

Instant Ticket Manufacturing and Services RFP

Vendor: GTECH Printing Corporation

Kathy Pyka

Experience of Proposer

In 2007, GTECH Printing Corporation (GPC) acquired the assets of an instant game printer with 12 years of prior experience. The company has operated as GPC for the past 5 years.

The proposal notes that GPC was qualified as a printer in Texas in April 2010, and has since been scheduled to produce 37 games for the Texas Lottery.

Currently GPC has more than 25 customers in North America and 24 customers who are NASPL members.

GPC resources have more than 700 combined years of instant business experience.

GPC currently produces tickets for some of the largest lotteries in the world, including Texas, Lottomatica, Massachusetts, California and New York.

The proposal notes GPC has demonstrated their ability to handle individual print runs in excess of 80 million standard units.

Page 4.1-2 of the Proposal provides a customer summary. Noted the following:

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Confidentiality Claimed
PIA §552.110

Page 4.1-5 of the Proposal noted large print runs. Noted the following:

- Italian National Lottery, runs between 44 – 87.8 million, total tickets 1.1 billion
- California Lottery, runs between 18.2 – 24 million, total tickets 156 million
- Massachusetts Lottery, runs between 14 – 30 million, total tickets 114 million

Qualifications of the Proposer's personnel

Account Manager – Walter Gaddy. More than 18 years of lottery industry experience and account management expertise. Served as FL Lottery's Instants Product Manager for 12 years. Resume notes nearly 20 years of lottery experience.

Account Services Representative – Shannon Struempf. Started his career in the industry at the Missouri State Lottery where he spent 12 years in a variety of positions. Will function as the day-to-day liaison with the GPC production facility in Lakeland. He has produced the last 10 games printed for TLC.

Quality Control individual or team – Richard Modawell, Director of Quality, Security and Compliance. More than 14 years of lottery printing experience. Resume notes Senior Manager of Print Quality for SGI.

Information Technology individual or team – Martin Gonzalez, Senior Game Software Development Manager. 10 years of security software industry experience and 14 years of lottery experience. He is a certified ISO auditor.

Graphic Artist – Dinah George, Manager of Pre-Media. More than 30 years of experience in all phases of the graphic arts industry.

Other Personnel Notes: Alan Eland, Senior Vice President and Chief Operating Officer GTECH North America; Joe Lapinski, Texas Account Manager. Response includes two additional resources – an additional Graphic Artist and a Data Analyst who will both live and work in Texas. Graphic Artist – TBH and Data Analyst – Lauren Zurbrugg. Jean Turgeon, Senior Director of Operations. 25 years of experience. Lead the tour of press during the site visit.

Strong team with industry and lottery experience.

Quality of Proposer’s past performance

GPC has never had a contract terminated.

Confidentiality Claimed
PIA §552.110

Reference checks reviewed from several jurisdictions.

TLC Subject Matter Experts noted positive feedback about account team and noted the recent volume printed by GPC.

Probable quality of offered goods or services

Site visit included overview of most areas as requested in site visit overview letter.

Tex. Gov’t Code
§552.139/§552.101
§466.022

Confidentiality Claimed
PIA §552.110

Per the proposal, GPC's game design process is based on the concept of creativity with a purpose. It is Texas-specific and process-driven.

Licensed Property Games noted on page 8.32-17 including Bejeweled, Plants vs. Zombies, Zuma, The Three Stooges and others.

Instant Ticket Manufacturing and Services RFP

Vendor: Pollard Banknote

Kathy Pyka

Experience of Proposer

Pollard Banknote (PB) started printing instant tickets and providing related marketing and other services for NASPL lotteries in 1985.

PB presently provides 50 lotteries services worldwide, 25 of which are NASPL members.

Proposal notes that PB is the primary printer for Kansas, Maryland, Michigan, New Jersey, Western Canada Lottery Corporation and BCLC.

Has been a provider to the Texas Lottery since 1999.

