund for merchandise supplied by Pollard Banknote. The premium pricing option has a minimum retail value of at least \$18,240,000, ie. a \$2 game must have a minimum of 9,120,000 tickets. Rates are indicated in table above.

The Standard Pricing options (1A, 1B, 2A and 2B) includes a standard promotional program that will provide the TLC with a comprehensive Point of Sale package (physical and digital assets), and a limited amount of themed merchandise to help support the game at retail.

The Premium Pricing option (3) includes a premium promotional program that will provide the TLC with a comprehensive promotional program including a Point of Sale package (physical and digital assets), a retailer incentive, themed merchandise, social media support and a full scale event to help support the game at retail.

**Exhibit A -
Exclusive Licensed Properties Pricing**

Tier 2 Licensed Properties	Price in addition to contract base price	
	Option 1A – Not Including Printing Costs¹	* Option 1B – Including Printing Costs²
Hold'em Poker	.5% of sales	1.35% of sales
Single, Double, Triple Play Bingo™	.5% of sales	1.35% of sales
Jacks or Better	.5% of sales	1.6% of sales

1 License fee is in addition to contract base price for ticket printing services.

2 The Lottery only pays the license fee; there is no separate charge for printing.

Option 1B will be as per the standard printing specifications as specified in the Contract for Texas Lottery Instant Tickets and Services, excluding the following options which if used will be charged in addition to the % referenced in the table above:

Foil stock, holographic stock, dual color imaging, metallic inks, die cut tickets, Scratch FX™, and Reflexions™

Option 1A and Option 1B also assumes the Texas Lottery will print games that are consistent in ticket size to current non-licensed games that are presently on the market. For example:

\$1 2.4" x 4"
\$2 4" x 4"
\$3 4" x 6"
\$5 4" x 8"
\$7 4" x 8"
\$10 4" x 8"
\$20 4" x 12"
\$30 4" x 12"

Option 1A and 1B – The Lottery pays for the license by allocating a percentage of actual sales to be paid as a royalty fee. Rates are contained in the table above.

Printing Cost Discount ***

Purchase two (2) Tier 1 properties (Option 1A, 1B, 2A, 2B, 3) within the TLC's fiscal year (September 1 – August 31) and Pollard Banknote will offer a 2% discount on all printing costs for all games (licensed and non-licensed) printed by Pollard Banknote for the TLC for that fiscal year, i.e. if printing costs to the TLC total \$4,000,000 for fiscal 2015, Pollard Banknote will offer a rebate to the TLC in the amount of \$80,000 (\$4,000,000 x 2%).

Purchase three (3) or more Tier 1 properties (Option 1A, 1B, 2A, 2B,3) within the TLC's fiscal year (September 1 – August 31) and Pollard Banknote will offer a 5% discount on all printing costs for all games (licensed and non-licensed) printed by Pollard Banknote for the TLC for that fiscal year, i.e. if printing costs to the TLC total \$4,000,000 for fiscal 2015, Pollard Banknote will offer a rebate to the TLC in the amount of \$200,000 (\$4,000,000 x 5%).

Exhibit A -

Volume Discount ***

In addition to the Printing Cost Discount, the TLC will also be entitled to a license and royalty fee waiver as follows:

Purchase two (2) Tier 1 properties within the TLC's fiscal year (September 1 – August 31) and the license and royalty fees for one (1) Tier 2 property will be waived. The Tier 2 property can be ordered anytime during the contract term.

Purchase three (3) or more Tier 1 properties within the TLC's fiscal year (September 1 – August 31) and the license and royalty fees for two (2) Tier 2 properties will be waived. The Tier 2 properties can be ordered anytime during the contract term.

*** The above Printing Cost and Volume Discounts are in addition to any other applicable discounts under the Contract and are based on each standard option licensed game having a retail value of at least \$12,000,000, i.e., a \$2 game must have a minimum of 6,000,000 tickets and each premium option licensed game having a retail value of at least \$18,240,000, ie. a \$2 game must have a minimum of 9,120,000 tickets. The Printing Costs and Volume Discounts will be applied to future invoices for new game orders and retroactively to games printed within the same fiscal year. In addition, at the Texas Lottery's sole discretion, Pollard Banknote may be required to refund the discount amount within thirty (30) days of receipt of a written request for payment from the Texas Lottery.

