



The following documentation is an electronically-submitted vendor response to an advertised solicitation from the *West Virginia Purchasing Bulletin* within the Vendor Self-Service portal at wvOASIS.gov. As part of the State of West Virginia's procurement process, and to maintain the transparency of the bid-opening process, this documentation submitted online is publicly posted by the West Virginia Purchasing Division at WVPurchasing.gov with any other vendor responses to this solicitation submitted to the Purchasing Division in hard copy format.

Header @ 2

List View

- General Information**
- Contact
- Default Values
- Discount
- Document Information
- Clarification Request

Procurement Folder: 1173322
 Procurement Type: Central Master Agreement
 Vendor ID: VS0000039129
 Legal Name: Scientific Games, Inc.
 Alias/DBA:
 Total Bid: \$2.17
 Response Date: 03/30/2023
 Response Time: 12:27
 Responded By User ID: SPhillips
 First Name: Susan
 Last Name: Phillips
 Email: susan.phillips@scientificgam
 Phone: 6782975495

SO Doc Code: CRFQ
 SO Dept: 0705
 SO Doc ID: LOT2300000003
 Published Date: 3/15/23
 Close Date: 3/30/23
 Close Time: 13:30
 Status: Closed
 Solicitation Description: Addendum No 2-WV Lottery Instant Game Ticket Printing & Svcs
 Total of Header Attachments: 2
 Total of All Attachments: 2



Department of Administration
 Purchasing Division
 2019 Washington Street East
 Post Office Box 50130
 Charleston, WV 25305-0130

**State of West Virginia
 Solicitation Response**

Proc Folder: 1173322
Solicitation Description: Addendum No 2-WV Lottery Instant Game Ticket Printing & Svcs
Proc Type: Central Master Agreement

Solicitation Closes	Solicitation Response	Version
2023-03-30 13:30	SR 0705 ESR03302300000004737	1

VENDOR
 VS0000039129
 Scientific Games, Inc.

Solicitation Number: CRFQ 0705 LOT2300000003
Total Bid: 2.169999999999999928945726423 **Response Date:** 2023-03-30 **Response Time:** 12:27:47
Comments:

FOR INFORMATION CONTACT THE BUYER
 Toby L Welch
 (304) 558-8802
 toby.l.welch@wv.gov

Vendor Signature X **FEIN#** **DATE**

All offers subject to all terms and conditions contained in this solicitation

Line	Comm Ln Desc	Qty	Unit Issue	Unit Price	Ln Total Or Contract Amount
1	LOTTERY TICKET PRINTING & RELATED SERVICES				2.17

Comm Code	Manufacturer	Specification	Model #
60141113			

Commodity Line Comments: This is the base printing cost as described in Exhibit A. The spreadsheet Exhibit A includes additional requested prices for specific printing features.

Extended Description:

Vendor must Fill out Exhibit A in its entirety and submit Exhibit A with their bids.



INSTANT GAME TICKET PRINTING AND
RELATED SERVICES

SUBMITTED TO THE

WEST VIRGINIA LOTTERY

Bid Clerk
Department of Administration
Purchasing Division
2019 Washington St. E
Charleston, West Virginia 25305



SUBMITTED BY

Scientific Games, LLC

1500 Bluegrass Lakes Parkway, Alpharetta, Georgia 30004

CONTACT PERSON

Kyle Rogers

Vice President, North American Instant Products

Tel: 678-297-5327/Fax: 678-393-3477/Email: kyle.rogers@scientificgames.com

TECHNICAL PROPOSAL

LOT2300000003

March 30, 2023



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For more information, please contact:

Scientific Games, LLC

1500 Bluegrass Lakes Parkway
Alpharetta, GA 30004 USA

Dena Rosenzweig

Chief Legal Officer
Phone: 470-550-7364
Fax: 678-297-5118



March 30, 2023

Toby L. Welch
Department of Administration
Purchasing Division
2019 Washington Street East
Charleston, West Virginia 25305

Dear Mr. Welch,

Scientific Games, LLC is pleased to submit our response to the West Virginia Lottery's Request for Quotation for Instant Lottery Ticket Printing and Related Services. As required, our submission includes the following documents:

- Exhibit A: Pricing Page
- Addendum Acknowledgement Form
- Designated Contact Form including Certification and Signature
- Responses to Specifications Sections 3 through 12

After further review of the changes made to the RFQ in Addendum 2, Scientific Games would like to request the following changes in red be made to clause 36 Indemnification to the General Terms and Conditions:

Indemnification: The Vendor agrees to indemnify, defend, and hold harmless the state and the Agency, their officers, and employees from and against: (1) any claims or losses for services rendered by any subcontractor, person, or firm performing or supplying services, materials or supplies in connection with the performance of the Contract; (2) any claims or losses resulting to any person or entity injured or damaged by the Vendor, its officers, employees, or subcontractors, **in connection with the performance of the Contract**, by the publication, translation, reproduction, delivery, performance, use, or disposition of any data used under the Contract in a manner no authorized by the Contract or by Federal or State statues or regulations; and (3) Any failure of the Vendor, its officers, employees; or subcontractors to observe State and Federal laws including but not limited to, labor and wage and hour laws. Lottery shall tender sole defense and control of any claim or cause of action requiring indemnification to the successful vendor. Lottery shall cooperate as reasonably necessary, with the successful vendor and its counsel in the defense and settlement of the same. The successful vendor shall reimburse the Lottery for any reasonable legal expenses incurred directly from providing such assistant. Successful vendor shall have the right to consent to the entry of judgment with respect to , or otherwise settle, an indemnified claim only with the prior written consent of the Lottery, which consent shall not be unreasonably withheld, **delayed or conditioned**; provided, however, that the Lottery may withhold its consent if any such judgment or settlement imposes an unreimbursed monetary or continuing non-monetary obligation on the Lottery or does not include an unconditional release of the Lottery and State of West Virginia from all liability with respect to claims that are the subject matter of the indemnified claim.

With a history spanning nearly 50 years, Scientific Games is the most experienced supplier of lottery products and services in the industry. We provide product support from start to finish with instant game design, programming, and complete security of both process and product, including secure delivery of the tickets to your warehouse. As the West Virginia Lottery strives to increase revenue, you can be assured of a partner who has an established record of innovation and a demonstrated ability to grow sales based on a thorough understanding and commitment to marketing and research. Over the last decade, we have invested millions of dollars in technology and security to ensure that our customers receive the very best products and services available in the lottery industry. Scientific Games meets or exceeds all of the required specifications included in the Request for Quotation.

Exceeding the Lottery's Needs

More than an instant ticket provider, our role is to support the Lottery's mission of creating and selling games that are held to the highest standards of integrity, entertainment and efficiency to maximize proceeds which support what matters to West Virginians, including education, senior citizens and tourism and state parks. Scientific Games is uniquely positioned to provide the printing of, and related services, for instant lottery games. We have the ability to print a variety of words, letters, numbers, characters, and unique symbols in various combinations of colors and print processes. We have no limitations to disclose with respect to the standards described within Section 4 of the RFQ and can provide all services necessary to design, produce, audit, test and deliver secure, high-quality instant game tickets that are in compliance with, but are not limited to, the specifications and requirements set forth in the RFQ. We will provide for the secure and timely delivery of approved instant game tickets and all required data files to the Lottery, its Gaming System and Services vendor of record, or other vendor of record.

Unparalleled Lottery Expertise

Scientific Games is so much more than just a printer of lottery tickets. We take our jobs seriously to grow our customers in a responsible manner. The West Virginia Lottery will receive support from experts at all levels of our organization, from our executive management to our primary account team who will work in close collaboration with your team. Our staff will help build and manage the Lottery's instant game portfolio to maximize sales and responsible growth. We know how to adjust to the expansion of game offerings and price points to manage the instant product effectively.

Instant Products Global Leadership

Scientific Games invests heavily in modernizing and optimizing our instant products ecosystem, always adapting and developing new technologies and exciting innovations. Every year, we bring roughly 2,700 new instant games to market. We will produce West Virginia's instant games at our global headquarters in Alpharetta, Georgia. As the largest manufacturer of instant games around the world, we operate four manufacturing facilities with eight printing presses on three continents. No other instant game provider develops and delivers this volume of product, and no other vendor can match our production flexibility and backup. Because of our breadth and depth across the industry, no other vendor understands the challenges lotteries face in an evolving gaming environment and has the tools and analytics to adapt.

We lead the industry in innovation and driving sales and profit growth, which is why the top-performing lotteries choose Scientific Games. We serve as primary partner to nine of the top ten U.S. lotteries based on weekly per capita instant game sales. Not only do we accommodate lotteries of all sizes, we also provide unparalleled service and games that generate the most revenue for the good causes they support.

Specialty Press Built for Lotteries like West Virginia

At our global headquarters in Alpharetta, we custom built our P-4 press for high efficiency—specifically for lotteries like West Virginia. Each press run on P-4 is less than 24 hours, so we have tremendous flexibility in schedule to ensure we meet delivery requirements. While P-4 is used exclusively for smaller print runs, it still has enhancements that provide for some of our best ticket options like SureMark™, HD Games™ and four-color ticket backs. In addition, having a packaging line attached to the press enables us to package your tickets immediately, increasing your speed to market.

Please let me know if I can provide any further details or documentation regarding our submission. I can be reached by phone at (678) 297-5327 or by email at kyle.rogers@scientificgames.com.

Kindest regards,



Kyle Rogers
Vice President, North American Instant Products



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ADDENDUM ACKNOWLEDGEMENT FORM
SOLICITATION NO.: CRFQ LOT23-003

Instructions: Please acknowledge receipt of all addenda issued with this solicitation by completing this addendum acknowledgment form. Check the box next to each addendum received and sign below. Failure to acknowledge addenda may result in bid disqualification.

Acknowledgment: I hereby acknowledge receipt of the following addenda and have made the necessary revisions to my proposal, plans and/or specification, etc.

Addendum Numbers Received:

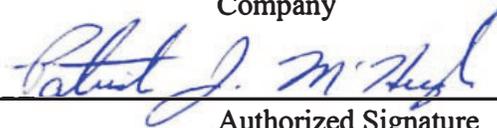
(Check the box next to each addendum received)

- | | |
|--|--|
| <input checked="" type="checkbox"/> Addendum No. 1 | <input type="checkbox"/> Addendum No. 6 |
| <input checked="" type="checkbox"/> Addendum No. 2 | <input type="checkbox"/> Addendum No. 7 |
| <input type="checkbox"/> Addendum No. 3 | <input type="checkbox"/> Addendum No. 8 |
| <input type="checkbox"/> Addendum No. 4 | <input type="checkbox"/> Addendum No. 9 |
| <input type="checkbox"/> Addendum No. 5 | <input type="checkbox"/> Addendum No. 10 |

I understand that failure to confirm the receipt of addenda may be cause for rejection of this bid. I further understand that any verbal representation made or assumed to be made during any oral discussion held between Vendor's representatives and any state personnel is not binding. Only the information issued in writing and added to the specifications by an official addendum is binding.

Scientific Games, LLC

Company



Authorized Signature

March 30, 2023

Date

NOTE: This addendum acknowledgement should be submitted with the bid to expedite document processing.
Revised 6/8/2012

DESIGNATED CONTACT: Vendor appoints the individual identified in this Section as the Contract Administrator and the initial point of contact for matters relating to this Contract.

Kyle Rogers, Vice President, North American Instant Products

(Printed Name and Title)

1500 Bluegrass Lakes Parkway, Alpharetta, GA 30004

(Address)

Phone: 678-297-5327 Fax: 770-393-3477

(Phone Number) | (Fax Number)

kyle.rogers@scientificgames.com

(Email Address)

CERTIFICATION AND SIGNATURE: By signing below, or submitting documentation through wvOASIS, I certify that: I have reviewed this Solicitation/Contract in its entirety; that I understand the requirements, terms and conditions, and other information contained herein; that this bid, offer or proposal constitutes an offer to the State that cannot be unilaterally withdrawn; that the product or service proposed meets the mandatory requirements contained in the Solicitation/Contract for that product or service, unless otherwise stated herein; that the Vendor accepts the terms and conditions contained in the Solicitation, unless otherwise stated herein; that I am submitting this bid, offer or proposal for review and consideration; that this bid or offer was made without prior understanding, agreement, or connection with any entity submitting a bid or offer for the same material, supplies, equipment or services; that this bid or offer is in all respects fair and without collusion or fraud; that this Contract is accepted or entered into without any prior understanding, agreement, or connection to any other entity that could be considered a violation of law; that I am authorized by the Vendor to execute and submit this bid, offer, or proposal, or any documents related thereto on Vendor's behalf; that I am authorized to bind the vendor in a contractual relationship; and that to the best of my knowledge, the vendor has properly registered with any State agency that may require registration.

By signing below, I further certify that I understand this Contract is subject to the provisions of West Virginia Code § 5A-3-62, which automatically voids certain contract clauses that violate State law; and that pursuant to W. Va. Code 5A-3-63, the entity entering into this contract is prohibited from engaging in a boycott against Israel.

Scientific Games, LLC

(Company)



(Signature of Authorized Representative)

Patrick McHugh, Chief Executive Officer / March 30, 2023

(Printed Name and Title of Authorized Representative) (Date)

Phone: 770-664-3700 Fax: 770-393-3477

(Phone Number) (Fax Number)

patrick.mchugh@scientificgames.com

(Email Address)



3. | Qualifications

Vendor, or Vendor's staff if requirements are inherently limited to individuals rather than corporate entities, shall have the following minimum qualifications:

3.1 Experience

The Vendor must have a minimum of five (5) years' experience in successfully providing a wide variety of secure instant lottery game tickets for one or more North American government lotteries. The Vendor MUST have experience in the creative design, imaging, computer programming for ticket generation, inventory control and validation, security, production, audit, testing, and secure delivery of instant lottery games of the type sought by the Lottery. Compliance with this experience requirement will be determined prior to contract award by the State through references provided by the Vendor upon request, through knowledge or documentation of the Vendor's past projects, through confirmation of experience requirements from lottery trade publications, or some other method that the State determines to be acceptable. Vendor must provide any documentation requested by the State to assist in confirmation of compliance with this provision. References, documentation, or other information to confirm compliance with this experience requirement may be requested after bid opening and prior to contract award.

Scientific Games has nearly 50 years of lottery experience, greatly exceeding the minimum requirement of five years' experience in successfully providing a wide variety of secure instant lottery game tickets for one or more North American government lotteries. In fact, Scientific Games pioneered the first secure instant ticket in the lottery industry. We have significant experience in the creative design, imaging, computer programming for ticket generation, inventory control and validation, security, production, audit, testing, and secure delivery of instant lottery games of the type sought by the Lottery. We understand that compliance with this experience requirement will be determined prior to contract award by the State through references provided by Scientific Games upon request, through knowledge or documentation of our past projects, through confirmation of experience requirements from lottery trade publications, or some other method that the State determines to be acceptable. Scientific Games will provide any documentation requested by the State to assist in confirmation of compliance with this provision. We understand that references, documentation, or other information to confirm compliance with this experience requirement may be requested after bid opening and prior to contract award.

3.2 Required Staff Assignments

The Vendor MUST supply, at minimum, a specified account representative for key day to day contact for production of instant lottery games. The successful Vendor will provide resources for maintaining and implementing a research and development effort in such areas as instant lottery game estimated need, concept, design, development, and post-game review. The Lottery has the right to approve or request any changes in key support staff at any time.

Scientific Games will provide Tracey Cohen as the account representative for key day-to-day contact for production of instant lottery games. If Scientific Games is the successful Vendor, we will provide resources for maintaining and implementing a research and development effort in such areas as instant lottery game estimated need, concept, design, development, and post-game review. We acknowledge that the Lottery has the right to approve or request any changes in key support staff at any time.



Tracey Cohen Regional Vice President

Tracey has over 23 years of lottery industry experience, having worked at both the Maryland Lottery for ten years in a variety of product development and marketing roles as well as the D.C. Lottery where for twelve years she served as Chief Operating Officer. Her experience and expertise include strategic planning; innovative product development, problem solving, collaborating with stakeholders, and overseeing award-winning advertising campaigns and marketing programs.

As your main point of contact at Scientific Games, Tracey will serve the Lottery in a variety of ways, including working with your team to develop and execute the Lottery's product plans, presenting new game concepts, overseeing game production through the entire process- development, printing, and delivery, analyzing game performance/market conditions, and sharing industry trends to bring the best strategies to maximize revenues and returns.

3.3 Vendor Organizational Chart

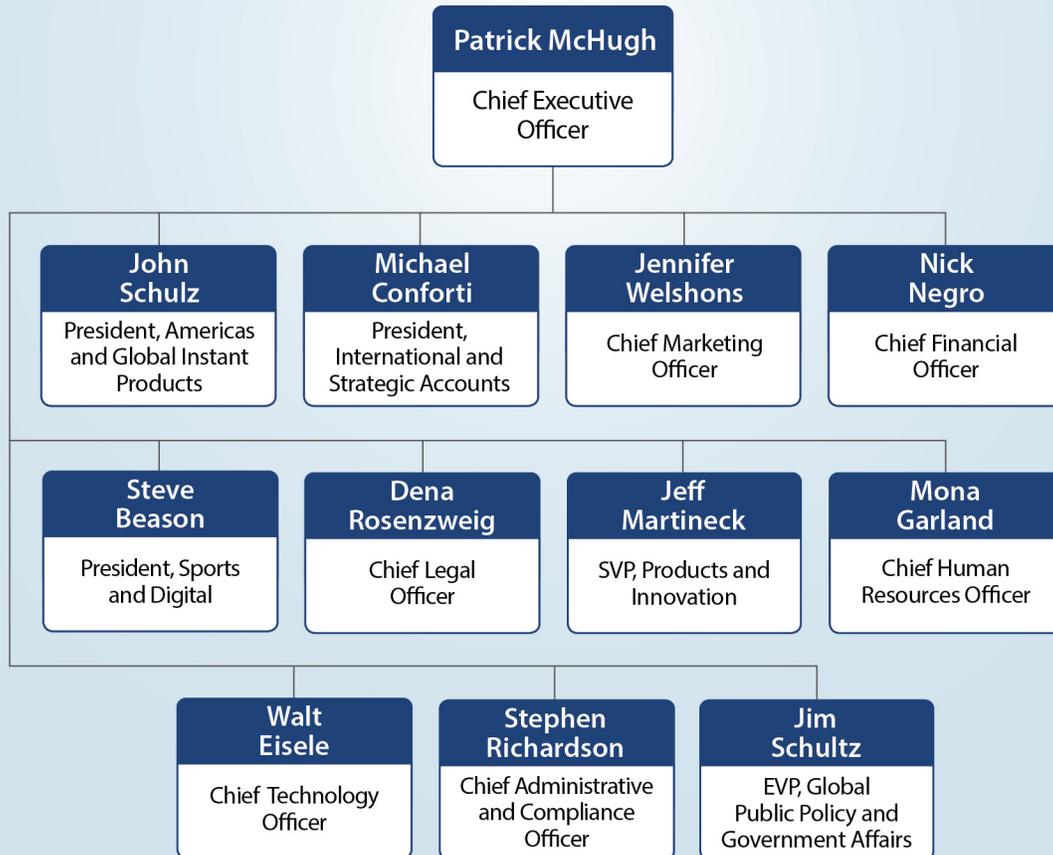
An accurate, current organizational chart that includes all of the corporate management individuals identified above MUST be submitted. Related organizations MUST be clearly shown. The Lottery may request background checks of the successful Vendor, as well as subcontractors or parent entity, and its substantial subcontractors as follows:

- *If a sole proprietorship, the individual owner.*
- *If a corporation, all officers, and directors in such corporation.*
- *If a partnership, each general partner as an individual.*
- *If a joint venture, all individual joint ventures.*
- *If a trust, all trustees.*
- *If an association, all officers, and directors.*

On the following page, Scientific Games provides an accurate, current organizational chart that includes and identifies all of the corporate management individuals. There are no related organizations to show. If we are the Successful Vendor, we understand that the Lottery may request background checks of our company, as well as subcontractors or parent entity, and its substantial subcontractors. Because Scientific Games is a corporation, we understand that the Lottery may request background checks of our officers and directors as well.