Proposal included a summary of all clients for whom PB has printed at least 10 million tickets annually within the past five years. Noted the following:

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Confidentiality Claimed
PIA §552.110

Qualifications of the Proposer’s personnel

Account Manager – Brad Thompson. With PB since 1994. Has led account teams for Texas, Massachusetts, Arizona, Ontario, WLCL and Oregon. Account Services Representative – Jennifer Wankling. With PB since 2005 serving as Account Coordinator providing marketing support for TLC, Ontario Lottery and Gaming Corporation, Oregon and Massachusetts, eventually being promoted to Market Manager. Melanie Mateychuk. With PB since 2008. Previous experience includes over 12 years in the commercial printing industry.

Quality Control individual or team – Dion Gratkowski. VP, Manufacturing. With PB since 1995. Oversees daily operations at the Ypsilanti plant. Credited with the design and development of the lottery industry’s first automated finishing line. Instrumental in the development of the patented Scratch FX process. Brett Taylor. Corporate Lab Manager. With PB since 2001.

Information Technology individual or team – Darren Wareham, Director of Game Development. With PB since 1995. Managed game data development of over 7000 instant games and developed software for more than 100 games and Game Generation Programmer.

Graphic Artist – Allan Doersam, Senior Technical Artist. With PB since 1998 with in a senior level capacity since 2001. Steven Downie, Creative Artist with PB since 2004.

Other Personnel Notes: Doug Pollard, Co-Chief Executive Officer of PB will be the executive sponsor of the TX team. Don Sawatzky, Executive Vice President, Sales and Marketing, will oversee the day to day activities of the dedicated account team. Sina Aiello, VP Licensed Products and Suzanne Harden, Senior Integrated Marketing Manager, Licensed Products will work with Brad Thompson to develop and present licensed property opportunities and promotions to the Texas Lottery. Greg Hoelk (Account Sales Manager (local) Licensed Property). Two decades of experience with instant tickets, both on the lottery side and vendor side.

Team reflects extensive longevity with PB and printing background.

Quality of Proposer's past performance

Confidentiality Claimed
PIA §552.110

Reference checks reviewed from several jurisdictions.

TLC Subject Matter Experts noted responsiveness of staff, accuracy of work papers, and quality of scratch off latex and marking system.

Probably quality of offered goods or services

Site visit included detailed overview of areas as requested in site visit overview letter.

5 Production plants. Ability to produce 18 billion ESS tickets yearly, and over 100 distinctive games each month. Currently print approximately 12 billion ESS tickets per year, leaving an available capacity of 6 billion ESS tickets per year.

The Ypsilanti facility has the capacity to handle an additional 50 million ESS tickets per month.

Confidentiality Claimed
PIA §552.110

Scratch FX process. Allows replication of either foil or holographic foil using recyclable paper stock.

Translucent Latex Marking System. Proposal notes industry-best marking system (scratches clean) used to generate more Crossword and Bingo game sales in the U.S. than those of competitors combined. PB's Crossword games represent an estimated 57% of annual Crossword sales in the U.S., while Bingo games represent 67% of the annual Bingo games sold in the U.S.

Confidentiality Claimed
PIA §552.110

Licensed Properties. PB targets its licensed property acquisitions to brands with “national” appeal that can be specifically tailored to selected regions. They are specifically selected to appeal to the existing player base while offering large potential to target and attract new players that are brand loyal and overlap with a lottery’s instant game player demographics while encouraging impulse buys. Examples: Cadillac, Star Trek, Guinness World Records and Tetris

Ypsilanti facility will serve as primary plant, with one of the Winnipeg facilities being the backup printing option. Location of staffing between facilities discussed during site visit.

Page 77 of the Proposal notes innovations of PB over the last 25 years with notation of Scratch FX, Fusion offerings and translucent marking system.

Instant Ticket Manufacturing and Services RFP

Vendor: Scientific Games

Kathy Pyka

Experience of Proposer

Scientific Games (SG) has 38 years of experience as a provider of instant ticket and related services.

SG currently serves all 45 government-authorized lottery jurisdictions in the US, and together with its affiliated companies, lottery organizations in more than 50 other countries. In the US, SGI provides instant games to 42 of the 44 lottery jurisdictions.

SG has been the Texas primary instant game vendor since 1999.

SG provides more games to US lotteries than all of the other suppliers combined.

In 2010, SG printed 37 billion instant tickets worldwide.