Promotional Second Chance Drawings

A. The following fees will apply to Mail-In Second Chance Drawings:

1. Branded/Licensed Property Games

Cost to set up, monitor and support the system for a single Branded/Licensed Property game, and any associated second chance drawings in the Branded/Licensed Property game that utilizes the merchandise model. The number of second chance drawings is determined by the Texas Lottery.

\$ No charge if a Pollard Banknote Branded/Licensed Game is selected

\$ To be negotiated, if Branded/Licensed Property is provided by another vendor or private party

2. Non-Branded/Licensed Property Games

Cost to set up, monitor and support the system for a single Non-Branded/Licensed Property game, or a Branded/Licensed Property game that does not utilize the merchandise model.

- i. Cost to set up, monitor and support the 1st drawing for a game.

\$ 37,500 per game

- ii. Cost to set up, monitor and support subsequent drawing(s) for the same game.

\$ 10,000 per game for each additional draw

B. The following fees will apply to Internet Entry Second Chance Drawings:

A. The following fees will apply to Internet Entry Second Chance Drawings:

- i. For branded or Licensed Property Games produced by the Successful Proposer where the Texas Lottery pays the Successful Proposer directly as promotional second-chance drawing merchandise prizes are claimed (also known as the merchandise model), the Successful Proposer waives all costs to set up, monitor and support the draw system and all drawing costs.
- ii. For promotional second-chance drawing services for all other instant games (including, but not limited to, games that do not use the merchandise model, games produced by other Texas Lottery vendors, etc.), the Texas Lottery agrees to pay the Successful Proposer \$ 35,000 per game to set up, monitor and support the draw system (including all costs for the first promotional second-chance drawing in the game), plus an additional \$ 10,000 for the remaining drawings in the game.

INVITED OPTIONS

Proposers are not required to submit specifications and pricing for Invited Options. Each Proposer should indicate the additional cost per thousand (1,000) tickets, if any, for any options, including those listed below. Pricing should be noted as cost per square inch, if appropriate.

1. Cost per thousand for die-cut tickets. \$ Add \$5,000 lump sum plus \$0.30 per square inch of ticket
2. Cost per pack, if any, for additional inserts in each pack of tickets. \$ Add \$0.15 per pack for each additional insertion requirement, subject to restrictions

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4. Cost per thousand for holograms on tickets. \$ Please reference Pollard Banknote's patented Scratch FX options prices under the offered options section
5. Cost per thousand for continuous four color process covering entire ticket. \$ Add \$0.25 per square inch of ticket
6. Cost per thousand for four-color printed on ticket back. \$ Add \$0.12 per square inch of ticket (not applicable to over print colors)
7. Cost per thousand for perforated stub, with either horizontal or vertical perforations and with or without imaging.

Without Imaging \$ Add \$0.25 per 1,000 tickets

With Imaging \$ Add \$1,500 lump sum plus \$0.25 per 1,000 tickets

8. Cost per thousand for scored tickets. \$ Add \$0.25 per 1,000 tickets
9. Cost per thousand for scented tickets. \$ Add \$5,000 lump sum plus \$0.10 per square inch of ticket
10. Cost per thousand for break-open tickets with perforated window. \$ Prices to be negotiated based on final game specifications

In addition, each Proposer should indicate the additional cost, if any, for the options listed below:

Merchandise fulfillment for non-licensed property games

\$ Prices to be negotiated based on final game specifications

OFFERED OPTIONS

Proposers should respond to this section on sheets attached hereto the price for Proposer-offered optional items. Proposers are free to describe offered options and the terms and pricing under which they are offered. Proposers are not required to submit any Offered Options under section 8.34 of this RFP.