Scientific Games Executive Leadership



3.4 Equipment and Technology

The Vendor MUST provide an overview summary of the equipment and technology in place at the Vendor's facility that will be used to satisfy the requirements of this solicitation. Additionally, the Vendor MUST provide an overview description of any other equipment and technology currently available at the Vendor's facility that offers lottery-related capabilities. These documents will be used to better understand the business relationship and further enhance the lottery product produced. This information is for continued operations and will not be evaluated.

In this section, Scientific Games provides an overview summary of the equipment and technology in place at our facility that will be used to satisfy the requirements of this solicitation. Additionally, we also provide an overview description of any other equipment and technology currently available at our facility that offers lottery-related capabilities. We acknowledge that these documents will be used to better understand the business relationship and further enhance the lottery product produced and that this information is for continued operations and will not be evaluated.



We will deliver exceptional reliability, flexibility and capacity to the West Virginia Lottery. Each of our four presses feature specialized print capabilities that produce diverse game designs, ticket sizes and play styles. We use the most appropriate of our four Alpharetta flexographic presses to produce games for the West Virginia Lottery.

- P-3 began operation in 2000 and can print 20.5 million 2" x 4" equivalent tickets a day
- P-4 began operation in 2004 and can print 6.5 million 2" x 4" equivalent tickets a day
- P-6 began operation in 2007 and can print 21.9 million 2" x 4" equivalent tickets a day
- P-7 began operation in 2015 and can print 21.9 million 2" x 4" equivalent tickets a day

In addition, we have two specialty print machines:

- Our Sparkle machine began operation in 2015 and prints metalized holographic effects on the scratch-off and display areas
- Our Dimension machine debuted as an industry first in 2023; provides lotteries in the U.S. and Canada with Dimension products featuring a holographic-like effect.

Scientific Games employs a dedicated engineering and maintenance team to keep our manufacturing equipment running at maximum efficiency 24/7. This team features licensed electricians and mechanics, many of whom have over 20 years of experience maintaining and repairing presses and finishing lines. We maintain an extensive inventory of spare parts to ensure our operations continue to run with little to no downtime.

3.5 Disaster Recovery

Vendor MUST provide a disaster recovery plan for production and provide gaming tickets within a reasonable time frame to meet the requirements set forth in this Solicitation in the event that the primary printing site becomes incapacitated. Such remedies may include the printing of ticket with an agreed upon third party at no additional cost to the Lottery.

In this section, Scientific Games provides a disaster recovery plan for production. We understand that the plan must describe how the process in which Scientific Games will provide gaming tickets within a reasonable time frame to meet the requirements set forth in this Solicitation in the event that the primary printing site becomes incapacitated. We acknowledge that such remedies may include the printing of ticket with an agreed upon third party at no additional cost to the Lottery.

Disaster Recovery Plan

Scientific Games knows that continuity of the West Virginia Lottery's instant ticket business depends on every aspect of the production process, including game design and programming operations, printing facilities, warehousing, and shipping. Accordingly, Scientific Games currently operates under a Lottery-approved disaster recovery plan. The plan describes how Scientific Games would continue the production process if a business-affecting accident occurs, specifically at the ticket production facility. In addition, it highlights measures taken to mitigate our business risks when considering a number of possible emergency scenarios. When planning for the worst-case scenario, all plans cover the following scenarios:

- Maintain people and facilities, lose data
- Maintain people and data, lose facilities



- Maintain people, lose data and facilities
- Lose people, maintain data and facilities
- Lose people and data, maintain facilities
- Lose people and facilities, maintain data
- Lose people, facilities, and data

We always write our disaster recovery plans to respond to the business impact of an event, not the cause.

Sample Plan

Our sample disaster recovery plan, at a minimum, addresses the following:

- Risk, threat and vulnerability analysis
- Plan activation
- Recovery strategy
- Recovery operations
- Emergency response
- Plan validation, testing and maintenance

Upon request we can provide an example of our corporate business continuity plan that identifies areas of risk and provides solutions for the management of the instant ticket lifecycle. The current approved global business continuity plan contains highly sensitive information with detailed inventories of equipment and personnel and will be provided to the Lottery upon contract award and made available for review during audits.

Instant Games

Scientific Games prints instant game tickets at four geographically diverse locations: Alpharetta, Georgia; Leeds, U.K.; Montréal, Canada; and Santiago, Chile. We assign every instant game to a primary plant with at least one recovery plant. In the event of a catastrophic incident at your primary print facility, we will print your scheduled instant games at the preapproved recovery plant. Games that are not primary to the failed plant will revert to their primary facility. If the recovery plant has insufficient capacity, it will shed some of its games for which it is the primary site and send them to their secondary site. In this way, we print all tickets at a facility with a proven track record for a given game. The West Virginia Lottery's primary facility is Alpharetta, and the secondary is Montréal.

Alpharetta Printing Plant Recovery Plan

We have equipped the printing facility we use to produce and store instant games for the West Virginia Lottery with a complete multi-layered security system to protect the games from compromise and theft. Our standard of security alertness is high in all phases of design, material procurement, production, transportation, storage, distribution, validation and disposition of tickets.

We have also made preparations for a disaster and subsequent recovery to our primary printing plant in Alpharetta to ensure an uninterrupted supply of new game inventory for the West Virginia Lottery.



While there has never been an interruption of production at the plant, we have made every preparation for the event of a disaster and subsequent recovery. Because we originally designated the facility as our sole printing plant in North America, we designed and built it to be as resilient as possible to any disasters by meeting stringent earthquake and hurricane codes. We also provide power redundancy and backup power generation, a self-contained infrastructure for fire control and sophisticated systems for fire prevention. The power supply is underground, limiting the impacts of weather. Power is also distributed to help ensure that should power be interrupted in one area; all others would be able to continue operation. We designed the facility around a core that physically supports our manufacturing components to insulate the potential of such events. The Alpharetta facility has been built to withstand EF3 tornadoes with no damage, i.e., tornadoes with winds of up to 165 mph. We test the recovery plan annually. It ensures recovery in 72 hours and features complete redundancy and hot backup press equipment, packaging system and programming capability.

Our business recovery plan also includes redundant suppliers for all materials should disaster befall one of our suppliers, as well as redundant power supplies to our printing facility. Scientific Games has internal and external backup capability for all phases of ticket manufacturing. We have also adopted a policy of secondary vendors for the supplies necessary to print instant tickets. Consequently, we have backup vendors for paper, ink, plates and supplies necessary to continue operations should any one supplier experience an issue.

With Scientific Games' four presses and 10 finishing lines in Georgia and a backup print facility in Montréal, the West Virginia Lottery can rest easy knowing that we have laid the groundwork to mitigate your risk and exposure to loss of revenue.

3.6 Corporate Audit Requirements

The Lottery reserves the right to audit all Vendor and Sub-Vendor facilities, processes, and/or procedures, as they relate to the Contract, using Lottery employees, its designees, the West Virginia State Auditor's Office, or other approved employees of the State of West Virginia.

The Vendor and all its Sub-Vendors under the Contract shall maintain records and supporting evidence pertaining to the fulfillment of the Contract obligations in accordance with generally accepted accounting principles and other procedures specified by the Lottery.

Vendor and any Sub-Vendors shall make all such records and materials available at its offices at all reasonable times during the term of the Contract and for five (5) years after the date of final payment under the Contract, for inspection by the Lottery, by any authorized representative of the Lottery and/or the State of West Virginia Auditor of State's Office ("State Auditor"), and copies thereof shall be furnished to the Lottery and/or the State Auditor by the appropriate entity, at no cost to the Lottery or the State Auditor, if requested by the Lottery or the State Auditor.



The Lottery reserves the right, at its sole discretion, to perform additional audits, which may include but are not limited to the following: financial, compliance, security, economy/efficiency, program results, and limited scope audits. The Lottery reserves the right to inspect any of the Vendor's third-party auditor's reports and management letters. Unless the audit would be impaired, any audit by the Lottery will only be conducted with reasonable prior notice to the Vendor, and subject to all security, quality, and other procedures which may be in force at the Vendor site. In the case of an audit indicating non-compliance with the terms of the Contract, the Lottery may pursue any and all available remedy as specified in the Contract, including terminating the Contract due to the Vendor's default.

Scientific Games acknowledges that the Lottery reserves the right to audit all of our facilities, processes, and/or procedures, as they relate to the Contract, using Lottery employees, its designees, the West Virginia State Auditor's Office, or other approved employees of the State of West Virginia.

We understand under the Contract, Scientific Games shall maintain records and supporting evidence pertaining to the fulfillment of the Contract obligations in accordance with generally accepted accounting principles and other procedures specified by the Lottery.

Scientific Games will make all such records and materials available at its offices at all reasonable times during the term of the Contract and for five years after the date of final payment under the Contract, for inspection by the Lottery, by any authorized representative of the Lottery and/or the State of West Virginia Auditor of State's Office ("State Auditor"), and copies thereof will be furnished to the Lottery and/or the State Auditor by the appropriate entity, at no cost to the Lottery or the State Auditor, if requested by the Lottery or the State Auditor.

Scientific Games acknowledges that the Lottery reserves the right, at its sole discretion, to perform additional audits, which may include but are not limited to the following: financial, compliance, security, economy/efficiency, program results, and limited scope audits. We understand that the Lottery reserves the right to inspect any of our third-party auditor's reports and management letters and that, unless the audit would be impaired, any audit by the Lottery will only be conducted with reasonable prior notice to Scientific Games, and subject to all security, quality, and other procedures which may be in force at our site. We acknowledge that in the case of an audit indicating non-compliance with the terms of the Contract, the Lottery may pursue any and all available remedy as specified in the Contract, including terminating the Contract due to our default.

3.6.1 Audited Financial Statements

The Vendor shall provide, as soon as it is available, to the Lottery on an annual basis a copy of its audited financial statements for such year. The Lottery requires (and will retain) an electronic and hardcopy of an annual third-party audit of the Vendor's operations, internal controls, system controls for data and print compliance, and related activities, which includes, but is not limited to, SSAE 18 (SOC I) type 2 & SOC II Type 2 audits reports (or the latest version of such audits as defined by American Institute of Certified Public Accountants (AICPA)). The Lottery also requires a SSAE 21 (SOC 1) Type 2 & SOC II Type 2 report from any subservice organizations.

Scientific Games will provide, as soon as it is available, to the Lottery on an annual basis a copy of its audited financial statements for such year. We understand that the Lottery requires (and will retain) an electronic and hardcopy of an annual third-party audit of our operations, internal controls, system controls for data and print compliance, and related activities, which includes, but is not limited to, SSAE 18 (SOC I) type 2 & SOC II Type 2 audits reports (or the latest version of such audits as defined by American Institute of Certified Public Accountants (AICPA)). We understand that the Lottery also requires a SSAE 21 (SOC 1) Type 2 & SOC II Type 2 report from any subservice organizations.



3.6.2 Cooperate with Any Audit Firm(s)

The Vendor should also fully cooperate with any audit firm(s) as contracted by the Lottery and/or the State Auditor's Office with respect to any audit to be performed involving the Vendor's operations, as required by law or as desired by the Lottery and/or the State Auditor's Office. The Lottery also holds the right to audit the Successful Vendor's applications and assess security vulnerabilities through testing and other reviews.

Scientific Games will fully cooperate with any audit firm(s) as contracted by the Lottery and/or the State Auditor's Office with respect to any audit to be performed involving our operations, as required by law or as desired by the Lottery and/or the State Auditor's Office. We understand that, if selected as the Successful Vendor, the Lottery also holds the right to audit our applications and assess security vulnerabilities through testing and other reviews.

3.7 Disclosure of Litigation and Investigation

Because the Lottery has a strong interest in the successful Vendor's continuing ability to produce secure, high-quality products and services, the Vendor MUST list and summarize pending or threatened litigation, administrative or regulatory proceedings, or similar matters not disclosed in Vendor's financial statements that could materially affect the Vendor's performance. As part of this disclosure requirement, the Vendor MUST state whether it or any owners, officers, directors, or partners have ever been convicted of any felony.

As noted in West Virginia State Code §29-22-14. a.3: No person MUST be permitted to act as vendor to the commission who has been convicted of any violation of this article, or of any felony or any crime related to theft, bribery or gambling or involving moral turpitude. The commission MUST deny the privilege of acting as a vendor to the commission for any person so convicted.

Failure to disclose such matters on contract award may result in termination of Contract.

This is a continuing disclosure requirement; any such matter commencing after the execution of a Contract, MUST be disclosed in a timely manner in a written statement to the Lottery.

Scientific Games understands that the Lottery has a strong interest in our continuing ability to produce secure, high-quality products and services. Scientific Games has no pending or threatened litigation, administrative or regulatory proceedings, or similar matters not disclosed in our financial statements that could materially affect our performance. None of our owners, officers, directors, or partners have ever been convicted of any felony.

We acknowledge West Virginia State Code §29-22-14. a.3, that states, "No person must be permitted to act as vendor to the commission who has been convicted of any violation of this article, or of any felony or any crime related to theft, bribery or gambling or involving moral turpitude. The commission must deny the privilege of acting as a vendor to the commission for any person so convicted." We confirm that no Scientific Games officers or directors have been convicted of any violation of West Virginia State Code §29-22-14. a.3 or of any felony or any crime related to theft, bribery or gambling or involving moral turpitude. Furthermore, all employees of Scientific Games undergo an extensive background investigation as part of the application process.

Scientific Games acknowledges that failure to disclose such matters on contract award may result in termination of Contract.

We understand that this is a continuing disclosure requirement and that any such matter commencing after the execution of a Contract must be disclosed in a timely manner in a written statement to the Lottery.



4. | Mandatory Requirements

4.1 Mandatory Contract Services Requirements and Deliverables

Contract Services must meet or exceed the mandatory requirements listed below.

Scientific Games meets or exceeds the mandatory requirements listed in this section.

4.1.1 Development

Instant lottery tickets will be planned by the Lottery using the Vendor's expertise in game analysis and planning, intellectual property research, graphic arts, data security, testing, and state-of-the-art printing systems. Instant lottery tickets MUST be produced by the Vendor in accordance with Working Paper specifications and delivered to the Lottery's Gaming System and Services vendor of record in West Virginia.

Scientific Games understands that instant lottery tickets will be planned by the Lottery using our expertise in game analysis and planning, intellectual property research, graphic arts, data security, testing, and state-of-the-art printing systems. We will produce instant lottery tickets in accordance with Working Paper specifications and deliver them to the Lottery's Gaming System and Services vendor of record in West Virginia.

4.1.2 Process

The Vendor MUST describe the process or processes being proposed for the production of the instant lottery tickets sought by the Lottery. The printing process MUST include, but is not limited to, game need analysis, game planning assistance, creative ticket design, complete game development, secure data creation and programming, game auditing, game printing, physical testing, and production plans. The Vendor MUST provide an overview description, including layout and print/game capacity, of the printing equipment (presses) utilized upon contract award. This information will not be used for evaluation but used to assist in cooperative planning.

The Vendor may not unilaterally change a Lottery-approved product, processes, or material as used in the production of, or services for, instant lottery game tickets. Such changes must be approved in writing by the Lottery prior to installation or implementation, be of equal or better quality of service or product, and at no additional cost to the Lottery.

In this section, Scientific Games describes the process being proposed for the production of the instant lottery tickets sought by the Lottery. The printing process includes, but is not limited to, game need analysis, game planning assistance, creative ticket design, complete game development, secure data creation and programming, game auditing, game printing, physical testing, and production plans. Where not strictly confidential, we provide an overview description, including layout and print/game capacity, of the printing equipment (presses) utilized upon contract award. We acknowledge that this information will not be used for evaluation but used to assist in cooperative planning.

We understand that we may not unilaterally change Lottery-approved products, processes, or material as used in the production of, or services for, instant lottery game tickets. Such changes will be approved in writing by the Lottery prior to installation or implementation, be of equal or better quality of service or product, and at no additional cost to the Lottery.



Game Planning and Development

Before work can start on any game, there must be planning. We have built the foundation of our game planning process on years of experience working with a multitude of domestic and international lottery jurisdictions and insights derived from our analytics. Our marketing and research teams around the world have captured lottery game attributes, performance indicators and key determinants of demand for the instant ticket games.

Scientific Games has the infrastructure to develop and produce 2,700 games globally each year. Our 50 Account Services professionals support more than 100 instant ticket game customers worldwide.

We lead the industry in developing analytical tools that help us parse data and provide actionable information to our customers. Our marketing and research teams analyze data to provide valuable insight to the Lottery in our product planning sessions with you, leading to optimal game design. The product development and game design functions we describe in the following pages provide insight and recommendations regarding games and production schedules for the Lottery.

A Framework Based on Insight

To help maximize sales for the West Virginia Lottery, our Insights and Account Services teams will develop a strategy for a portfolio of products—setting the framework for meeting your revenue goals. This rigorous exercise drives the process of developing games that will work in concert with the games launched before and after those proposed.

Since 1997, our Insights team has worked on more than 2,000 research projects that run the gamut of lottery products and methods. This reservoir of information helps us decipher the best practices for new forms of gaming. It also means we can quickly analyze and apply the success of our partnerships in other jurisdictions to the Lottery.

Prize Structure and Game Creation

All game planning activities start with insight and research. Scientific Games has honed our knowledge of solid game design best practices through years of countless research initiatives and interactions with players. We apply this expertise to our design process, starting with our portfolio strategies.

Each Vice President of Sales works with the Lottery and the dedicated point-of-contact, the Account Director, to build instant ticket portfolio strategies that will drive revenue. Historical data, success stories, new opportunities, innovative products and revenue objectives typically drive this collaborative effort. Next, the Account Director helps determine the specific games that make up the game plan. At this juncture, they also identify basic game details, such as ticket size, price point, theme, play action, callouts and prize structure. Your Account Director will support the Lottery as your single point of contact during this process.



4. | Mandatory Requirements

A simple change in the prize structure, for example, could impact a number of components, such as the ticket front callout, ticket back information, an uncovered ticket pattern, fonts and layouts, and ancillary retail or point-of-sale pieces. Having a single point of contact minimizes the opportunity for missed communication and ensures all information is up to date. Account Directors provide expert insight into the nuances of the Lottery, including what has sold well, color schemes already in the marketplace, tonality, etc.

Because we collaborate with the Lottery on all game designs, the graphic design team is always available to meet with your Account Director and the Lottery to brainstorm, clarify details and explore opportunities. Rick Tidwell, Director of Creative Services, also frequently provides his design expertise and creativity for key initiatives and highly visible games. Rick welcomes the opportunity to consult and collaborate with the Lottery at any time.

In addition, the game creation audit team is readily available to assist the Account and Creative Services departments in the overall game design and creation process. We understand the rules involved to make the best lottery games in the world. We ensure the prize structure and artwork take into account the spirit of the game so players get the most bang for their buck. In addition to the game specifications audit, the audit team focuses on artwork concept review and unique game approvals for more complicated games. The audit team is involved from concept through approval to ensure the game is accurate and satisfies your manufacturing and programming needs.

Once the Lottery has approved the artwork and prize structure for a game, the production approval team will review for any required changes, and label the artwork Production Approved. If the revisions visibly change the artwork, the team will consult with the Lottery before proceeding to Game Specifications. Clay Henss, Assistant Manager for the Creative Services team, is available for expert consultation and support to clarify or resolve technical and press-related concerns.

At this point, your Account Director will submit a request for game specifications artwork, including final art for covered and uncovered ticket fronts, ticket backs and any ancillary items such as the imaging overlay file and pack inserts. Once the graphic artist has completed the game specifications artwork, your Account Director will assemble the full document and work with the Game Creation Audit group for review. This review ensures that the prize structure is accurate and still follows the spirit of the game. We also audit programming parameters, fonts and layouts, and production at this phase, ensuring the game is ready for customer review. Once we review the game specifications, we make any required changes. On approval of the game specifications, your Account Director will submit a request for deliverables. This is the graphic artists' cue to deliver the final prepared game files to prepress. They also deliver any files for related materials, such as the require thumbnail and ticket art images and pack inserts, to the Lottery and any specified advertising or promotion agency or outside printers.



Account Services

It takes a very robust infrastructure to develop and produce more than 2,700 games globally each year. Our Account Services professionals support more than 100 instant ticket game customers worldwide. We have the largest instant ticket game Account Services teams in the industry, with a team of 50 worldwide, including 24 domestically.