SG has 150 customers worldwide, 120 of who SG supplies instant lottery products and services.

SG customers include many of the world’s highest revenue producing lotteries such as New York, Massachusetts, Florida, Texas, California, Italy, China, Camelot UK Lotteries and France.

SG serves 9 of the top 10 US lotteries based on total instant sales.

For the 2010 calendar year, SG was the primary supplier for 35 instant ticket contracts in the US. SG is the primary instant ticket provider to nine of the top 10 US lotteries based on total instant sales and highest percentage of sales growth, and eight of the top ten US lotteries for per capita sales.

SG is the only vendor in the industry that can demonstrate bringing more than 100 games to market in one year.

Contract Awards noted on Figure 4-9:

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Confidentiality Claimed
PIA §552.110

Qualifications of the Proposer’s personnel

Account Manager – Geneva McCaffrey, Senior Regional Director. She has over 21 years of lottery industry experience, including 10+ years with the Florida Lottery and 10+ years with SG. Ms. McCaffrey chairs the SG Dream Team.

Account Services Representative – Valli Cason, Account Executive. She has over 26 years of experience at SG and 12 of those years have been as an Account Executive for the Texas Lottery. Megan Van Ness,

Account Services Representative Team Support. Once the games details have been defined by the prize structure and final ticket art, Megan will coordinate and develop working papers. Megan was an Account Executive for SG, assigned to both the Idaho and New Hampshire lotteries.

Quality Control individual or team – Rob Rusenko, VP and General Manager, Alpharetta Printed Products. He has six years lottery experience and more than 24 years of experience with a background in engineering, technology and manufacturing. James Odum, Manager Quality Assurance. He has six years of lottery printing experience working with the Texas Lottery in quality management, ISO quality system implementation, internal quality auditing, production control, purchasing, physical security and project management. Joe Bennett, Vice President of Game Programming.

Information Technology individual or team – Joe Bennett, VP, Information Technology. In addition to auditing working papers and customer specification documents, Joe leads the information technology team. Joe has 20 years of experience directly related to programming and the security of instant games. He currently serves as VP of Game Development and is directly involved in the advancement of the technologies that drive the game programming process. Ashley Gantt, Director, Software Development Game Generation.

Graphic Artist – Ernest Oshiro, Design Team Supervisor. He has supported the Texas Lottery for the past 12 years and will continue to be responsible for delivering final artwork for Texas Lottery instant games. Ernest has 34 years of graphic design experience including 15 years in designing instant lottery games. Jennifer Joraskie, Junior Designer. Rhonda Gillen, VP of Client and Creative Services.

Other Personnel Notes: Jim Kennedy, Chief Marketing Officer; Steve Saferin, President Properties Group; James Trask, President Printed Products Group.

MDI Promotions and Licensed Properties Team. Bev Opie has more than 20 years of lottery-related experience, including 9 years with the Iowa Lottery and nine years with MDI Entertainment.

Strong team and noted extensive longevity with SG.

Quality of Proposer’s past performance

Confidentiality Claimed
PIA §552.110

SG noted they have not had a contract terminated for default or cause during their nearly 40 years in the industry.

Reference checks reviewed from several jurisdictions. Two reference checks noted issue with scratch off material, but the survey also noted that the issue was resolved timely and to the satisfaction of the lottery.

TLC Subject Matter Experts noted responsiveness from SG team and quality staff assigned to TLC account. Notation of expedited press times granted to TLC.

Probable quality of offered goods or services

Site visit included detailed overview of areas as requested in site visit overview letter.

In 2010, SG printed more than 37 billion standard units of lottery tickets worldwide

SGI noted they have the most modern and most regionally diverse presses in the lottery industry. New presses came on line in 2007, 2008 and 2009.

SG provided the Texas Lottery working papers for 86 games in 2010 and more than 100 in a single year in 2009.

MDI was established in 1986 and began marketing licensed games to lotteries in 1996. Proposal notes MDI has built a licensed property portfolio of extraordinarily popular licensed, trademarked, or otherwise copyrighted properties.

Page 4-26 of Proposal notes innovations of SG over the last 40 years including serving more than 140 customers around the globe.