1. Cost per thousand for integrated overprints. \$ Add \$0.25 per square inch of ticket
2. Cost per thousand for Pollard Banknote's Translucent latex. \$ Add \$0.07 per square inch of ticket per color
3. Cost per thousand for Spectrum Translucent™ latex. \$ Add \$0.23 per square inch of ticket
4. Cost per thousand for coin rub marking system. \$ Add \$0.23 per square inch of ticket per color
5. Cost per thousand for Spectrum overprint. \$ Add \$0.17 per square inch of ticket per color
6. Cost per thousand for multi-color imaging: \$ 7,500 + \$0.40 per square inch for up to three (3) imaging colors and \$ 7,500 + \$0.50 per square inch for up to four (4) imaging colors
7. Cost per thousand for spot varnish \$ Add \$0.25 per 1,000 tickets
8. Cost per thousand for specialty varnish \$ Prices to be negotiated based on final game specifications
10. Cost for multiple play areas \$ Add \$0.05 per square inch of ticket per 1,000 tickets
11. Cost per thousand for ticket embossing \$ Add \$2,500 lump sum plus \$0.05 per square inch of ticket
12. Cost per thousand for scored and folded tickets \$ Add \$3,500 lump sum plus \$0.15 per square inch of ticket

13. Cost for split game balancing requirements, where a game has more than one balancing requirement \$ Add \$2,500 per additional balancing requirement per game
14. Cost for full accountability game balancing \$ Add \$10,000 lump sum plus \$0.30 per square inch of ticket per thousand tickets, per game
15. Cost per thousand for synchronization of game data to base graphics or overprint graphics \$ Add \$0.25 per square inch of ticket
16. Cost per thousand for RefleXions 10pt foil stock \$ Add \$0.75 per square inch of ticket Confidentiality Claimed \$552.110
18. Cost per thousand for Scratch FX® Holographic Foil \$ Add \$5,000 lump sum plus \$1.50 per square inch of ticket
19. Cost per thousand for Scratch FX® Silver Foil \$ Add \$3,000 lump sum plus \$1.25 per square inch of ticket
20. Cost per thousand for Scratch FX® Colored Foil \$ Add \$5,000 lump sum plus \$1.25 per square inch of ticket
23. Cost per thousand for Clear Play \$ Add \$20,000 lump sum plus \$2.50 per square inch of ticket
24. Cost per thousand for Spectrum MAX FX™ \$ Add \$5,000 lump sum plus \$2.00 per square inch of ticket
25. Cost per thousand for Glitter FX \$ Add \$5,000 lump sum plus \$1.75 per square inch of ticket
26. Cost per thousand for Scratch FXtra \$ Add \$7,500 lump sum plus \$2.00 per square inch of ticket
27. Cost per thousand for Spectrum Scratch FXtra \$ Add \$7,500 lump sum plus \$2.25 per square of ticket
28. Cost per thousand for Super Symbol \$ Add \$0.05 per square inch of ticket
29. Cost per thousand for Eco Scratch™ \$ Add \$0.12 per square inch per 1000 tickets

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35. Cost per thousand for QuickLink™ web based barcode promotions \$ Prices to be negotiated based on final game specifications
36. Cost per thousand for PlayOn™ - Player's club web based barcode promotions \$ Prices to be negotiated based on final game specifications
37. Cost per thousand for PlayAround™ - WrapAround and Fold Over Games \$ Prices to be negotiated based on final game specifications
38. Cost per thousand for Play3D™ \$ Prices to be negotiated based on final game specifications
39. Cost per hour for complicated programming \$ Add \$150 per hour of programming
40. Cost per thousand for additional ticket samples \$ Same as per 1,000 tickets game price
41. Cost for additional ITVM cards bulk packed \$ Add \$250 per 1,000 additional ITVM cards
42. Cost for additional ITVM cards bulk packed \$ Add \$250 per 1,000 additional ITVM cards
43. Cost per thousand for Social Instants™ \$ Prices to be negotiated based on final game specification
44. Cost per thousand for Passive / Hybrid tickets \$ Prices to be negotiated based on final game specification
45. Cost for countertop dispensers \$ Prices to be negotiated based on final game specification
46. Cost for Marketing Support for Break-Open Tickets \$ Prices to be negotiated based on final game specification
47. Cost for Lottery Management for Break-Open Tickets \$ Prices to be negotiated based on final game specifications

50. Cost for special stock ITVM cards

ITVM Specifications:

10pt ticket stock
4.00" x 4.00" size
Four (4) color process on front
One (1) color black backs