Working alongside the Insights team and the Lottery, our Account Services team also uses our MAP™ and GameGallery tools to create an appealing game plan and compelling prize structures. The goal is to create games that have strong player appeal, encourage repurchase and generate maximum return for the State.

Our Instant Product Sales and Account Services teams as well as our Product Strategy teams are well versed in the core attributes and product types that appeal to each market segment. They apply this knowledge to their recommendations when working with a lottery on their product portfolio and game plans. When these games are ready for development, your Account Director makes sure that the prize structures, themes and artwork all work together to appeal to a specific market segment.

From prize structure and concept art development to trademark searches and press schedules, to production and delivery, our Account Services team oversees every step of the instant ticket game development lifecycle. The team thoroughly understands the pace and complexities of the lottery industry. They are also intimately aware of the intricacies of each of their specific lottery customers' market, preferences and technical requirements to make certain that we customize each lottery's games to their needs.

The Account team works directly with the Creative Services department to offer the Lottery a variety of game design options that complement each game launch strategy. They also work with the Programming department to develop parameters to optimize the prize structure.

Easy Access to Millions of Instant Game Records

Your account team has instant access to millions of industry-wide instant game records with our MAP database, including:

62,000+
Instant Games

3.3 Million

Weekly Sales Data Points

49,000+
Instant Game Images



Leading the Market in Instant Ticket Game Design

The quality of the artwork we provide to all of our lottery customers is second to none.

The design process really begins with the artwork, and that begins with the talented group of graphic artists who create your games. They truly understand the intricacies involved in the entire game production process, including the layering of the security inks and coatings, the proper placement of symbols and play areas, and the need to create visually appealing art that will catch a player's eye at retail. When looking around in the retail market, it is important to note that Scientific Games leads the way with innovative design. We don't just copy what is already in the market, we create for the market.

The whole Creative Services team are among the most experienced creative team in the industry. Our 36 designers worldwide equal a deep pool of talented artists that regularly create thousands of instant ticket concepts to continually keep our customers' product mix fresh.

Security in Every Step of Our Manufacturing Process

The security of the Lottery's games is the principal and overriding concern in all aspects of the Alpharetta instant ticket operation.

Our manufacturing starts with physical controls administered by the on-site security team. Facility security is achieved by deploying state-of-the-art digital systems in conjunction with aesthetically designed physical barriers and a full array of devices that mitigate physical threats against our business operations. Our comprehensive security services include personnel, facility, process, awareness and risk management programs administered by security professionals and supported by effective policy and procedures and an involved management team.

Our security process continues with the logical controls that protect the game data. In general, these controls, like physical controls, keep people out. No person at Scientific Games can determine the location of any winning or losing ticket in any game. Multiple and overlapping controls ensure that the game data is completely protected from internal and external threats. This includes all algorithms, all data files, the game production process, the reconstruction process, the prize balancing process and all other aspects of information security. We have an information security management system and maintain the prestigious ISO 27001 security certification.

Finally, during ticket production, we take meticulous care to make sure that all tickets pass rigorous security tests. We perform these tests throughout every game production run and verify that the play areas of the tickets can withstand compromise techniques in the field. These security test methods and practices are constantly evaluated and updated to ensure that our tickets continue to resist cutting-edge techniques and technology as they are developed and attempted.

Scientific Games' Alpharetta Plant Delivers

Developing, executing, printing and ultimately selling billions of instant tickets every year is an incredibly complex process that involves multiple disciplines working hand in hand every step of the



way. From working papers to shipping, Scientific Games offers to the Lottery unmatched skill and bandwidth in all areas of game production.

Four state-of-the-art presses. Ten finishing lines. Thirty gifted programmers (and 70 worldwide). Nineteen talented artists. Fifteen analytics and insight experts. More than a dozen cutting-edge platforms—including Keyed Dual Security (KDS), Composer, MAP and GameGallery—to ensure that we deliver the 100 million packs we ship each year to our customers on time, at the highest quality and integrity, in the right quantities.

How does it benefit the Lottery? We make decisions faster. Our teams solve problems faster. Collaboration harnesses creative energies. Our strengths result in sharper artwork, better working papers, more innovation and more responsive to our customers. Our teams work together and capitalize upon opportunities for our customers.

And perhaps most important, the Alpharetta plant enables superior speed to market. More than any other vendor, Scientific Games can bring new products, new systems and new promotions to market when every minute matters and every hour lost affects a lottery's bottom line, which, in turn, impacts the good causes they support.

We also recognize the benefits of having resources around the world that enable us to react quickly to opportunities wherever—and whenever—they may arise, 24 hours a day, seven days a week. This is why, in addition to our Alpharetta facility, we have offices across the U.S. and around the globe that contribute daily to our customers' success. With additional printing facilities in Montreal, Leeds and Santiago, our customers worldwide benefit from the global experience that our international teams provide. All of these reasons and more are why Scientific Games produces more than 70% of the U.S. supply of instant tickets.

Purpose-Built Press

The West Virginia Lottery will not have to compete for press time with lotteries that have larger-volume ticket runs. We custom built our P-4 press for high efficiency—specifically for lotteries like West Virginia. Each press run on P-4 is less than 24 hours, so we have tremendous flexibility in the schedule to ensure we meet delivery requirements. While P-4 is used exclusively for smaller print runs, it still has enhancements that provide for some of our best ticket options like SureMark™, HD Games™ and four-color ticket backs. In addition, having a packaging line attached to the press enables us to immediately package your tickets, which increases your speed to market.



Scientific Games' Alpharetta Plant





Scientific Games' Methods of Printing and Production

Scientific Games follows a very specific production methodology, which allows us to consistently deliver product that meets the high quality the Lottery has come to expect. From game design to shipping, our goal is to provide the Lottery with quality products that are secure, accurate and marketable.

When reviewing a vendor's ability to print instant ticket games, it is critical to consider its ability to coordinate the execution of thousands of details for multiple games while maintaining the highest quality and security. The vendor's commitment to protecting the Lottery's image and integrity with the public is also of vital importance. Scientific Games is that vendor. As your instant ticket partner, Scientific Games' ticket printing processes are beneficial to the Lottery in these key ways:

We believe that it is important for the Lottery to review any independent audit reports (including Delehanty) of all vendors in order to obtain an independent and expert perspective of each vendor's security rating.

- **Security** – For the past decade, Scientific Games manufacturing has been the subject of a comprehensive security audit conducted by Delehanty Consulting. Delehanty Consulting has been conducting independent security audits for North American lotteries for the past 13 years. Scientific Games consistently receives the rating of 'Exceptional'.

Risks are higher in today's market because instant ticket games routinely include top prizes in the tens of millions of dollars, which heightens the need for absolute excellence in security. Throughout this section we reference our patented and proprietary Keyed Dual Security (KDS360) systems, as well as clearly demonstrate why Scientific Games is the most secure instant ticket game manufacturer in the industry.

Our people and systems ensure that we can do all of this work right the first time. These key components keep the games rolling from concept to game specifications to shipment to game closure. We offer the Lottery unmatched depth and expertise in ALL game facets, not just ticket production capacity.

- **Quality** – Scientific Games delivers instant ticket games of the highest quality. Our policy is to build quality into our processes, not rely entirely on post-production inspection to remove poor quality product. This includes automated monitoring systems such as our Real Time Marking (RTM) system. Our employees working in all phases of production are committed to our ISO 9001:2015 quality management system.



4. | Mandatory Requirements

- **Bandwidth** – We use this term to mean the full game development capabilities of your supplier. Not only does Scientific Games have the highest print and finishing capacity in the business—but we can also produce and deliver more artwork, more game specifications, more game programming, more plates, more ticket proofs, more hash files, more validation files and more game services. Our bandwidth is also very important because Scientific Games has the capacity to conduct press trials of new products and materials.
- **Innovation** – Scientific Games' Research and Development teams of programmers, analysts, chemists and other technical professionals enable the Global Innovation group to consistently improve, enliven and invigorate the instant ticket product. Machinery and equipment which allow for the generation of new innovations must be incorporated into the overall production system in a seamless flow. Our significant investments in the latest technology, along with our expertise in secure, quality and timely production, allows us to honor our commitment to you to consistently provide the newest and best lottery experiences for your valued players.

Innovation and bandwidth are linked together. Scientific Games' production capability allows for time on press to test new products.

Instant Ticket Manufacturing

The production of a secure, accurate and successful instant ticket game—starting only with paper and ink as the basic raw materials—is a truly remarkable undertaking. The end product represents a complex mixture of the sciences—chemistry, mathematics and engineering—in collaboration with the disciplines of computer science, logistics, management and communications, supported also by marketing, art, law and politics. Considering that game volumes are counted in the tens of millions and production speeds are measured in excess of tens of thousands of tickets per minute, one cannot fail to realize the complexity of the instant ticket product and the sophisticated skills and systems necessary to produce it successfully.

Yet, even though the manufacturing of an instant ticket game is an extremely complex process, the process can be broken down into a few primary steps as identified in **Figure 4-1**.

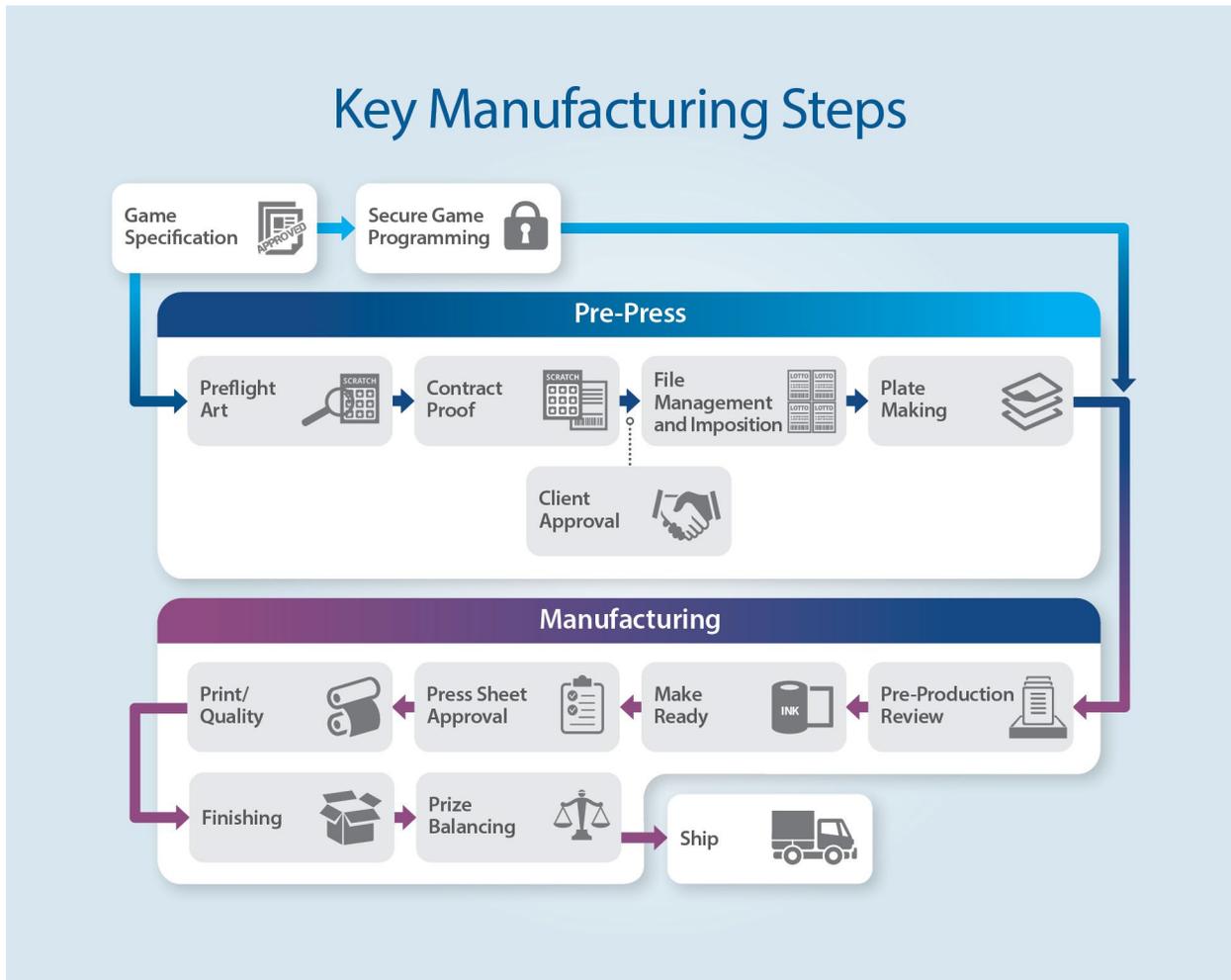


Figure 4-1: Instant Ticket Manufacturing Process

Major Manufacturing Steps

- **Game Specifications** – The results of the game planning efforts by the Insights team, the Account Services and Creative Services teams, and the Lottery finally come together in the game specifications. The term “game specifications” refers to the set of specifications and standard requirements that define the instant game. The game specifications serve as the contractual promise of how we will produce and deliver the game.
- **Secure Game Programming** – The Game Software Development and Production systems routinely produce secure and accurate game data that meets all required game specifications. This includes all prize structure and programming parameter considerations. Specifically, game data is not vulnerable to winner-pick-out due to a predictability of the data itself.
- **PrePress** – A critical first phase in the production process. This function ensures that the final game delivered to you accurately matches the original art chosen by you and represented to you by the ticket proof.



- **Printing** – Our printing systems are an engineering marvel of combined technology systems, integrating sophisticated imaging systems, custom-designed drying and curing units, inspection cameras and data capture systems within the print units. But while we have some of the most modern printing systems in the industry, they are merely the tools of our trade directed by the expert print professionals at Scientific Games. Each major printing step listed below ensures every game is produced with the highest level of quality, integrity and security.
 - Pre-Production Review
 - Make Ready
 - Press Sheet Approval
 - Print/Quality
 - Finishing
 - Prize Balancing
- **Shipping** – An extension of the finishing process, responsible for the final preparation of each game so that it is received by the Lottery’s distribution center in good condition and ready for distribution to the retail network. Each step in the process is performed by trained staff using specialized equipment and is closely monitored by floor-level supervision and security control.

Scientific Games’ Printing Expertise

With eight presses operating worldwide, our global teams work together, sharing knowledge and best practices that benefit all of our customers. We continually make major investments in our printing equipment. Having purchased and deployed more lottery printing presses than all other lottery vendors combined, we continue to be at the forefront of developing the sophisticated technology in use in the industry today.

Each of our presses is actually a ‘printing system’. Our printing systems are an engineering marvel of combined technology systems, integrating sophisticated imaging systems, custom-designed drying and curing units, inspection cameras and data capture systems within the print units. But while we have some of the most modern printing systems in the industry, they are merely the tools of our trade directed by the expert print professionals at Scientific Games.

One of the most important benefits derived from working with Scientific Games is the skill and craftsmanship of our experienced press teams. We offer to the Lottery the deepest and most experienced team of lottery printing professionals, unmatched by any other vendor. The most senior of these experts have been instrumental in printing tens of thousands of instant ticket games. It is impossible to replicate this knowledge in a classroom or on a computer. When also factoring in our team’s intense passion and pride, all of our clients know they can count on receiving the best quality instant ticket games time after time.



4.1.3 Standards

4.1.3.1 Ticket Sizes and Orientation

The Vendor MUST produce tickets of varying sizes and the Lottery may require tickets in both horizontal and vertical formats.

Scientific Games will produce tickets of varying sizes and the Lottery may require tickets in both horizontal and vertical formats.

4.1.3.1.1 Ticket Size

The size of the tickets MUST be four (4) inches on the perforated side to accommodate the Lottery's display and dispensing units. Ticket length may range from two (2) inches to twelve (12) inches in length. Currently the Lottery utilizes tickets with lengths of two and a half inches, four inches, five inches, six inches, eight inches and ten inches.

The Vendor MUST NOT prohibit the Lottery from producing oversized tickets.

The size of the tickets printed by Scientific Games will be four inches on the perforated side to accommodate the Lottery's display and dispensing units. We understand that ticket length may range from two inches to twelve inches in length and that the Lottery currently utilizes tickets with lengths of two and a half inches, four inches, five inches, six inches, eight inches and ten inches.

Scientific Games will not prohibit the Lottery from producing oversized tickets.

4.1.3.2 Ticket Numbering

Each instant lottery game ticket MUST bear a unique sequential number (inventory control number) that identifies the ticket printed on the back and/or the front of the ticket. Numeration and number location MUST meet the specifications set forth in the Lottery's Working Papers. This ticket number MUST NOT be duplicated in the game as a whole and include the:

Each instant lottery game ticket will bear a unique sequential number (inventory control number) that identifies the ticket printed on the back and/or the front of the ticket. Numeration and number location will meet the specifications set forth in the Lottery's Working Papers. This ticket number will not be duplicated in the game as a whole and include the:

- **Instant Lottery Game Number (4.1.3.2.1)** – Each instant lottery game will be assigned a unique number by the Lottery in the game Working Papers.
- **Pack and Ticket Identification Numbers (4.1.3.2.2)** – Each pack and all instant lottery game tickets within the pack will bear a unique pack identification number for use in controlling ticket distribution and accounting. Our programming and procedures adequately ensure that the pack number is the same on all tickets within a given pack; the pack number is never duplicated within that game; the ticket numbers are consecutive within the pack; and no breaks or omissions in ticket numbers exist within the pack.
- **Check Digit Numbers (4.1.3.2.3)** – A check digit will be part of the ticket number and be determined by a secure algorithm.
- **Validation Number (4.1.3.2.4)** – Each ticket will possess a unique validation number to be used for winning ticket claims validation and reconstruction of lottery game ticket numbers, letters, or symbols that have become mutilated or unreadable. We will provide any needed documentation for the Gaming System and Services vendor of record and any promotional or third party to



process all tickets as needed. The validation number will be covered with a protective coating or be covered. Tickets will each have a unique validation number that is non-repetitive in the game, as a whole, and that cannot be related, in any way, to the readable pack number and ticket number on the ticket. Validation and game, pack, and ticket numbers will be applied with inkjet imager(s), or a similar printing method.

The validation number will “float” or be “non-locational” unless otherwise denoted by the Lottery. The validation number will be re-constructible, generated by algorithms, and will not aid in the identification of a winner, except using a game-specific algorithm.

Scientific Games can perform reconstructions upon request by the Lottery and has a process for such in place.

4.1.3.3 Barcodes

Instant lottery game tickets MUST be barcoded on the front and on the back, as specified in the Working Papers for each specific game. The Lottery reserves the right to determine barcode types and locations.

Instant lottery game tickets will be barcoded on the front and on the back, as specified in the Working Papers for each specific game. We understand that the Lottery reserves the right to determine barcode types and locations. The barcodes will meet the following requirements:

- **Section 4.1.3.3.1** – The barcode will be printed and contain a game number, pack number, ticket number. A barcode may require the validation number and check digit that is read by the point-of-sale equipment for Lottery retailers as a group as well.
- **Section 4.1.3.3.2** – The barcode will meet American National Standards Institute (A.N.S.I.) specifications (www.ansi.org) and achieve a consistent, first-time read rate of ninety-nine (99) percent as a minimum.
- **Section 4.1.3.3.3** – We will produce full validation barcodes, such as PDF 417 and 2D barcodes, which will be used on the front of the ticket to allow scanning for player ticket inquiry and retailer ticket validation and inquiry. This barcode will be determined by the Lottery and work in conjunction with the Gaming System and Services vendor of record.
- **Section 4.1.3.3.4** – We will produce tickets with secured variable data and/or barcodes for use in promotional or other endeavors using imported data or codes (i.e. retailer cooperative promotion, gaming system free plays, etc.)

4.1.3.4 Uniform Product Codes

The Vendor will print Uniform Product Codes (UPCs) on the back of tickets as specified in each game's Working Papers. Each game MUST have a unique UPC that MUST be procured by the Vendor. The cost of the UPC MUST be incorporated in the basic cost-per-thousand price quote on the PRICING PAGE. The Lottery is currently registered with the EAN.UCC and has an existing company prefix.

Scientific Games will print Uniform Product Codes (UPCs) on the back of tickets as specified in each game's Working Papers. Each game will have a unique UPC that we will procure. The cost of the UPC will be incorporated in the basic cost-per-thousand price quote on the pricing page. We understand that the Lottery is currently registered with the EAN.UCC and has an existing company prefix.



4.1.3.4.1 UPC Quality

UPCs MUST be of high quality and capable of being read by every Lottery retailer's UPC scanning equipment. The Lottery will continue to evaluate barcodes used based on retailer scan and point-of-sale equipment.

UPCs will be of high quality and capable of being read by every Lottery retailer's UPC scanning equipment. We understand that the Lottery will continue to evaluate barcodes used based on retailer scan and point-of-sale equipment.

4.1.3.5 Retailer Validation Codes

Retailer codes MUST consist of three alpha characters placed in separate locations under the scratch-off covering of each ticket and indicate a winner or non-winner. The Retailer validation code letters MUST be non-locational or "float" in the play areas and MUST be positioned, with respect to the overprint design, in locations that minimize "pick out" techniques. Such codes should clearly indicate to retailers whether or not the ticket is a winning ticket when "sight validated." Only winning tickets up to and including \$600 WILL use winning codes. Non-winning tickets and winners over \$600 specified in the Working Papers MUST use the approved alpha characters in the required codes in unique combinations with the following restrictions: vowels A, E, I, O, U and the consonant T MUST NOT be used. The retailer validation codes MUST be standard and in compliance with specifications set forth in the Working Papers for each game.

Retailer codes will consist of three alpha characters placed in separate locations under the scratch-off covering of each ticket and indicate a winner or non-winner. The Retailer validation code letters will be non-locational or "float" in the play areas and will be positioned, with respect to the overprint design, in locations that minimize "pick out" techniques. Such codes will clearly indicate to retailers whether or not the ticket is a winning ticket when "sight validated." Only winning tickets up to and including \$600 will use winning codes. Non-winning tickets and winners over \$600 specified in the Working Papers will use the approved alpha characters in the required codes in unique combinations with the following restrictions: vowels A, E, I, O, U and the consonant T will not be used. The retailer validation codes will be standard and in compliance with specifications set forth in the Working Papers for each game.

4.1.3.6 Other Markings

The Vendor may be required to print Lottery logo(s), shaded price points, shaded game names, and other markings on ticket fronts and/or backs as required by the Lottery.

Scientific Games understands that we may be required to print Lottery logo(s), shaded price points, shaded game names, and other markings on ticket fronts and/or backs as required by the Lottery.

4.1.3.7 Shelf Life

Instant lottery game tickets MUST be easily "scratched" or revealed and remain readable and in good condition regardless of environments encountered in normal handling, storage, and usage for a minimum of thirty (30) months from the time they are delivered to the Lottery.

Instant lottery game tickets will be easily "scratched" or revealed and remain readable and in good condition regardless of environments encountered in normal handling, storage, and usage for a minimum of 30 months from the time they are delivered to the Lottery.



4. | Mandatory Requirements

4.1.4 Process Controls

4.1.4.1 Digital Production Files

The Vendor MUST provide a digital inventory file identifying all tickets or packs packaged for each game. The inventory file MUST mark as "omitted" those tickets or packs of tickets that are not delivered. The format and size of this file WILL be authorized by the Lottery.

Scientific Games will provide a digital inventory file identifying all tickets or packs packaged for each game. The inventory file will mark as "omitted" those tickets or packs of tickets that are not delivered. We understand that the format and size of this file will be authorized by the Lottery.

4.1.4.1.1 Secure Electronic File Transfer

The Vendor MUST provide the data within this file for all packs delivered and all prizes for each instant lottery game ticket. This data MUST be sent via Secure Electronic File transfer as required by the Lottery. Production data transported via satellite or land-line, including encryption key transport, MUST be encrypted and transferred using a method approved by the Lottery.

Scientific Games will provide the data within this file for all packs delivered and all prizes for each instant lottery game ticket. We will send this data via Secure Electronic File transfer as required by the Lottery. Production data transported via satellite or land-line, including encryption key transport, will be encrypted and transferred using a method approved by the Lottery.

4.1.4.2 Package Control Manifest

A digital file of all packs manufactured, listed by box/carton/bundle, with omitted packs indicated WILL be provided to the Lottery prior to each game delivery.

Prior to each game delivery, Scientific Games will provide the Lottery with a digital file of all packs manufactured, listed by box/carton/bundle, with omitted packs indicated.

4.1.4.3 Lottery Inspection of Production Tickets

The Lottery reserves the right to inspect all instant lottery game tickets at the manufacturing site during production of the tickets and all inventories of its tickets, at its option. If a single ticket in any pack or packs fails to conform to specifications, then the entire pack(s) may be deemed to be non-conforming.

The Vendor WILL pay for all reasonable and necessary expenses, including travel, meals and lodging for one (1) round-trip, by up to two (2) individuals designated by the Lottery for the purpose of conducting production and/or security inspections at the Vendor's facility. Such site inspections will be conducted on an "as needed" basis determined by the Lottery, but not to exceed three per contract year.

If the Lottery does not designate an individual to attend the production of a game, the Vendor MUST overnight a press sheet to the Lottery within one (1) business day of the ticket printing.

Scientific Games understands that the Lottery reserves the right to inspect all instant lottery game tickets at the manufacturing site during production of the tickets and all inventories of its tickets, at its



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option. We acknowledge that if a single ticket in any pack or packs fails to conform to specifications, then the entire pack(s) may be deemed to be non-conforming.

Scientific Games will pay for all reasonable and necessary expenses, including travel, meals and lodging for one round-trip, by up to two individuals designated by the Lottery for the purpose of conducting production and/or security inspections at Scientific Games' Alpharetta facility. Such site inspections will be conducted on an "as needed" basis determined by the Lottery, but not to exceed three per contract year.

If the Lottery does not designate an individual to attend the production of a game, we will overnight a press sheet to the Lottery within one business day of the ticket printing.

4.1.4.4 Unused Materials

A report MUST be provided to the Lottery at the end of production of each game that states the number of pools produced during the production of the game, how many were converted to what number of tickets, less the number of tickets shipped, and the number of omits resulting in an estimate of game waste. The Lottery has provided a game summary report to be used as a guide. Samples of delivery reports and omit manifest listing omitted packs and good packs per box used for auditing purposes are attached. (See Exhibit C)

These unused materials MUST be destroyed by shredding or other appropriate methods on the premises of the Vendor. Waste materials cannot leave the Vendor's premises until processed to render them unrecognizable as the Lottery's materials. Destruction of waste tickets and other materials WILL be performed by the Vendor at no cost to the Lottery.

Scientific Games will provide a report to the Lottery at the end of production of each game that states the number of pools produced during the production of the game, how many were converted to what number of tickets, less the number of tickets shipped, and the number of omits resulting in an estimate of game waste. We acknowledge that the Lottery has provided a game summary report to be used as a guide and that samples of delivery reports and omit manifest listing omitted packs and good packs per box used for auditing purposes are attached as Exhibit C.

These unused materials will be destroyed by shredding or other appropriate methods on our premises. Waste materials will not leave our premises until processed to render them unrecognizable as the Lottery's materials. Destruction of waste tickets and other materials will be performed by Scientific Games at no cost to the Lottery.

4.1.4.5 Prevent Ticket Compromise

Tickets MUST NOT bear any words, symbols, or numbers that in any way would permit a person to determine the location of a winning ticket. Regardless of the type of ticket design or designs proposed, the final product MUST be tamper-proof by practical means.

The Lottery requires that random pool sample live packs be pulled from the actual game print prior to packaging. The game pack range(s) will be provided to the Lottery and the Lottery will determine random sample packs to be pulled from the printing before balancing a game. The samples are then to be sent to the Lottery's Security Office for confirmation and logging. Reconstruction for wins per pack (see Exhibit C) for each pack will be securely provided. These packs will be inspected and tested on the test Gaming System prior to the game launch. The Lottery reserves the right to require the Vendor to reprint any instant ticket game at any time if the game does not pass West Virginia Lottery tests. The Vendor MUST submit sample tickets of each ordered game and game pulse, in accordance with the timelines set forth in the Working Papers. Two of the sample packs per game (or one per pulse if more than two pulses) will be scratched before shipping.

West Virginia Lottery physical security standards for instant lottery game tickets require that the tickets not be compromised by: transmitted light, oblique light, thermal, solvents, Ultraviolet light, magnetic viewing, photocopying, infrared, infrared



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luminescence, cold, water submergence, electrostatic device, microscopic, or any other means found in industry testing. If any tickets printed do not pass West Virginia Lottery test standards, the Vendor MUST either correctly reprint the entire inventory of game tickets, at no charge to the Lottery, in time for delivery set forth in amended Working Papers, or face liquidated damages.

Tickets will not bear any words, symbols, or numbers that in any way would permit a person to determine the location of a winning ticket. Regardless of the type of ticket design or designs proposed, the final product will be tamper-proof by practical means.

Scientific Games acknowledges that the Lottery requires that random pool sample live packs be pulled from the actual game print prior to packaging. The game pack range(s) will be provided to the Lottery and the Lottery will determine random sample packs to be pulled from the printing before balancing a game. The samples will then to be sent to the Lottery's Security Office for confirmation and logging. As indicated in Exhibit C, reconstruction for wins per pack for each pack will be securely provided. These packs will be inspected and tested on the test gaming system prior to the game launch. We acknowledge that the Lottery reserves the right to require Scientific Games to reprint any instant ticket game at any time if the game does not pass West Virginia Lottery tests. Scientific Games will submit sample tickets of each ordered game and game pulse, in accordance with the timelines set forth in the Working Papers. Two of the sample packs per game (or one per pulse if more than two pulses) will be scratched before shipping.

Scientific Games acknowledges that West Virginia Lottery physical security standards for instant lottery game tickets require that the tickets not be compromised by transmitted light, oblique light, thermal, solvents, ultraviolet light, magnetic viewing, photocopying, infrared, infrared luminescence, cold, water submergence, electrostatic device, microscopic, or any other means found in industry testing. If any tickets printed do not pass West Virginia Lottery test standards, Scientific Games will either correctly reprint the entire inventory of game tickets, at no charge to the Lottery, in time for delivery set forth in amended Working Papers, or face liquidated damages.

4.1.4.6 Non-Conforming Tickets

The Lottery reserves the right to impose liquidated damages if tickets printed, and subsequently distributed to the field, are later found to be compromised, faulty, of poor print quality, or otherwise fail to meet the requirements set forth in the Working Papers.

Scientific Games understands that the Lottery reserves the right to impose liquidated damages if tickets printed, and subsequently distributed to the field, are later found to be compromised, faulty, of poor print quality, or otherwise fail to meet the requirements set forth in the Working Papers.

4.1.4.7 Incident Reporting/Escalation

The successful Vendor MUST provide a Lottery approved mechanism or procedure to document, report, identify severity, and escalate incidents of defective or compromised ticket received by the Lottery upon contract award. The plan MUST identify the steps the Vendor will take to resolve the identified situation.

Scientific Games will provide a Lottery-approved mechanism or procedure to document, report, identify severity, and escalate incidents of defective or compromised ticket received by the Lottery upon contract award. The plan will identify the steps we will take to resolve the identified situation.



4.1.4.8 Inspections

The Vendor MUST allow for inspections authorized by the Director of the Lottery, at unannounced times, for the purpose of determining the working conditions of security systems.

Scientific Games will allow for inspections authorized by the Director of the Lottery, at unannounced times, for the purpose of determining the working conditions of security systems.

4.1.4.9 Production Schedule Compliance

The Vendor MUST provide and adhere to a complete schedule to produce instant tickets. This schedule MUST include generation of the Working Papers for each game, and a sample of the type of schedule being proposed MUST be provided.

Scientific Games will provide and adhere to a complete schedule to produce instant tickets. This schedule will include generation of the Working Papers for each game, and a sample of the type of schedule being proposed will be provided.



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4.1.5 Printing Specifications

The following subsections provide requirements for the components and construction of the instant lottery game tickets sought by the Lottery. By submitting a bid, the Vendor certifies its ability to meet the requirements in each of the following subsections.

Scientific Games acknowledges that the following subsections provide requirements for the components and construction of the instant lottery game tickets sought by the Lottery. By submitting a bid, Scientific Games certifies its ability to meet the requirements in each of the following subsections.

4.1.5.1 Industry Tolerance

Subject to normal printing trade tolerances and practices; designs, printing inks, and coatings on the tickets MUST be properly print registered and MUST be free of flaws that are visible without magnification.

Subject to normal printing trade tolerances and practices; designs, printing inks, and coatings on the tickets will be properly print registered and will be free of flaws that are visible without magnification.

4.1.5.2 Paper/Stock/Substrate

The ticket stock MUST consist of either foil-less or foil-laminated paper stock that may be composed of materials that are recycled, recyclable, or biodegradable. The requirements for composition of each game may vary as specified by game Working Papers.

- *Foil or Foil Laminate: When required, the foil laminate MUST be coated on the backsides of tickets. The foil may be shiny or dull side out depending upon game specifications contained within the Working Papers.*
- *Recyclable Holographic stock: When required, the backsides of tickets using Holographic-laminated paper cardstock MUST be as specified within the Working Papers.*
- *Paper stock: The ticket stock requirements may be modified within reason, at the discretion of the Lottery, during the term of the contract.*
- *Protective Security Measures: Foil-less paper/paper stock substrates MUST have protective security measures that simulate, or are equal to, those provided by foil-laminated substrates.*
- *Compatibility with Dispensers: The proposed paper, substrates, and layers MUST be compatible with all instant ticket display and dispensing mechanisms used by the Lottery and the Gaming System and Services vendor of record.*
- *Integrity of Stock: The ticket stock MUST NOT curl, separate, or easily split in a manner that jeopardizes ticket security or integrity. The ticket stock MUST resist damage, perforation, and removal of the scratch covering materials during normal handling and dispensing.*

The ticket stock will consist of either foil-less or foil-laminated paper stock that may be composed of materials that are recycled, recyclable, or biodegradable. The requirements for composition of each game may vary as specified by game Working Papers.

- **Foil or Foil Laminate** – When required, the foil laminate will be coated on the backsides of tickets. The foil may be shiny or dull side out depending upon game specifications contained within the Working Papers.
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- **Paper Stock** – The ticket stock requirements may be modified within reason, at the discretion of the Lottery, during the term of the contract.
- **Protective Security Measures** – Foil-less paper/paper stock substrates will have protective security measures that simulate, or are equal to, those provided by foil-laminated substrates.
- **Compatibility with Dispensers** – The proposed paper, substrates, and layers will be compatible with all instant ticket display and dispensing mechanisms used by the Lottery and the Gaming System and Services vendor of record.
- **Integrity of Stock** – The ticket stock will not curl, separate, or easily split in a manner that jeopardizes ticket security or integrity. The ticket stock will resist damage, perforation, and removal of the scratch covering materials during normal handling and dispensing.

4.1.5.3 Colors and Ink

The Vendor MUST provide the following printing capabilities and notification of printing limitations with respect to the number and types of colors and inks that are used. Additional costs for multiple game inks or processes (dual color or multicolor imaging, metallic-like inks, additional colors, matte finish, four-color ticket back, scented inks, etc.) MUST be stated in the Exhibit A PRICING PAGE. The Vendor MUST address, at a minimum, the following items:

- *Capabilities for full-bleed graphic designs using up to five (5) inks in different colors in the production of instant ticket fronts.*
- *Capabilities for fluorescent inks.*
- *Use of marking system, Fluorescent, metallic-like, and scented inks.*
- *Capabilities of a minimum of two (2) color printing on the backs of the instant tickets.*
- *Standard black ink color used for the game data on the instant tickets and describing any capabilities for the use of multiple colors.*
- *Full or spot varnish coatings used to protect the ticket and add gloss or partial gloss.*
- *Processes for holographic, foil, marking system, and scented tickets.*

Scientific Games will provide the following printing capabilities and notification of printing limitations with respect to the number and types of colors and inks that are used. Additional costs for multiple game inks or processes (dual color or multicolor imaging, metallic-like inks, additional colors, matte finish, four-color ticket back, scented inks, etc.) are stated in the Exhibit A PRICING PAGE. We address, at a minimum, the following items:

- Capabilities for full-bleed graphic designs using up to five inks in different colors in the production of instant ticket fronts.
- Capabilities for fluorescent inks.
- Use of marking system, fluorescent, metallic-like, and scented inks.
- Capabilities of a minimum of two-color printing on the backs of the instant tickets.
- Standard black ink color used for the game data on the instant tickets and describing any capabilities for the use of multiple colors.
- Full or spot varnish coatings used to protect the ticket and add gloss or partial gloss.
- Processes for holographic, foil, marking system, and scented tickets.



Per Addendum 2 issued by the Lottery, Scientific Games has only priced the specific options requested by the West Virginia Lottery. However, we have many other capabilities that we will be happy to provide a quote should the Lottery wish to utilize in the future.

Full-Bleed Capabilities

MegaColor™

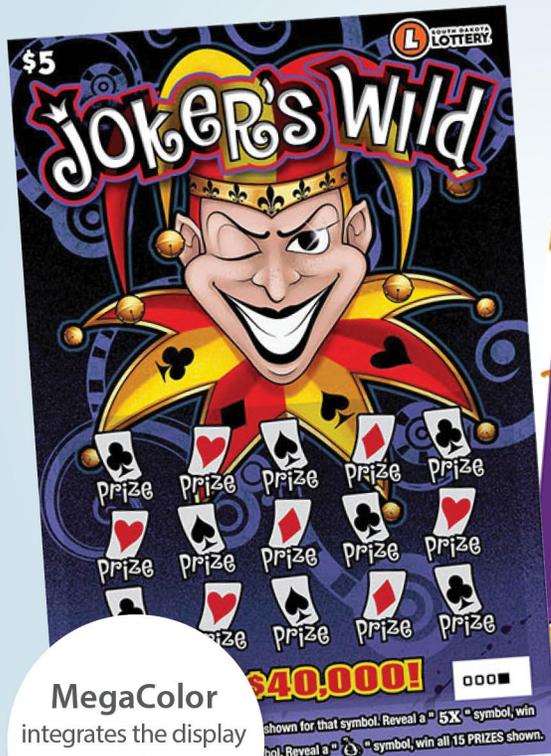
MegaColor integrates the display area with the overprint area. This process gives the game a completely seamless look to dramatically increase the visual appeal of the ticket or expand the design options for a game.

FouReal®

FouReal is a printing technique that prints vivid, full-color graphics over the scratch-off area—with a nearly unlimited palette of color choices. This process allows for complicated graphics on the overprint area of a ticket, increasing the graphic appeal of a game and making the game more secure.



Increase a Ticket's Visual Appeal with Seamless and Dramatic Printing Techniques



MegaColor
integrates the display area with the overprint area.



FouReal
prints vivid, full-color graphics over the scratch-off area—allows for complicated graphics on the overprint area of a ticket, increasing the graphic appeal of a game.



Specialty Inks

Fluorescent Inks

Bold fluorescent inks grab players' attention and stand out at the crowded retail counter. Unsurprisingly, fluorescent inks continue to be the number one specialty ink used on lottery instant games for the past six years, representing over 40% of games printed worldwide featuring a specialty ink. The Lottery can use these inks on the display and overprint areas of the ticket, and they come in a variety of colors.





Metallic Inks

Metallic inks can elevate the perceived value of a game, adding a luxurious element and enhancing the overall aesthetic quality. We provide metallic ink options that the Lottery can use in the display and overprint areas of the game. Standard metallic inks have been available for many years. Scientific Games also offers premium metallic inks for additional impact and value.

Standard Metallic

Standard metallic inks have been available for many years. While gold and silver are most popular, we also offer an array of colored metallic inks.





Premium Metallic Ink

Scientific Games introduced premium metallic inks to the market with immediate and lasting success. They have become very popular since they offer 50% more shine than standard metallic inks. Many lotteries choose premium metallic inks for higher price point games to add richness and elegance. Premium metallic ink is an additional price not listed in **Exhibit A**.





Scented Inks

Complementing a game design with a scent increases the sensory appeal of the play experience. The success of the popular New Hampshire Lottery Commission bacon-scented ticket took advantage of a pop culture trend, adding to the appeal of the game, and provided a creative hook that garnered positive media awareness. More traditional theme and scent combinations—such as chocolate for Valentine’s Day games, floral for Mother’s Day games, and evergreen, peppermint or spice for holiday games—also memorably enhance the play experience. With access to hundreds of scents, we are highly experienced in designing games that use scents to complement themes for novel and entertaining instant games.