QTY	10pt Foil (non-holographic):	10pt Holographic foil or Clear Play
40,000	\$1,870.79	\$8,860.94
75,000	\$2,687.73	\$12,932.89
100,000	\$3,249.38	\$15,099.54
125,000	\$3,862.08	\$17,122.26
180,000	\$5,138.54	\$21,720.17
250,000	\$6,772.41	\$26,917.64
300,000	\$7,946.75	\$29,214.14
400,000	\$10,295.44	\$34,771.44
500,000	\$12,644.14	\$38,685.88
600,000	\$15,197.06	\$41,524.56
1,000,000	\$25,292.28	\$51,062.02
1,250,000	\$30,400.46	\$60,651.29
1,500,000	\$35,753.38	\$70,053.35

ITVM Specifications:

10pt ticket stock
4.00" x 8.00" size
Four (4) color process on
Front One (1) color blackbacks

QTY	10pt Card stock	10pt Foil (non-holographic):	10pt Holographic foil
40,000	\$2,345.20	\$3,580.00	\$10,208.00
75,000	\$3,681.83	\$5,632.50	\$17,317.50
100,000	\$4,550.65	\$7,000.00	\$22,060.00
125,000	\$5,486.29	\$8,375.00	\$26,800.00
180,000	\$7,491.24	\$11,502.00	\$37,638.00
250,000	\$10,097.68	\$15,400.00	\$51,200.00
300,000	\$11,902.14	\$18,240.00	\$61,020.00
400,000	\$15,577.88	\$23,840.00	\$80,320.00
500,000	\$19,253.63	\$29,500.00	\$99,950.00
600,000	\$22,929.37	\$35,040.00	\$119,280.00
1,000,000	\$37,632.36	\$57,600.00	\$197,200.00
1,250,000	\$46,855.14	\$68,760.00	\$236,160.00
1,500,000	\$56,011.08	\$85,650.00	\$294,750.00

ITVM Specifications:
10pt ticket stock
4.00" x 12.00"size
Four (4) color process on
Front One (1) color blackbacks

QTY	10pt Card stock	10pt Foil (non-holographic):	10pt Holographic foil
40,000	\$2,888.27	\$4,364.00	\$12,916.00
75,000	\$4,629.57	\$7,005.00	\$22,065.00
100,000	\$5,881.12	\$8,860.00	\$28,500.00
125,000	\$7,132.68	\$10,725.00	\$34,937.50
180,000	\$9,853.45	\$14,832.00	\$49,158.00
250,000	\$13,390.46	\$20,100.00	\$67,450.00
300,000	\$15,839.16	\$23,820.00	\$80,310.00
400,000	\$20,845.38	\$31,360.00	\$106,400.00
500,000	\$25,851.60	\$38,900.00	\$132,500.00
600,000	\$30,803.41	\$46,320.00	\$158,220.00
1,000,000	\$50,773.89	\$76,300.00	\$262,200.00
1,250,000	\$63,235.03	\$91,320.00	\$314,160.00
1,500,000	\$75,696.17	\$113,850.00	\$391,950.00

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54. Cost per thousand for pre-printed in-lane scratch QUICKTICKET for draw games

Ticket Size	4" x 5"		4" x 6"	
Pack Size	100	200	100	200
Qty (000's)				
2,000	\$58.79	\$56.71	\$63.40	\$61.33
4,000	\$54.34	\$52.27	\$59.09	\$57.00
6,000	\$49.91	\$47.83	\$54.76	\$52.69
8,000	\$45.47	\$43.39	\$50.44	\$48.36
10,000	\$41.03	\$38.94	\$46.11	\$44.03

10 pt card stock C1S
Ticket artwork
Four (4) color process base graphics
One (1) color imaging (black)
Three (3) colors overprint
Four (4) color process ticket backs
No balancing required
Tickets have die cut, cut to singles, banded into books with plastic band and shrink-wrapped
Packaged in industry standard cartons
Delivered to the Lottery warehouse
Prices per 1,000 tickets USD

55. **Cost per thousand tickets for Pastel inks**
Per color per square inch \$ Add \$0.12 per square inch per color

56. **Cost per thousand tickets for Iridescent inks**
Per color per square inch \$ Add \$ 5000 lump sum + \$1.50 per square inch per color