Marking Systems

Having originated extended play games in the 1990s, Scientific Games now expertly develops and prints hundreds of games each year using a marking system. The right marking system can make extended play games like crossword and bingo come alive, building intrigue and anticipation with each scratch. As we continue to develop our portfolio of extended play games, we need an extensive range of marking systems to accommodate and even enhance our various play actions. Here, we present our three marking systems:

- **ClearMark®** – Lottery players have told us that the most important attribute of a marking system is the ability to clearly and easily see what spots they have already scratched. Scientific Games' ClearMark, our premium marking system, does this and more. In addition to providing a clean, easy-to-read marking system, the ClearMark play area can include an additional color on top of it to enhance the graphics or extend the game theme.
- **Graphic ClearMark®** – Exclusive to Scientific Games, this enhancement to the ClearMark system integrates additional colors or graphics into play areas. This gives our customers the ability to expand the graphic appeal of the display art into the play area and enhance the game's play action. Before Graphic ClearMark, extended play games offered an extremely limited area for graphic creativity since the play area used most of the ticket face. Graphic ClearMark removes the one-color-per-play-area limitation and enables us to use imagery and print multicolored play areas to enhance the look and appeal of extended play games. We give special attention to keeping the image data clearly visible in these graphics
- **SureMark™** – Our SureMark system uses a hidden-layer printing process that adds fun and excitement to extended play games. First, we start with a layer of imaged symbols, cover them with opaque scratch-off layers and then print a second layer of imaged symbols on top. The background color of each layer is different in order to determine which symbols have been played. The two sets of symbols can be identical or intentionally different, depending on the game's play action. This process, also known as dual-pass imaging, works extremely well for bingo and crossword games, as well as Slingo®. SureMark is an additional price not listed in **Exhibit A**.



Scientific Games' Marking Systems



Graphic ClearMark
Exclusive to Scientific Games, enables multi-color play area graphics to be printed in the play area



SureMark
Uses a hidden-layer printing process that can be used on traditional games or add excitement to new extended play games

ClearMark
Premium marking system, provides clean, easy-to-scratch marking system





Two-Color Ticket Back

Scientific Games can print two-color ticket backs as well as ticket backs using a four-color process, either on its own or combined with additional spot colors.





Two, Three and Four-Color Imaging

We first applied two-color imaging on the Instant Solitaire game for the Delaware State Lottery in 1992. Imaging the heart and diamond suit cards in red and the club and spade suit cards in black brought players one step closer to the real action of the popular card game. Since that first game, many games have used multiple imaging ink colors to enhance gameplay through features such as multipliers and instant wins or to emulate a more realistic play action for themes like card games. Available colors include green, red, blue, purple and gold.





Three- or Four-Color Imaging

Three- or four-color imaging combines black with two or three colored imaging inks. Lotteries often use this technique to enhance a particular play action. We can image play symbols in black, blue, yellow, gold, red, green and purple. Three and four-color Imaging are additional prices not listed in Exhibit A.







Full or Spot Varnish Coatings

Full Gloss Coating

The Lottery can use full gloss coating over the entire display area of a game for a sleek, high-end look. Scientific Games can print full gloss coating on display areas if specified by the Lottery.

Matte Coating

If your portfolio needs a noticeably different game, try our matte coating, a simple effect that provides stunning results, especially when paired with gloss coatings and metallic inks. This light-absorbing coating provides maximum contrast against other, more colorful and shinier, brilliant coatings.

Spot Gloss Coating

We can apply shiny spot gloss coating in specific areas of the display. This technique can highlight special design elements or make a particular image of the display pop when combined with a matte background.

Holographic Stock

Games printed on holographic substrate command players' attention and increase the perception of high-value gaming. Our strong relationships with major suppliers allow us to offer an extensive range of holographic patterns to satisfy the Lottery's requirements for a varied portfolio of exciting games.

Scientific Games' Holographic product reached nearly \$4 billion in retail sales in calendar year 2021. California's 200X was a huge hit in 2021. With two reorders, this Electric Dots holographic game is the top selling holographic game of 2021 for the California Lottery.

All holographic patterns can help draw attention to your game, but unique patterns add value by increasing visibility, as well as giving each game theme a unique tie to the substrate. Like the Massachusetts Lottery's Full of \$500s game. Full of \$500s blended an alluring title, money graphics and a new \$ holographic pattern with an appealing color wash to pull players in. Indexing at 159 against 20 other \$5 games, Full of \$500s sold out in under 20 weeks.



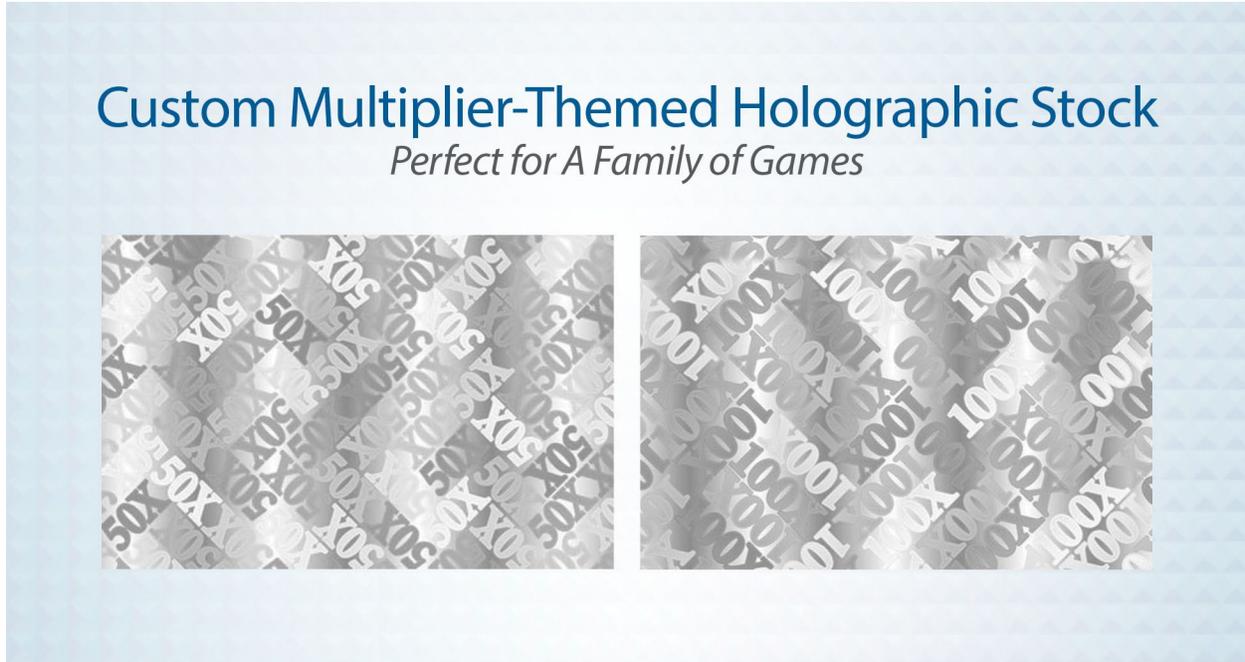
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Scientific Games realized the popularity of multiplier themes and worked alongside one of our vendors to create a custom multiplier-themed holographic stock. This new pattern is perfect for a family of games because it is available for 10X, 20X, 50X, 100X, and 200X custom stock.



These games are perfect for special occasions, such as the holiday season, and we can also customize holographic paper for specific events, such as an anniversary, to ensure greater visibility at retail.



Foil Stock

Research shows that games using foil stock sell an average of 9% better than games on regular paper stock, making them a valuable and effective opportunity for the Lottery.

The New Jersey Lottery went big with a family of multiplier foil games. Launched in Q3 of 2021, this family has it all: a great visual presence, a wide range of price points, appealing top prizes, multiplier features, as well as quick win bonus boxes. By the end of 2021, all four games combined to net over \$121 million in sales with an average index over 111. A great success for the New Jersey Lottery, they are planning another family of foil games in 2022.

Our creative team is highly experienced in creating exciting foil games that increase perceived value and offer strong player appeal.





4.1.5.4 Overprint

The Vendor must be capable of applying five (5) colors, or full-color overprint colors on each instant ticket's basic stock and five (5) colors, or full-color on the scratch-off covering with minimal "graying" of the colors. If an additional coating(s) of white is needed to achieve color brightness, that cost MUST be included in the base instant lottery game cost per thousand. In addition:

Scientific Games can apply five colors, or full-color overprint colors on each instant ticket's basic stock and five (five colors, or full-color on the scratch-off covering with minimal "graying" of the colors). If an additional coating(s) of white is needed to achieve color brightness, that cost is included in the base instant lottery game cost per thousand. In addition:

- The design of the overprint will be such that all scratch-off cover material is covered by an overprint color and that the overprint inks extend beyond the edges of the rub-off materials into the display area (4.1.5.4.1).
- The overprint will be an artistic design and will be clear and not blurred (4.1.5.4.2).
- The overprint design will complicate various surreptitious pick out methods and contribute to the ability to notice tampering (4.1.5.4.3).
- The border between the rub-off covers/overprint and the uncovered portion of the ticket will be clean (4.1.5.4.4).
- Removal of the overprint will require a normal scraping pressure to reveal the game data (4.1.5.4.5).
- The overprint will be composed of inks that prevent compromise of the materials covering the game data (4.1.5.4.6).
- Solvents used in various compromise methods will cause distortion of, or damage to, the overprint inks and/or the rub-off covering materials (4.1.5.4.7).

4.1.5.5 Fonts

All font and barcode generation fees and charges MUST be included in the instant game ticket base cost per thousand. In addition:

All font and barcode generation fees and charges will be included in the instant game ticket base cost per thousand. In addition:

- The game data fonts, including those for the play symbols and captions, retailer codes, validation number, ticket number, and inventory control data, will be specified in the Working Papers for each game as specified in **Section 4.1.7** (4.1.5.5.1).
- The game data captions, when required, will be such that they clearly define the accompanying play symbol (4.1.5.5.2).
- The fonts and printed symbols will be clearly readable with normal vision under normal indoor and outdoor lighting conditions (4.1.5.5.3).
- All game data fonts will have the ability to "float," horizontally or vertically, in the imaged area unless specified otherwise by the Lottery (4.1.5.5.4).
- At the discretion of the Lottery, the Vendor may be required to create, modify, or obtain additional fonts for game data used in the play area (4.1.5.5.5).



4.1.5.6 Game Data

The game, or variable, data symbols, captions, retailer codes, ticket numbers, validation numbers, inventory control data, UPC and barcodes MUST be printed in a manner that WILL ensure the integrity of the product. In addition:

The game, or variable, data symbols, captions, retailer codes, ticket numbers, validation numbers, inventory control data, UPC and barcodes will be printed in a manner that will ensure the integrity of the product. In addition:

- Each data symbol will be complete and clearly legible with normal vision and under normal indoor and outdoor lighting conditions (4.1.5.6.1).
- The play symbols will not be obliterated in the course of removing the rub-off cover materials, by the application of commonly occurring materials (i.e., perspiration, saliva, water, soft drinks, coffee, etc.) and moderate rubbing with a tissue or other soft object (4.1.5.6.2).
- Additional variable data such as additional barcoding or entry codes may be required for special or promotional tickets (4.1.5.6.3).

4.1.5.7 Data Covering Materials

A scratch-off or other covering material is required on all instant lottery game tickets. The covering MUST be an opaque material that releases during normal cover removal. A translucent, or semi opaque material may be allowed in instances where a player marking system is required (e.g., in some areas of extended play games such as bingo or crossword).

A scratch-off or other covering material is required on all instant lottery game tickets. The covering will be an opaque material that releases during normal cover removal. We understand that a translucent, or semi opaque material may be allowed in instances where a player marking system is required (e.g., in some areas of extended play games such as bingo or crossword).

- The covering will be present over all active play data, except where indicated by the Lottery (4.1.5.7.1).
- The validation numbering and any passive data will be covered as specified in the Lottery's Working Papers (4.1.5.7.2).
- The material used will be smooth and regular to the touch (4.1.5.7.3).
- The material will be secured to the ticket and free of voids and scratches that allow the game data to be identified (4.1.5.7.4).
- Normal cover removal will not result in any damage to, or obliteration of, play symbols or other imaged data (4.1.5.7.5).
- Normal ticket handling will not result in damage to the data covering materials that result in exposure of play symbols or other imaged data (4.1.5.7.6).
- The material will be readily removed in normal environmental conditions and when using typical cover removal tools and techniques (4.1.5.7.7).
- The material will visibly show compromise by heat, lifting, or solvents that are used during various compromise techniques known to be used on instant lottery tickets (4.1.5.7.8).



4.1.5.8 Protective Coatings

The production of the tickets MUST include a minimum of a seal coat.

The production of the tickets will include a minimum of a seal coat.

- The seal coat will cover all imaged game data in the play area. The seal coat should be applied after the imaged game data (4.1.5.8.1).
- The cover material will be easily and cleanly removed from the play area without damage to the game data in the play area (4.1.5.8.2).
- A transparent, water-resistant coating may be required over the barcode and the inventory control data on the backs of the tickets (4.1.5.8.3).
- The integrity, barrier, and adhesion characteristics of these coatings will be such that the printed data remains readable throughout normal ticket handling, exposure to normal environmental conditions, and during exposures to water, heat and other elements (4.1.5.8.4).
- We are capable of applying the seal and protective coatings over any play areas of the ticket, if required by game play in the Working Papers (4.1.5.8.5).

4.1.5.9 Background Coating

The areas on which the game data are printed MUST contain a background coating or layer. The background coating or layer MUST be free of voids, scratches, holes or marks that complicate the detection of ticket tampering. The background coatings MUST adhere to the underlying substrate and MUST exhibit obvious damage when alteration or de-lamination techniques are attempted.

The areas on which the game data are printed will contain a background coating or layer. The background coating or layer will be free of voids, scratches, holes or marks that complicate the detection of ticket tampering. The background coatings will adhere to the underlying substrate and will exhibit obvious damage when alteration or de-lamination techniques are attempted.

4.1.5.10 Perforations

The perforations between tickets MUST allow tickets to be separated from each other in normal handling after one-pre-fold. Tickets MUST NOT break apart during normal handling, nor dispensing from dispensers or vending machines.

If an attached stub (which may or may not contain imaged information) to the game ticket or a scored/folded ticket is required, lesser perforation MUST be possible between the ticket and its stub, but perforations MUST NOT break without pre-fold. Perforations may be required within a ticket, especially in the case of an oversize ticket.

The perforations between tickets will allow tickets to be separated from each other in normal handling after one-pre-fold. Tickets will not break apart during normal handling, nor dispensing from dispensers or vending machines.

If an attached stub (which may or may not contain imaged information) to the game ticket or a scored/folded ticket is required, lesser perforation will be possible between the ticket and its stub, but perforations will not break without pre-fold. We understand that perforations may be required within a ticket, especially in the case of an oversize ticket.



4.1.5.11 Multiple Game Imaged Play Areas and Scene/Pulsed Tickets

The Vendor MUST be capable of producing instant tickets with multiple imaged play areas. The Vendor MUST be capable of producing games with multiple scenes sequentially and/or pulses within a game split between quantities within a game. Game play data and images may be required to synchronize with the scene or overprint data.

Scientific Games can produce instant tickets with multiple imaged play areas. We can produce games with multiple scenes sequentially and/or pulses within a game split between quantities within a game. We understand that game play data and images may be required to synchronize with the scene or overprint data.

4.1.5.12 Die-Cut Tickets

Tickets that are die-cut to various specified shapes MUST meet the same requirements as specified in Section 4.1.5 of this RFQ regarding printing, imaging, and perforation. Die-Cut tickets 4 inches X 10 inches or smaller MUST be designed so that they can be effectively dispensed by the instant ticket vending machines and dispensers used by the Lottery.

Tickets that are die-cut to various specified shapes will meet the same requirements as specified in Section 4.1.5 of this RFQ regarding printing, imaging, and perforation. Die-cut tickets 4 inches x 10 inches or smaller will be designed so that they can be effectively dispensed by the instant ticket vending machines and dispensers used by the Lottery.

4.1.5.13 Binding

Subject to normal printing trade tolerances and practices, the ticket packs MUST be properly trimmed and slit.

Subject to normal printing trade tolerances and practices, the ticket packs will be properly trimmed and slit.

4.1.5.14 Regular Size Sample Tickets

The Lottery requires four (4) packs per pulse per game of regular size voided sample tickets. These tickets MUST be clearly marked as "VOID".

Additional sample tickets may be required at various times for promotional purposes or to allow enough samples for scenes as requested by the Lottery. These will be noted in the working papers and cost the same as the ticket printing per square inch per thousand.

We understand that the Lottery requires four packs per pulse per game of regular size voided sample tickets. These tickets will be clearly marked as "VOID".

We acknowledge that additional sample tickets may be required at various times for promotional purposes or to allow enough samples for scenes as requested by the Lottery. These will be noted in the Working Papers and cost the same as the ticket printing per square inch per thousand.



4.1.5.15 Retailer Point of Sale Pieces

The Lottery requires from the Vendor a minimum of two thousand (2,000) 4" x 4" and one thousand (1,000) 4" x 5" retailer point of sale (POS) pieces per game per pulse image for use at retail. The POS MUST be printed two-sided; the front side showing a Lottery approved covered art or art elements and the back side showing Lottery approved game information. The display ticket should be approximately 80# coated cover stock, four-color process on the card fronts and black and red or other ink color on the card back. The Lottery may request fluorescent inks, metallic-like inks, holographic process, and/or foil process to better represent the produced corresponding instant game tickets.

Scientific Games understands that the Lottery requires a minimum of two thousand (2,000) 4" x 4" and one thousand (1,000) 4" x 5" retailer point of sale (POS) pieces per game per pulse image for use at retail. The POS will be printed two-sided; the front side showing Lottery-approved covered art or art elements and the back side showing Lottery-approved game information. The display ticket will be approximately 80# coated cover stock, four-color process on the card fronts and black and red or other ink color on the card back. We understand that the Lottery may request fluorescent inks, metallic-like inks, holographic process, and/or foil process to better represent the produced corresponding instant game tickets.



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4.1.6 Design

4.1.6.1 Professional Consulting Service

Vendor MUST provide the professional consulting services associated with the design and implementation of each instant lottery game, the cost of which MUST be included in the quoted base cost per thousand pricing, as no additional charge will be allowed. Services are to include the following:

Scientific Games will provide the professional consulting services associated with the design and implementation of each instant lottery game, the cost of which is included in the quoted base cost per thousand pricing. We understand that no additional charge will be allowed. Services will include the following:

- Creative design of instant lottery games with Lottery input and approval (4.1.6.1.1).
- Creative design of artwork for 4" x 4" and 4" x 5" per game per pulse and occasional posters for retailer promotion/advertising piece featuring key ticket elements with Lottery input and approval (4.1.6.1.2).
- Development of each instant game in detail, with Lottery approved game design, prize structure, play instructions, and play parameters for defining what constitutes a winning ticket (4.1.6.1.3).
- All work necessary to produce and print instant lottery tickets, using such confidential control methods as we have developed (4.1.6.1.4).
- Development of printing and production schedule, providing updates to the Lottery as they relate to game art, prize structure, working papers, trademark research, rules and regulations, print date, and delivery date throughout the term of the contract (4.1.6.1.5).
- Coordination of instant game printing activities with Lottery vendors responsible for advertising, and gaming system and services (4.1.6.1.6).
- Technical and procedural information as is required for the execution of instant Lottery games (4.1.6.1.7).
- Design of validation data files and procedures for approved instant lottery games necessary and appropriate for the Lottery's, or its gaming system and services vendor, use in the validation of winning lottery tickets, and use for verification in web-based promotions and games (4.1.6.1.8).
- All support personnel required by the Lottery for management consultation relating to the above items as needed (4.1.6.1.9).



4.1.6.2 Final Artwork

The Vendor WILL provide the final approved native artwork digital files, in a vector format, that show an unscratched version of the ticket and a scratched version of the ticket as well as all point-of-sale created for the game. The latter MUST show a Lottery approved winning combination of the play symbols. Final artwork for each game MUST be provided to the Lottery within five (5) business days of Lottery approval of the final working papers.

Scientific Games will provide the final approved native artwork digital files, in a vector format, that will show an unscratched version of the ticket and a scratched version of the ticket as well as all point-of-sale created for the game. The latter will show a Lottery-approved winning combination of the play symbols. Final artwork for each game will be provided to the Lottery within five business days of Lottery approval of the final working papers.



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4.1.7 Working Papers Specifications

Working papers for each instant lottery game MUST be generated by the Vendor in consultation with, and approval by, the Lottery. The preparation and approval of the Working Papers MUST include the design of the instant tickets, with rough and mechanical drawdowns. Each game ticket production MUST NOT begin until the Lottery has documented its approval of all specifications and returned written approval to the Vendor.

Advance schedules for the Working Papers and the production of instant tickets will be established by the Lottery. The Vendor will be required to adhere to all schedules specified in the Working Papers. Deviations to the specified schedules, or timetables, are subject to the written approval of the Lottery and must be approved fifteen (15) business days in advance of the anticipated deviation, unless such deviation is requested by the Lottery.

The Working Papers for each game MUST include, at minimum, the specifications for graphic designs, colors, play instructions, text and image fonts, ticket/data layout, ticket paper stock, ticket size, validation and inventory control data and placement, prize structure, shipping and packaging requirements, and the schedule of deliverables to the Lottery. The format is not mandated by the Lottery. Alternative formats will be considered so long as all components of game art, production, and pricing are included. General specifications for all games may be recorded and approved in general customer specification document and excluded from game specific Working Papers is so documented. Specifically, the required details for a game are:

Working Papers for each instant lottery game will be generated by Scientific Games in consultation with, and approval by, the Lottery. The preparation and approval of the Working Papers will include the design of the instant tickets, with rough and mechanical drawdowns. Each game ticket production will not begin until the Lottery has documented its approval of all specifications and returned written approval to Scientific Games.

Advance schedules for the Working Papers and the production of instant tickets will be established by the Lottery. Scientific Games will be required to adhere to all schedules specified in the Working Papers. Deviations to the specified schedules, or timetables, are subject to the written approval of the Lottery and must be approved 15 business days in advance of the anticipated deviation, unless such deviation is requested by the Lottery.

The Working Papers for each game will include, at minimum, the specifications for graphic designs, colors, play instructions, text and image fonts, ticket/data layout, ticket paper stock, ticket size, validation and inventory control data and placement, prize structure, shipping and packaging requirements, and the schedule of deliverables to the Lottery. The format is not mandated by the Lottery. Alternative formats will be considered so long as all components of game art, production, and pricing are included. General specifications for all games may be recorded and approved in the general customer specification document and excluded from game-specific Working Papers so long as it is documented.

Instant Game Production Schedules

Scientific Games understands how imperative quick turnarounds and flexibility in print schedules are in the planning and production processes to ensure that ticket inventory remains available for ordering, with no lapses in sales for any games.

Figure 4-2 includes a timeline of the instant game planning process for a game, from approved Game Specifications (Working Papers) through delivery to the warehouse for a new game launch.



Figure 4-2: New Game Launch Schedule

For the West Virginia Lottery, Scientific Games commits to a 33-calendar-days or less timeline following game specifications approval through to the delivery of game files for a standard new game launch. Timeline can be condensed for reorders of games previously printed by Scientific Games.

Development of Game Specifications

The results of the game planning efforts by the Insights team, the Account Services and Creative Services teams, and the Lottery finally come together in the game specifications.

The term “game specifications” refers to the set of specifications and standard requirements that define the instant game. The game specifications serve as the contractual promise of how we will produce and deliver the game. Scientific Games’ commitment is to create comprehensive, error-free game specifications. In the following section, we detail our capability to offer an electronic review and approval process for the Lottery’s game specifications.

Efficiently circulating accurate information from the Lottery to Scientific Games is the overriding concern in the development of all game specifications. To achieve that objective, Scientific Games has



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deployed a system for the definition, creation, distribution and management of the information found in the game specifications. We have deployed this system for all domestic customers and are deploying it globally for all Scientific Games instant game manufacturing facilities as part of a major game specifications standardization initiative.

Scientific Games has been generating product documentation for decades, and recognizes that working papers, also called game specifications, are a crucial element of a lottery's instant ticket process. We know that this is one thing that can pose many challenges to a lottery so we created our own in-house database tool, Composer™. Composer combines game-specific information from several specialized tools with general customer-specific requirements, to create a set of game specifications most commonly referred to as working papers. Before these game specifications are sent to the customer, they go through a review process that ensures the information is accurate.



Composer – Standardized throughout our facilities around the world, this suite of interconnected applications and databases feed data into a central working paper application, improving quality and efficiency.

Scientific Games' Composer software benefits the Lottery with:

- Extremely clear graphics and highly legible prize structures.
- Supreme ease of navigation and readability.
- Ability to import critical customer-specific data from libraries with verified data.
- Robust version control and change tracking for reorders and amendments.
- Automatic data validation checks for prize structure calculations, ticket and pack sizes, order quantities and pricing.

Composer focuses on data and efficiency. Built on a modern database architecture and using the latest programming methods, our game specifications system is actually a suite of interconnected applications and databases that feed data into a central game specifications application. Each application is highly specialized for a specific function. Composer includes the following components:

- Main game specifications application
- Prize structure database
- Font and layout database
- Programming parameters library
- Retail validation code library
- Pricing database
- Address book



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Each component provides critical information needed for each game. The main game specifications application pulls standard and specific information for each game from the components.

The Account Director maintains the information in the component applications as requirements change, so that new games will always have access to the most updated and accurate data.

The Account Director can quickly add the information from each component into the game in the main game specifications application. Instead of inputting freeform text in a document, the Account Director enters data into the game specifications application by importing from the supporting components. They accomplish this in a very structured manner: typing in text fields, checking boxes or selecting items from drop-downs. This method enables the Account Director to compile the specifications for the game more efficiently, and it improves the accuracy of the information in the final document.



The Composer system enforces game consistency throughout the manufacturing process. This integration ensures that the game the Lottery originally conceived and ordered is the game that ships to your warehouse. This integrity is a key element of every instant game's security.

By adding reporting templates to the main game specifications system, we can format the same data set into other types of documents, such as press run cards and game rules and regulations. The data is the same, but we have reformatted it into a different report format. **Figure 4-3** provides an overview of the architecture of our proprietary game specifications system, including the inputs and outputs of the system.



Proprietary Suite of Applications and Databases Improves Game Specifications Quality and Accuracy

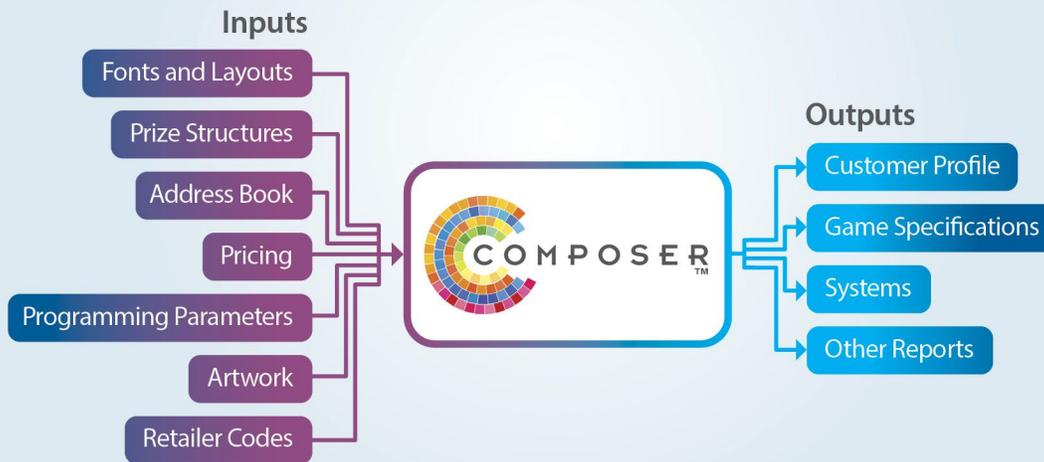


Figure 4-3: Overview of Architecture

Delivering accurate game specifications is a key competency of any print vendor. The Composer system has automated validation and verification checks to achieve this goal.

First of all, the Composer data is centralized in the main game specifications application.

Second, in certain critical databases, such as the prize structure and font and layout subsystems, Composer automatically audits data upon creation. For example, in the prize structure subsystem, once a user has entered the user-defined data—such as order quantity, pool and pack size, price point, prize level and winners—the prize structure subsystem makes all the calculations needed for odds, winners per pool, winners per pack, total prize value, prize fund percentage, etc. This greatly decreases the possibility of user errors in the calculations. Similarly, when a user creates font collections for the game, the Font and Layout subsystem will verify that each symbol they add to the collection will fit properly to its position on the image layout. This happens as soon as a user saves a font table, which helps identify potential problems quickly and early.

Third, once a user pulls certain data into the game specifications application for a particular game, the game specifications application performs additional validation checks on the game data. For example, when a user imports the prize structure into the game specifications, Composer compares the prize structure order quantity to the game specifications order quantity, to prevent a mismatch. Additionally, the game specifications application can compare the prize structure information and verify that it only pulls the required retailer validation codes needed for that prize structure into the



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game data. These integrated subsystems work with each other to ensure accuracy. The other component applications in the system work in similar ways. **Figure 4-4** summarizes the various components and how they improve the accuracy of the game specifications.

Figure 4-4: Components and Benefits of Composer

Component	Benefits
Main Game Specifications Application	<ul style="list-style-type: none"> ■ Game information is better organized, and users can enter it more quickly. ■ The application tightly integrates game specification data with customer profile standards. ■ Automated version controls ensure that the latest information is produced in the game specifications document. ■ The application automatically validates and verifies key information when entered. ■ Document templates make sure game specifications are consistent and provide flexibility to meet customer-specific preferences. ■ Amendments reflect before-and-after values (in most cases), providing specific descriptions of changes.
Prize Structures	<ul style="list-style-type: none"> ■ The system conducts calculations of prize-level information (gets, wins, total winners), improving accuracy. ■ A user cannot alter calculations, eliminating common prize structure errors. ■ The application better organizes prize structure format, making them easier to read. ■ Prize structure version control and tight integration within Composer eliminate potential for duplicate numbers and confusion. ■ Users can easily and quickly import Lottery-provided prize structures into the system. ■ We can easily accommodate customer-specific preferences for prize-level ordering, second-chance drawings, Next Gen Loyalty, etc.
Fonts and Layouts	<ul style="list-style-type: none"> ■ A library of over 500,000 play and prize symbols offers a wide array of choices and creates efficiencies. ■ Users can quickly and efficiently generate new game font tables. ■ The system organizes font symbols by customer and game number for ease of reference. ■ A library of standard image layouts for most playstyles, ticket sizes and customer validation requirements saves time in game development. ■ The system automatically audits font symbols by size, ensuring proper fit with image layouts. ■ The system version controls and tightly integrates fonts and layouts, eliminating risks of using an incorrect version.



Figure 4-4: Components and Benefits of Composer

Component	Benefits
Programming Parameters	<ul style="list-style-type: none"> ■ A library of defined parameters, built by our Game Creation Audit team and specific to customers and playstyle, offers convenience and efficiency. ■ The Composer program tightly integrates parameters; users import them from Composer for each game, depending on playstyle and feature, creating efficiency and consistency. ■ Parameter language is specific for each customer, creating consistency from game to game for each game type. ■ We can easily accommodate non-standard ad hoc parameters. ■ The system allows users to create games more efficiently and allows customers to know we are always using their specific parameters.
Retail Validation Codes	<ul style="list-style-type: none"> ■ We have a central database for all required and reserved agent letter codes by customer. ■ Composer and the prize structure applications tightly integrate codes. ■ Composer can analyze the prize structure to show only the letter codes needed for that particular game, simplifying the appearance in the game specifications. ■ The system maintains the list of retail validation codes for each lottery in one location, so that game specifications are always accurate and updated.
Address Book	<ul style="list-style-type: none"> ■ A central database of key contact information related to each customer, including game specifications contacts, security contacts, and shipping and warehouse contacts, provides easy access and accuracy. ■ The system tightly integrates the Address Book application with Composer for easy access. It manages contact information and ensures that game specifications are accurate and current.
Pricing	<ul style="list-style-type: none"> ■ The system tightly integrates contract pricing for each customer, maintained in the pricing database, with Composer for easy access and accuracy. ■ Users can easily import pricing into the game specifications and configure it according to the pricing model (percentage, price per thousand or standard pricing) for each specific customer. ■ Composer calculates price per thousand totals for per-thousand pricing, eliminating errors. ■ The system automatically updates pricing based on ticket order quantity with any order quantity change. ■ The system consistently formats the game specifications pricing page, for ease of understanding.



We connect the databases to various downstream systems in Game Development and Production, so the final approved data in the main game specifications system can directly feed the systems we use to program, print and package the game. Users do not need to manually enter the game specifications information into these downstream systems, decreasing the chances of rekeying errors or out-of-date information.

Game Specifications Review and Approval

Before you receive game specifications, they have already undergone review from the Game Creation Audit team, whose sole, unbiased focus is to make sure the game specifications document is accurate, follows customer requirements and remains true to the spirit of the game. This includes an audit of artwork, prize structure, fonts, layouts, programming parameters and the document as a whole. The audit begins at game concept art and continues throughout the game development process with production approval, game specifications draft review and customer revisions until the game specifications document is ready for final approval. The multiple audit levels aid in minimizing game specifications amendments.

4.1.7.1 Graphics

This section contains the artwork for tickets (front) at 100 percent of actual ticket size, unless ticket is larger than 10 inches, and in full color. This section also contains the artwork for the back of tickets at 100 percent of actual ticket size, unless ticket is larger than 10 inches. The artwork is to show the ticket as it would appear with its overprint intact and as it would appear with the overprint removed. The latter version MUST show the actual play symbols, captions, validation numbers, and other information specified to appear under the cover material. The ticket front and back WILL note the press direction to confirm proper ticket back alignment for ease of retailer inventory and selling. The Lottery approved artwork for retailer promotion/advertising pieces featuring key ticket elements will also be included.

Scientific Games understands that this section will contain the artwork for tickets (front) at 100 percent of actual ticket size, unless ticket is larger than 10 inches, and in full color and that this section will also contain the artwork for the back of tickets at 100 percent of actual ticket size, unless ticket is larger than 10 inches. The artwork is to show the ticket as it would appear with its overprint intact and as it would appear with the overprint removed. The latter version will show the actual play symbols, captions, validation numbers, and other information specified to appear under the cover material. The ticket front and back will note the press direction to confirm proper ticket back alignment for ease of retailer inventory and selling. The Lottery-approved artwork for retailer promotion/advertising pieces featuring key ticket elements will also be included.

4.1.7.2 Prize Structure Description

This section must contain a description of all specific prize patterns to be used in distributing prizes in packs and pools, patterns used to distribute play symbols or values, or other specific issues related to allocation of symbols on winning or non-winning tickets as specified and/or created by the Lottery.

Scientific Games acknowledges that this section will contain a description of all specific prize patterns to be used in distributing prizes in packs and pools, patterns used to distribute play symbols or values, or other specific issues related to allocation of symbols on winning or non-winning tickets as specified and/or created by the Lottery.



4.1.7.3 Detailed Ticket Specifications

This section must include:

- *quantity of tickets ordered.*
- *ticket price*
- *ticket size*
- *pool size*
- *play instructions.*
- *UPC number*
- *scene or "pulse" information*
- *play parameters.*
- *ticket stock description*
- *pack size (quantity, numbering, and fanfold specifications)*
- *perforations*
- *pack insertions, if required*
- *color descriptions*
- *release coat descriptions*
- *overprint descriptions*
- *ticket inventory numbering description*
- *validation code numbering description*

Scientific Games acknowledges that this section will include:

- Quantity of tickets ordered
- Ticket price
- Ticket size
- Pool size
- Play instructions
- UPC number
- Scene or "pulse" information
- Play parameters
- Ticket stock description
- Pack size (quantity, numbering, and fanfold specifications)
- Perforations
- Pack insertions, if required
- Color descriptions
- Release coat descriptions
- Overprint descriptions
- Ticket inventory numbering description
- Validation code numbering description

4.1.7.4 Play Spot Information

This section MUST provide images of the game play symbols and associated captions and other image font(s) information.

Scientific Games acknowledges that this section will provide images of the game play symbols and associated captions and other image font(s) information.



4.1.7.5 Retailer Validation Codes

This section specifies the Retailer validation codes for each prize up to and including \$600. These validation codes MUST describe all letters to be printed on non-winning tickets and winning tickets specified by the Prize Structure section of the Working Papers. The Lottery MUST designate these validation codes and their location(s) within the ticket play area.

Scientific Games acknowledges that this section specifies the Retailer validation codes for each prize up to and including \$600 and that these validation codes will describe all letters to be printed on non-winning tickets and winning tickets specified by the Prize Structure section of the Working Papers. We understand that the Lottery will designate these validation codes and their location(s) within the ticket play area.

4.1.7.6 Float

This section MUST indicate whether a game is to be produced with a "floating image" play area and the direction of the float.

Scientific Games acknowledges that this section will indicate whether a game is to be produced with a "floating image" play area and the direction of the float.

4.1.7.7 Prize Structure Confirmation

This section describes the prize structure and MUST accommodate the signature of the Director of the Lottery. The Director's signature or his designee MUST constitute authorization for the prize structure to be used in production of the game.

Scientific Games acknowledges that this section describes the prize structure and will accommodate the signature of the Director of the Lottery. The Director's signature or his designee will constitute authorization for the prize structure to be used in production of the game.

4.1.7.8 Sample Tickets

This section MUST specify the quantity of void regular size sample tickets and retailer promotion/advertising pieces to provide.

Scientific Games acknowledges that this section will specify the quantity of void regular size sample tickets and retailer promotion/advertising pieces to provide.

4.1.7.9 Pack Labels or Inserts

This section MUST contain specifications regarding special labels, stickers, or inserts to be placed in or on ticket packs.

Scientific Games acknowledges that this section will contain specifications regarding special labels, stickers, or inserts to be placed in or on ticket packs.



4.1.7.10 Production and Delivery Schedule

The Working Papers for each game MUST include a production and delivery schedule for that game. Ticket shipments MUST be addressed in terms of quantities of tickets per shipment, their arrival dates, and times at the warehouse of the Lottery's Gaming System Vendor of record (Tuesday through Thursday and between 9:00 AM EST and 3:00 PM EST is MANDATORY to have all personnel needed on hand.)

Scientific Games acknowledges that the Working Papers for each game will include a production and delivery schedule for that game. Ticket shipments will be addressed in terms of quantities of tickets per shipment, their arrival dates, and times at the warehouse of the Lottery's Gaming System Vendor of record (Tuesday through Thursday and between 9:00 AM EST and 3:00 PM EST is mandatory to have all personnel needed on hand.)

4.1.7.11 Shipping

This section may describe any non-standard detailed shipping information, not otherwise detailed later in Part 4.1.9, including but not limited to:

- *Dimensions of ticket shipping boxes/cartons.*
- *Size and configuration of skids/pallets used to ship tickets.*
- *Description of shipping reports to accompany ticket shipments.*
- *Description of shipping control manifest.*
- *Verification that shipment and validation files that will be received prior to receipt of game tickets and at least fifteen (15) business days prior to game start.*
- *Addresses and contact names to receive all shipped materials and other deliverables.*
- *Verification of the use of sealed trucks for shipment of tickets. Details of any other state lottery shipment to accompany West Virginia Lottery shipments and the security procedures employed.*
- *Specific information regarding the placement of skids of tickets within the trucks.*
- *Specific information regarding the labeling and marking of ticket boxes.*

Scientific Games acknowledges that this section may describe any non-standard detailed shipping information, not otherwise detailed later in **Section 4.1.9**, including but not limited to:

- Dimensions of ticket shipping boxes/cartons.
- Size and configuration of skids/pallets used to ship tickets.
- Description of shipping reports to accompany ticket shipments.
- Description of shipping control manifest.
- Verification that shipment and validation files that will be received prior to receipt of game tickets and at least 15 business days prior to game start.
- Addresses and contact names to receive all shipped materials and other deliverables.
- Verification of the use of sealed trucks for shipment of tickets. Details of any other state lottery shipment to accompany West Virginia Lottery shipments and the security procedures employed.
- Specific information regarding the placement of skids of tickets within the trucks.
- Specific information regarding the labeling and marking of ticket boxes.



4.1.7.12 Order Confirmation

The working papers must contain an order confirmation page that includes, but is not limited to, the following:

- *Square inches per game ticket,*
- *Game ticket cost per thousand,*
- *Fees or charges for art, photography, specialty printing, etc.,*
- *Quantity of regular game tickets,*
- *Quantity and cost of retailer promotion/advertising pieces ordered, and*
- *Cost for properties or trademarks and associated products licensed through vendor or its subsidiary when applicable.*

The working papers will contain an order confirmation page that includes, but is not limited to, the following:

- Square inches per game ticket
- Game ticket cost per thousand
- Fees or charges for art, photography, specialty printing, etc.
- Quantity of regular game tickets
- Quantity and cost of retailer promotion/advertising pieces ordered
- Cost for properties or trademarks and associated products licensed through vendor or its subsidiary when applicable

4.1.7.13 Copies

The Vendor MUST provide 300 ppi or higher resolution PDF working papers. Working papers are to be sent for review and signatures. Executed working papers are to be received by the Lottery within five (5) business days of Vendor's receipt of Lottery approval signatures.

Scientific Games will provide 300 ppi or higher resolution PDF working papers. Working papers will be sent for review and signatures. Executed working papers will be sent to the Lottery within five business days of Scientific Games' receipt of Lottery approval signatures.

4.1.7.14 Revisions

Working Papers may be revised by the Lottery, or the Lottery may request revised working papers to be delivered for further review prior to signature and execution.

Any revisions deemed necessary, after execution, MUST be approved by the Lottery with Vendor documentation of the revision.

Scientific Games understands that Working Papers may be revised by the Lottery, or the Lottery may request revised working papers to be delivered for further review prior to signature and execution. Any revisions deemed necessary, after execution, will be approved by the Lottery with Scientific Games documentation of the revision.



4.1.7.15 Final Working Papers

Once the Working Papers have been executed, the Vendor MUST provide a set of the final Working Papers to the Lottery. The Working Papers MUST be marked, "Executed," on every page to confirm that specifications contained therein are accepted by the Lottery and by the Vendor, and that the Working Papers MUST be the basis for production of the game. Under no circumstances WILL ticket production begin until working papers are executed.

Scientific Games understands that once the Working Papers have been executed, we will provide a set of the final Working Papers to the Lottery. The Working Papers will be marked, "Executed," on every page to confirm that specifications contained therein are accepted by the Lottery and by Scientific Games, and that the Working Papers will be the basis for production of the game. Under no circumstances will ticket production begin until Working Papers are executed.



4. | Mandatory Requirements

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4. | Mandatory Requirements

4.1.8 Game Requirements

4.1.8.1 Trademark, Service Mark, and Intellectual Property Search

Vendor WILL conduct a trademark and service mark search for all games used during this contract and prepare a written report of search findings. Said report MUST be completed and submitted to the Lottery before working papers are signed.

The Vendor MUST pay the cost of such searches and any related expenses and include such in the instant game ticket base cost per thousand.

Scientific Games will conduct a trademark and service mark search for all games used during this contract and prepare a written report of search findings. This report will be completed and submitted to the Lottery before working papers are signed.

Scientific Games will pay the cost of such searches and any related expenses and include such in the instant game ticket base cost per thousand.

4.1.8.2 Game Rules

The Vendor MUST include a complete set of Game Rules for each game two (2) weeks prior to the game launch date. The Game Rules MUST define:

- *price of the ticket,*
- *rules of the game,*
- *what constitutes a winning ticket,*
- *validation test necessary to satisfy claims for winning ticket,*
- *West Virginia code specific to play, payment and retailer conduct,*
- *conditions that invalidate tickets, and*
- *limits of liability for misprinted or defective tickets, e.g., replacement of the ticket.*

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- Price of the ticket
- Rules of the game
- What constitutes a winning ticket
- Validation test necessary to satisfy claims for winning ticket
- West Virginia code specific to play, payment and retailer conduct
- Conditions that invalidate tickets
- Limits of liability for misprinted or defective tickets, e.g., replacement of the ticket



4.1.8.3 Prizes

4.1.8.3.1 Validating Winners

Following the official announcement of the close of a game, winning tickets may be validated for up to one hundred eighty (180) calendar days.

Scientific Games understands that following the official announcement of the close of a game, winning tickets may be validated for up to 180 calendar days.

4.1.8.3.2 Prize Payouts

High tier prize levels as determined by the Lottery WILL require the ability to determine if a prize payout involves the file claim process. The payout structure MUST support prizes that are cash; merchandise; cash/merchandise; entry chances; free tickets or plays; coupons; and annuity (weekly, monthly, annually) .

Scientific Games understands that high-tier prize levels as determined by the Lottery will require the ability to determine if a prize payout involves the file claim process. The payout structure will support prizes that are cash; merchandise; cash/merchandise; entry chances; free tickets or plays; coupons; and annuity (weekly, monthly, annually).

4.1.8.3.3 Structure

A prize structure for each instant lottery game WILL be included in the Working Papers. Prize structures WILL be created by the Lottery, or the Vendor with Lottery approval, prior to production of each game. The structure MUST support prize structures for prize tier levels, with numerous subdivisions as determined by the Lottery.

The prize structure MUST specify the various denominations of prizes available in the games, the odds of winning prizes, the number of winners per pool, and the cost of such prizes. The prize structure MUST be accompanied by information explaining the game pack and pool size, the odds of winning, and other details of the game.

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4.1.8.3.4 Distribution

The Vendor MUST randomly distribute winning tickets throughout the game and throughout each control unit pool without any determinable pattern. Each control unit (pool) MUST be produced using a secure randomization program for a single game. The number of tickets per control unit WILL be specified in the Working Papers for each game and approved by the Lottery.

All games MUST be produced using secured programs that produce unique pools within each game and unique games. Randomization programs used for printing tickets MUST be organized such that winning tickets are interspersed among non-winning tickets.

Security measures MUST be in place to allow the randomization of winning ticket data and any correlation to the actual ticket identifying numbers. It is the intention of the Lottery to have a limited access and secure process that allows ticket data reconstruction and an end-of-production accounting of the prizes according to the prize structure.

Scientific Games will randomly distribute winning tickets throughout the game and throughout each control unit pool without any determinable pattern. Each control unit (pool) will be produced using a secure randomization program for a single game. The number of tickets per control unit will be specified in the Working Papers for each game and approved by the Lottery.

All games will be produced using secured programs that produce unique pools within each game and unique games. Randomization programs used for printing tickets will be organized such that winning tickets are interspersed among non-winning tickets.

Security measures are in place to allow the randomization of winning ticket data and any correlation to the actual ticket identifying numbers. We understand that it is the intention of the Lottery to have a limited access and secure process that allows ticket data reconstruction and an end-of-production accounting of the prizes according to the prize structure.

4.1.8.3.5 Prize Patterns

The patterns MUST be determined on a game-by-game basis as described in the Working Papers. There MUST be no consecutive string of non-winning tickets in a pack that will exceed the number limit set by the Lottery for each game.

The patterns will be determined on a game-by-game basis as described in the Working Papers. There will be no consecutive string of non-winning tickets in a pack that will exceed the number limit set by the Lottery for each game.

4.1.8.3.6 Guarantee Per Pack Prize Structure

The Vendor MUST have the capability of creating a Guaranteed Per Pack Prize Structure if such is requested in the Working Papers.

Scientific Games has the capability of creating a guaranteed per pack prize structure if such is requested in the Working Papers.

4.1.8.3.7 Warranty on High-Tier Prizes

Based on the total number of tickets received by the Lottery, the Vendor MUST warrant that the number of high-tier prize tickets approved by the Lottery WILL be in the delivered and sellable portion of the game.

Based on the total number of tickets received by the Lottery, Scientific Games will warrant that the number of high-tier prize tickets approved by the Lottery will be in the delivered and sellable portion of the game.



4.1.8.4 Prize Validation Number

The vendor MUST use a unique validation number that identifies each game and the tickets therein. The first four (4) digits are the game number, followed by the pack number in the next six digits, and the individual ticket number are the next three digits. The digits are used with a check digit, both on the ticket front and under the scratch covering with or without the validation digits as well.

This unique number is barcoded on the back of the ticket representing the game number, pack number, ticket number, and validation number. The barcode on the ticket back is currently a standard interleaved 2-of-5 barcode. Similarly, the front of the ticket will contain a barcode that is readable by the Lottery's Gaming System and Services vendor of record. The Lottery will be looking to optimize the barcoding on both the front and back of its tickets as technology and accounting and inventory procedures change.

Scientific Games will use a unique validation number that identifies each game and the tickets therein. The first four digits will be the game number, followed by the pack number in the next six digits, and the individual ticket number are the next three digits. The digits will be used with a check digit, both on the ticket front and under the scratch covering with or without the validation digits as well.

This unique number will be barcoded on the back of the ticket representing the game number, pack number, ticket number, and validation number. We understand that the current barcode on the ticket back is a standard interleaved 2-of-5 barcode. Similarly, the front of the ticket will contain a barcode that is readable by the Lottery's Gaming System and Services vendor of record. We acknowledge that the Lottery will be looking to optimize the barcoding on both the front and back of its tickets as technology and accounting and inventory procedures change.

4.1.8.5 End of Production Prize Structure

A detailed end-of-production prize structure MUST be produced and delivered to the Lottery prior to physical ticket delivery for Lottery verification of the prize structure agreement with the validation file. The Vendor MUST provide an exact count of winners by prize tier at end of production.

A detailed end-of-production prize structure will be produced and delivered to the Lottery prior to physical ticket delivery for Lottery verification of the prize structure agreement with the validation file. Scientific Games will provide an exact count of winners by prize tier at end of production.



4. | Mandatory Requirements

4.1.9 Shipping and Delivery

The following subsections describe the packing and packaging requirements for tickets, packs, boxes, skids/pallets, and trailers/trucks.

Scientific Games understands that the following subsections describe the packing and packaging requirements for tickets, packs, boxes, skids/pallets, and trailers/trucks.

4.1.9.1 Ticket Packaging

The Lottery reserves the right to supplement or change any ticket packaging requirements identified within the Working Papers for a game.

Scientific Games acknowledges that the Lottery reserves the right to supplement or change any ticket packaging requirements identified within the Working Papers for a game.

4.1.9.1.1 Ticket Packs

Each instant lottery game ticket pack WILL contain precisely the number of tickets specified by the Lottery in the game Working Papers and WILL NOT include "void" tickets. Ticket packs:

Each instant lottery game ticket pack will contain precisely the number of tickets specified by the Lottery in the game Working Papers and will not include "void" tickets. Ticket packs:

- Will be assembled so that the first and last ticket barcodes are visible where specified in the Working Papers (4.1.9.1.1.1).
- Will contain tickets in rows of fan-folded, continuous strips that will provide pack integrity and proper control. No breaks in packs will be permitted unless otherwise specified by the Lottery (4.1.9.1.1.2).
- Will be assembled to maintain the consecutive order of tickets (4.1.9.1.1.3).
- Will be individually packaged and will be intact upon delivery to the Lottery's warehouse (4.1.9.1.1.4).
- Will not contain more than a minimal amount of shavings, perforation "dust", or other material that falls out upon opening (4.1.9.1.1.5).
- Will include any promotional cards or other informational materials in or on packs prior to packaging when specified in the Working Papers. Such materials will be designed and produced by the Vendor and with Lottery approval (4.1.9.1.1.6).



4.1.9.1.2 Omissions

If any part of a pack of tickets fails to meet the quality, security, or integrity requirements defined in this solicitation, the entire pack MUST be omitted. Upon contract award the successful Vendor WILL disclose the method by which this requirement will be met (e.g., random testing of tickets during the production run).

Scientific Games acknowledges that if any part of a pack of tickets fails to meet the quality, security, or integrity requirements defined in this solicitation, the entire pack will be omitted. Upon contract award, Scientific Games will disclose the method by which this requirement will be met (e.g., random testing of tickets during the production run).

4.1.9.1.3 Packing Order

All packs are to be shipped in reverse sequential order and MUST be appropriately identified on the outside of the shipping boxes.

Scientific Games acknowledges that all packs are to be shipped in reverse sequential order and will be appropriately identified on the outside of the shipping boxes.

4.1.9.1.4 Packaging

All packs of instant tickets must be packaged so that it WILL NOT experience defects during normal handling and shipping. Packaging MUST be intact upon delivery and the packs MUST be assembled in a uniform manner.

Scientific Games acknowledges that all packs of instant tickets must be packaged so that it will not experience defects during normal handling and shipping. Packaging will be intact upon delivery and the packs will be assembled in a uniform manner.

4.1.9.2 Shipping Cartons

4.1.9.2.1 Box/Carton/Bundle Labels

Each box/carton/bundle WILL have a label that faces outward and indicates the carton number, game name, game number, pack numbers contained therein, and omitted packs in the carton pack sequence. The carton, game name, and game number should be a large and bold font that is easily read at a distance.

Scientific Games acknowledges that each box/carton/bundle will have a label that faces outward and indicates the carton number, game name, game number, pack numbers contained therein, and omitted packs in the carton pack sequence. The carton, game name, and game number will be a large and bold font that is easily read at a distance.

4.1.9.2.2 Box/Carton/Bundle Size and Strength

Box/carton/bundle size may vary based on the ticket size and MUST provide protection from defects during normal handling and shipping, regardless of conditions.

Scientific Games acknowledges that box/carton/bundle size may vary based on the ticket size and will provide protection from defects during normal handling and shipping, regardless of conditions.



4.1.9.2.3 Taping or Wrapping of Ticket Boxes/Cartons/Bundles

All boxes/cartons/bundles of instant tickets MUST be taped or wrapped in such a manner that any tampering can easily be detected. The tape or wrap MUST be intact upon delivery.

Scientific Games acknowledges that all boxes/cartons/bundles of instant tickets will be taped or wrapped in such a manner that any tampering can easily be detected. The tape or wrap will be intact upon delivery.

4.1.9.2.4 Box/Carton/Bundle Weight

All boxes/cartons/bundles for a game MUST be of uniform size and MUST NOT exceed thirty (30) pounds when fully loaded. The Lottery requires full packing noting omitted packs on the carton.

Scientific Games acknowledges that all boxes/cartons/bundles for a game will be of uniform size and will not exceed 30 pounds when fully loaded and that the Lottery requires full packing noting omitted packs on the carton.

4.1.9.2.5 Skids/Pallets

Skids MUST be packed with the lowest carton number on the top layer of the skid, and with the highest carton number on the bottom layer of the skid. The skid/pallet MUST be wrapped. Pallets may not be packed to a height that exceeds the Lottery's Gaming System and Services vendor's warehouse shelving limits.

Scientific Games acknowledges that skids will be packed with the lowest carton number on the top layer of the skid, and with the highest carton number on the bottom layer of the skid. The skid/pallet will be wrapped. We understand that pallets may not be packed to a height that exceeds the Lottery's Gaming System and Services vendor's warehouse shelving limits.

4.1.9.3 Trailers/Trucks

4.1.9.3.1 Skid/Pallet Arrangement

Skids/pallets MUST be arranged on the trailer/truck with the lowest numbered skid in the "nose" of the trailer and the highest numbered skid in the "rear" of the trailer.

Scientific Games acknowledges that skids/pallets will be arranged on the trailer/truck with the lowest numbered skid in the "nose" of the trailer and the highest numbered skid in the "rear" of the trailer.



4.1.9.3.2 Ticket Shipping Security

All trailers/trucks used for transporting packaged instant lottery game tickets and materials MUST be sealed vehicles that are dedicated to lottery ticket shipments (Shipments for lotteries other than those of the West Virginia Lottery are permitted to be included in the same sealed vehicle.)

The seal MUST be broken only by authorized Lottery personnel and its Gaming System and Services vendor's warehouse vendor personnel.

A seal broken for any other reason will be sufficient cause for rejection of the entire shipment.

Should another lottery's shipment be delivered prior to a West Virginia Lottery shipment, it will be the responsibility of the Vendor to insure that the shipment arrives resealed and that such action is noted on the manifest.

Scientific Games acknowledges that all trailers/trucks used for transporting packaged instant lottery game tickets and materials will be sealed vehicles that are dedicated to lottery ticket shipments and that shipments for lotteries other than those of the West Virginia Lottery are permitted to be included in the same sealed vehicle.

Scientific Games acknowledges that the seal will be broken only by authorized Lottery personnel and its Gaming System and Services vendor's warehouse vendor personnel. We further acknowledge that a seal broken for any other reason will be sufficient cause for rejection of the entire shipment.

Should another lottery's shipment be delivered prior to a West Virginia Lottery shipment, it will be the responsibility of Scientific Games to ensure that the shipment arrives resealed and that such action is noted on the manifest.

4.1.9.3.3 Shipping and Delivery Requirements

Delivery MUST be made in accordance with the delivery schedule specified in the Working Papers for each game. The Lottery requires ticket delivery within forty-five (45) days prior to each game start. Notification WILL be sent to the Lottery at least ten (10) business days prior to delivery to confirm the delivery date.

The Vendor MUST specify the methods and carriers by which tickets are to be transported. Carriers MUST be bonded and approved common carriers.

Delivery will be made in accordance with the delivery schedule specified in the Working Papers for each game. Scientific Games acknowledges that the Lottery requires ticket delivery within 45 days prior to each game start. Notification will be sent to the Lottery at least 10 business days prior to delivery to confirm the delivery date.

Scientific Games will specify the methods and carriers by which tickets are to be transported. Carriers will be bonded and approved common carriers.



4.1.9.3.4 Delivery Tolerance

The Vendor MUST ship the ticket volume for any game ordered to a high accuracy. The Lottery MUST NOT be entitled to decline acceptance of any instant game tickets or game materials solely on the basis that the number of tickets or materials varies from the number specified to be delivered in the Working Papers, if such variance is not greater than or less than five (5) percent of the total amount specified. If non-conforming tickets or materials reduce the available quantity of sellable tickets or materials to less than 95 percent of the amount specified for delivery, the Lottery MUST have the option to request and to require, by written notice, that the Vendor provide replacement tickets or materials within three (3) weeks after such written notification is issued.

The Lottery WILL pay only for the amount of tickets or materials ordered in the Working Papers. In the event the actual number delivered is less than the amount ordered, the Lottery WILL pay only for the actual amount. If the actual number delivered is more than the amount ordered, the Lottery WILL pay only for the actual amount received within the allowable five (5) percent print variance.

Scientific Games will ship the ticket volume for any game ordered to a high accuracy. Scientific Games acknowledges that the Lottery will not be entitled to decline acceptance of any instant game tickets or game materials solely on the basis that the number of tickets or materials varies from the number specified to be delivered in the Working Papers, if such variance is not greater than or less than five percent of the total amount specified. If non-conforming tickets or materials reduce the available quantity of sellable tickets or materials to less than 95 percent of the amount specified for delivery, the Lottery will have the option to request and to require, by written notice, that we provide replacement tickets or materials within three weeks after such written notification is issued.

Scientific Games acknowledges that the Lottery will pay only for the amount of tickets or materials ordered in the Working Papers. In the event the actual number delivered is less than the amount ordered, we understand that the Lottery will pay only for the actual amount and that if the actual number delivered is more than the amount ordered, the Lottery will pay only for the actual amount received within the allowable five percent print variance.



4. | Mandatory Requirements

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4. | Mandatory Requirements

4.1.10 Security

The following subsections of this solicitation include the Lottery's guidelines for the security measures required for the printing plant(s); the Vendor employees; and for the security of the instant lottery game tickets. All items below must be approved by the Lottery prior to implementation. The Lottery reserves the right to require, at any time, further, and additional security measures as it deems necessary or appropriate to ensure the integrity of the operation of the Lottery.

Scientific Games understands that the following subsections of this solicitation include the Lottery's guidelines for the security measures required for the printing plant(s); the Vendor employees; and for the security of the instant lottery game tickets. We acknowledge that all items below must be approved by the Lottery prior to implementation and that the Lottery reserves the right to require, at any time, further, and additional security measures as it deems necessary or appropriate to ensure the integrity of the operation of the Lottery.

4.1.10.1 Security Plan

The Vendor MUST submit an overall security plan detailing the method by which it intends to produce, store, and ship instant game tickets. The security plan MUST include, but not be limited to, the following:

- (1) plant security*
- (2) validation data security*
- (3) ticket reconstruction security*
- (4) game design security*
- (5) physical ticket testing*
- (6) any other elements of security offered*

Upon contract award, Scientific Games will submit an overall security plan detailing the method by which we intend to produce, store, and ship instant game tickets. The security plan will include, but not be limited to, the following:

1. Plant security (4.1.10.1.1)
2. Validation data security (4.1.10.1.2)
3. Ticket reconstruction security (4.1.10.1.3)
4. Game design security (4.1.10.1.4)
5. Physical ticket testing (4.1.10.1.5)
6. Any other elements of security offered (4.1.10.1.6)

In our security plan, we fully describe the methods to be employed in the ticket construction to avoid security breaches. We will identify any potential security problems in the type of tickets proposed and will specify its method for handling these problems.

An understanding of the overriding importance of security in all phases of design, materials procurement, production, transportation, validation, and disposition of game tickets will be clearly evident in the proposed plan's procedures, methods, controls, and accounting.



Plant Security

At Scientific Games, our primary mission is to maintain the public's trust in the lottery products and services we provide. Security is in our DNA, and we understand and appreciate that the West Virginia Lottery expects the systems and services that we provide will meet or exceed your ongoing security requirements. Ensuring we and our customers stay ahead of evolving threats, as well as how to address and mitigate those threats, is essential to our day-to-day performance.

Our game development and production processes, which we detail throughout our proposal, demonstrate our deep understanding of the overriding importance of security in all phases of design, material procurement, production, transportation, storage, distribution and creation of game validation files. Each day, we rely on multiple and overlapping procedures and systems that ensure we take the required precautions for every game. Our comprehensive security plan is designed to detect and prevent fraud. To stay current with protocols relevant to maintaining the security and integrity of the Lottery, Scientific Games performs regular audits and provides rigorous training and education for its employees.

Facility

- 24/7/365 on-site state-certified security staff
- 176 digital cameras throughout the property (data retained for 90 days)
- In-house locksmith
- Keycard required to access exterior doors and sensitive internal areas (imager room, computer rooms)
- Environmental detection systems
- Fire detection and suppression systems
- Security modified perimeter doors
- Perimeter vehicular barriers
- Business continuity and disaster response plans
- Single-person, keycard turnstile entry between administrative offices and production area
- Patrolling security officers
- Segregation, containment and destruction of secure product, documents and waste
- Cargo and transportation security program
- Wall locker controls
- 24/7/365 breach detection on all perimeter doors and windows
- 24/7/365 environmental conditions monitoring
- Infraction ticketing program



Security Officer Posts

Standard shift coverage includes the manning of a security control center and a redundant secondary post at all times, as well as two roving officers. We strategically located the control center and secondary redundant post adjacent to the production building and administrative office building entryways. These posts are well equipped with redundant surveillance, access control, intrusion, life and safety systems, and communication terminals. A security equipment locksmith and repair workshop, photo ID station, SGEP site monitoring station, and security vault are part of the control center layout. The control center's electrical panels and field devices are linked to a back-up generator that can indefinitely power its general utility and critical system components' needs.

Expectations of Privacy and Searches in the Workplace

With the exception of activities relating to personal hygiene and health, there is no general or specific expectation of privacy in the Scientific Games workplace, either on the premises or elsewhere while on official business. Scientific Games reserves the right to conduct random or focused searches to monitor prohibited item policy compliance and mitigate property loss and threats to workforce safety.

Company premises, personnel, work areas, lockers, personal vehicles if driven or parked on company property, and other personal items such as clothing, bags, purses, briefcases, backpacks, lunch boxes and other containers are subject to search at any time based on reasonable suspicion or when circumstances pose a credible threat to the workforce.

Photography Restrictions

No photographic equipment can be used within the facility without express consent from the Security Director or an officer of the company. Approved photography sessions require escort by uniformed security officers to make certain that only authorized footage is taken within restricted areas.

Physical Facility Security Plan

At Scientific Games, maintaining the integrity of your game offerings is paramount. Our product integrity, secure practices and verifiable processes come together to help protect the reputation and standing of your Lottery so you can maintain trust among your citizens, elected leaders and other stakeholders. We understand that the Lottery requires your instant ticket product and our printing operations to be of the highest security and integrity. In this section, we demonstrate how we will maintain a confidential, high-level comprehensive approach to security through the use of procedures, methods, strategies and internal security controls.

Security Policy

Scientific Games recognizes that security and integrity form the foundation of all successful lottery organizations. Lotteries would fail in their mission to provide funds to good causes without the players' fundamental belief that ticket production is fair and uncompromised.



4. | Mandatory Requirements

A security breach of any kind is one too many. As a testament to the importance we place on security, we have appointed a former Assistant Director at the Federal Bureau of Investigation, Stephen Richardson, as our Chief Compliance Officer (CCO) and Director of Corporate Security. As CCO, Steve oversees all of the company's compliance programs for employees, product development, production, sales supply chain and security.

Additionally, he oversees the creation of guidelines, policies and training sessions to ensure that the organization complies with government regulations, industry and international standards, and internal policies and programs to evaluate and investigate compliance risks.

"Our mission is to protect the Lottery's integrity. Designed with a focus on physical, logical and digital security, our multi-layered security systems approach and processes confirm our continued commitment to protecting your brand."

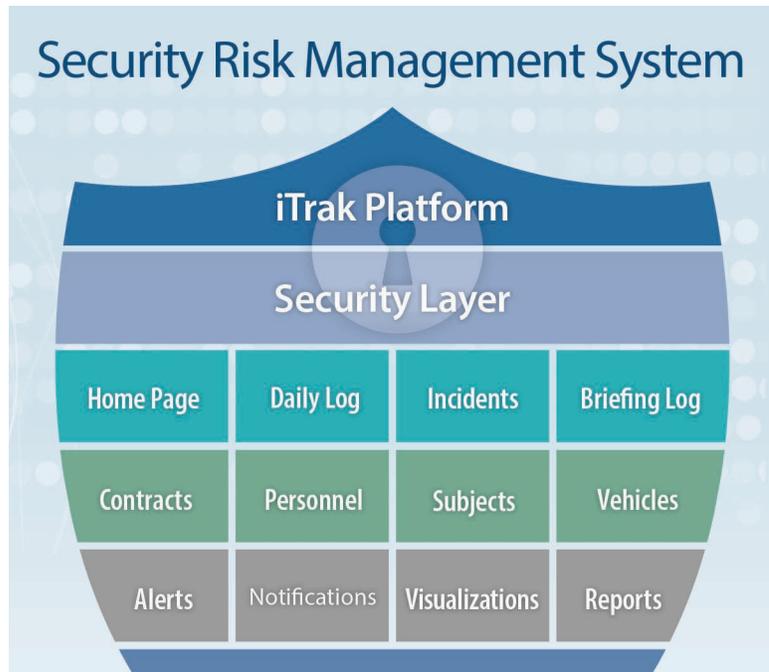


Stephen Richardson
Chief Administrative and Compliance Officer

Risk Assessment and Treatment

Scientific Games' Lottery Security department uses a centralized, converged platform that enables real-time information gathering and automated dissemination for a multitude of tailored transactions and tasks that security personnel initiate and handle. It is the primary documentation platform for Lottery Security officers' daily logs, incident and investigation report management, visitor activity, subject profiling and blacklists with associated media file retention and briefings, and a business intelligence module for use by corporate security management.

This system gathers and automates real-time information, provides management reports and allows security officers to log incident management and subject profiling logs, investigation management, varied media file retention and briefings.



Validation Data Security

Scientific Games provides all records necessary and appropriate for use in the validation of winning tickets. Each ticket produced is identified by a game-wide, unique, multi-digit validation number. The validation number appears on the front of the ticket under the scratch-off material and is applied



with the Kodak imagers. Scientific Games also provides a unique barcoded representation of the game, book, ticket and validation numbers on the ticket back as well as underneath the scratch-off coating on the ticket front.

The procedures for validating winning tickets are consistent with the type of games ordered and are compatible with the established operational controls of the customer.

Ticket Reconstruction Security

Scientific Games' instant tickets contain built-in features to protect against counterfeiting and alteration attempts. Our unique ticket construction features game symbols that are sandwiched between security coating layers that resist any practical or economical invasion technique to determine win or loss status or leave the ticket tamper evident when the technique is applied. Our ticket construction ensures each of our games meets laboratory testing required by the Lottery.

The combination of the security coatings results in a secure instant ticket from which it is not possible to reveal the play data through common techniques, including:

- High-intensity light
- X-ray
- Chemicals
- Photography
- Thermal techniques
- Lasers
- Ultraviolet or infrared light
- Cutting or peeling
- Microsurgery
- Electrostatics
- Copy machine forgery
- Freezing
- Microscopes
- Optical fibers

Game Design Security

Security of an instant ticket game begins with design. Scientific Games recommends incorporating many different security features into each ticket design as possible to ensure the integrity of every game.

We produce instant tickets using the industry's most secure and technologically advanced continuous production process. Our manufacturing team prints non-winning and winning tickets, including high-tier ones, at the same time and in the same way. This continuous production process prevents any type of pick-out problem where someone can identify the winning ticket by a distinctive characteristic of the ticket during production. A winner can only be determined by scratching the ticket, revealing the play symbols and following the play instructions.

Scientific Games incorporates many security features in the design of Lottery instant ticket games in both the play area and the overall ticket graphics.

Physical Ticket Testing

Our Quality Assurance department will conduct multiple tests to confirm West Virginia Lottery tickets are very durable and can withstand normal use, and practical attempts at compromise. Specialized tests are conducted frequently throughout the printing run to verify the security components of every game function as intended. Our Quality Assurance management staff will work closely with the West Virginia Lottery security to refine our testing protocols to ensure our ticket construction continually



meets any new compromise threats that may arise. Scientific Games tests every game internally and will supply the test reports to the Lottery.

Our team performs a suite of tests that ensure ticket function and that represent all known relevant instant ticket threats. Testing starts with the very first sample available from the press and continues with every roll until the printing process is complete.

4.1.10.2 Approval of Security Measures

The Vendor's security plan MUST specify the precautions, safeguards, inspections, reporting, and other measures relating to the entire security effort. Failure to provide an acceptable plan to the Lottery will be grounds for cancellation of contract.

Scientific Games' security plan will specify the precautions, safeguards, inspections, reporting, and other measures relating to the entire security effort. We understand that failure to provide an acceptable plan to the Lottery will be grounds for cancellation of contract.

4.1.10.3 Ticket Security Certification

The Vendor MUST submit copies of the most recent and applicable laboratory test reports and other certifications assuring the security of the Vendor's instant lottery game tickets against practical compromise by reasonable comprehensive technical effort.

Scientific Games will submit copies of the most recent and applicable laboratory test reports and other certifications assuring the security of our instant lottery game tickets against practical compromise by reasonable comprehensive technical effort.

4.1.10.4 Ticket Reconstruction

Security and personnel restriction to instant lottery game ticket reconstruction is REQUIRED of the successful Vendor. Upon request by the Lottery, the Vendor MUST provide to authorized Lottery security personnel only, reconstruction of play and validation data of any ticket using either the game, pack and ticket numbers, or a partial validation number. The Lottery will set up secure protocols with the successful Vendor to elaborate on reconstruction of damaged or questionable tickets. Only individuals authorized by the Lottery's Security will be used as contact for this purpose.

Scientific Games understands that security and personnel restriction to instant lottery game ticket reconstruction is required of the successful Vendor. Upon request by the Lottery, Scientific Games will provide to authorized Lottery security personnel only, reconstruction of play and validation data of any ticket using either the game, pack and ticket numbers, or a partial validation number. We acknowledge that the Lottery will set up secure protocols with the successful Vendor to elaborate on reconstruction of damaged or questionable tickets and that only individuals authorized by the Lottery's Security will be used as contact for this purpose.

4.1.10.5 Game Accounting and Security Review

The Vendor MUST engage a firm of qualified and independent certified public accountants to review the procedures and controls employed by the Vendor prior to production of each lottery game. These audits MUST include at a minimum the following:

- 1. A sampling for game integrity of the actual digital production files that were used to run the imager used to print the tickets. Audits of intermediate digital files are not sufficient for this purpose.*
- 2. A statistically valid random sampling of finished packs of tickets in the Vendor's plant to determine conformity of the finished actual tickets with the final approved prize structure as signed by the Lottery; and*



4. | Mandatory Requirements

3. A statistically valid sample detailing mean and maximum strings of consecutive winning and non-winning tickets within pools and within packs. Such report **MUST** show expected probability of such strings and actual occurrences in one or more randomly selected pools.

The Vendor, upon request of the Lottery, **MUST** be required to furnish all of the actual game production files and audits to the Lottery for review. This information **WILL** be the basis of a game validation and accounting review.

Scientific Games will engage a firm of qualified and independent certified public accountants to review the procedures and controls employed by us prior to production of each lottery game. These audits will include at a minimum the following:

- A sampling for game integrity of the actual digital production files that were used to run the imager used to print the tickets. We understand that audits of intermediate digital files are not sufficient for this purpose (4.1.10.5.1).
- A statistically valid random sampling of finished packs of tickets in our plant to determine conformity of the finished actual tickets with the final approved prize structure as signed by the Lottery (4.1.10.5.2).
- A statistically valid sample detailing mean and maximum strings of consecutive winning and non-winning tickets within pools and within packs. We acknowledge that such report **MUST** show expected probability of such strings and actual occurrences in one or more randomly selected pools (4.1.10.5.3).

Scientific Games, upon request of the Lottery, will furnish all of the actual game production files and audits to the Lottery for review. This information will be the basis of a game validation and accounting review.

External Game Audit

At the Lottery's request we can employ an accounting firm to perform agreed-upon procedures for select West Virginia instant games. The firm's external procedures complement the game development process and provide independent redundancy to the audit procedures performed internally. Specifically, the procedures confirm that the game software will produce game data with the following characteristics:

- The prize structure must be fully respected. Internal and external game audit procedures must confirm that the game software produces game data that meet 100% of the requirements of the prize structure.
- The programming parameters must be met. Internal and external game audit procedures must confirm that games are programmed so that every ticket follows the rules stated in the game specifications without exception.
- The game symbols in the game specifications must be the only symbols to appear on the tickets. Procedures must confirm that games are programmed such that the fonts for all game symbols (play symbol data, book and ticket numbering, validation number, agent validation codes and barcodes) are consistent with the symbols in the approved game specifications without exception.
- The game software that was audited must be the same software that produces the game. Procedures must confirm that the correct version of the software is used in the production environment.



Key features of Scientific Games' approach to the independent audit include:

- Scientific Games uses MNP LLP to complete agreed-upon procedures for each game.
- MNP LLP provides expert audit talent specifically trained for the purpose of protecting the Lottery and Scientific Games.
- The internal game audit process is a comprehensive audit of the game—from the clarification of the game specifications to the verification of the validation file. The result is an impartial analysis of the essential components of the instant game: prize structure, programming parameters and game symbols.
- Scientific Games' first priority is security. No live game data leaves the building unless it is covered by scratch-off coating; therefore, MNP's analysis is based on the review of game reports that prove the conformity of the prize structure, programming parameters and game symbols to the specifications found in the game specifications.

Scientific Games will continue to provide an independent game audit for each game. In this audit, an independent accounting firm performs a detailed review of game reports and other evidence to re-verify and confirm that the game meets or exceeds the specifications found within the approved game specifications.

In addition to the individual game audits, Scientific Games is subjected to multiple audits throughout the year. The listing below summarizes those audits.

Independent Reviews/Audits

Scientific Games is subject to multiple internal and external audits which provide an independent measurement of security readiness and performance in relation to accepted information security and integrity standards. These audits are designed to review and assess the fundamental security of game development and game production processes resulting in formal reports that are used as the basis for internal risk assessments and customer education.

- **Customer Audits** – Game Programming systems are audited and must meet or surpass the objective of protecting the game data from internal and outside attack.
- **Third Party Security Audits** – Independent production system security inspections compare system security to accepted best practices. These inspections occur monthly, quarterly and annually. All reports are available upon request.
- **Third Party System Penetration Testing** – Each year, production systems undergo a thorough examination. This includes inspection of firewall rules, port scan of all ports, system penetration testing and a full review of desktop and server security. Reports are available upon request.
- **ISO 27001 Audits** – In 2009, Game Programming met requirements for the ISO-27001 Security certification. We have successfully obtained recertification each subsequent year. As required by the standard, annual comprehensive internal audits of the fitness of game programming's information security management system are conducted. Reports are available upon request.
- **SSAE16 (SOC 2 Type II) Audit** – This audit replaces the SAS70 report on controls and demonstrates Scientific Games' compliance with standard security principles.



4.1.10.6 Audit Memorandum

The Vendor MUST supply the Lottery with an Audit Memorandum verifying that a game meets the guidelines as stated in the executed Working Papers. This memorandum MUST be supplied to the Lottery prior to the ticket printing for each game. The pre-press audit MUST be performed by an independent auditing firm that is contracted with and compensated by the Vendor.

Scientific Games will supply the Lottery with an Audit Memorandum verifying that a game meets the guidelines as stated in the executed Working Papers. This memorandum will be supplied to the Lottery prior to the ticket printing for each game. The pre-press audit will be performed by an independent auditing firm that is contracted with and compensated by Scientific Games.

4.1.10.7 Certified Public Accountant's Report

The Vendor MUST contract with and compensate an independent auditing firm, in good standing, to perform a complete post-press audit of each instant ticket game, that determines compliance with all elements of the game's executed Working Papers. This report MUST be supplied to the Lottery three (3) weeks prior to the start of game sales.

Scientific Games will contract with and compensate an independent auditing firm, in good standing, to perform a complete post-press audit of each instant ticket game, that determines compliance with all elements of the game's executed Working Papers. This report will be supplied to the Lottery three weeks prior to the start of game sales.

4.1.10.8 Facility Security

The facility(ies) that produce instant lottery game tickets should be equipped with a complete security that includes, but is not limited to, the following:

Scientific Games' facilities that produce instant lottery game tickets are equipped with a complete security that includes, but is not limited to, the following:

- Window and/or skylight is either under video surveillance or covered by wire mesh (4.1.10.8.1).
- Fire doors are integrated into a burglar alarm system having a direct line to the local "safety services" authorities (4.1.10.8.2).
- Uniform-locking devices equipped with a burglar alarm system for all outside doors (4.1.10.8.3).
- A registration log, or badge access, for all visitors and employees entering and leaving the office and manufacturing areas (4.1.10.8.4).
- Signs in the receiving and loading platform areas that prohibit unauthorized personnel from entering the plant via those access points (4.1.10.8.5).
- Receiving and loading platform areas are monitored by plant security by means of video surveillance (4.1.10.8.6).
- Receiving and loading platforms are kept clear of all materials while not in use (4.1.10.8.7).
- Limited access to all production areas (4.1.10.8.8).
- Secure doors between office areas and manufacturing areas (4.1.10.8.9).
- Continuous video surveillance of ticket production areas during ticket printing (4.1.10.8.10).
- 24-hour, on-premise guards during ticket and supporting materials production (4.1.10.8.11).



4. | Mandatory Requirements

- Maximum security conditions during the production of Lottery printing plates/films or cylinders, files, and data, and secure storage of such for up to one (1) year when not in use (4.1.10.8.12).
- Delivery of skids/cartons containing Lottery products accompanied by the shipping manifest that is signed by the driver and shipping supervisor (4.1.10.8.13).
- Numbered seals on each delivery truck, with number indicated on the shipping manifest (4.1.10.8.14).
- Loading areas are free of other shipments, deliverables, bales, trash and the like during the loading operation with enclosed loading areas preferred (4.1.10.8.15).
- Accounting and video surveillance of the disposal of all scrap/unusable game materials by shredding (4.1.10.8.16).

Scientific Games understands that the Lottery requires alternative security measures that substantially conform to the basic security requirements indicated in the sections above. Significant deviations in any aspect of the security plan, from the standards of effectiveness required by the Lottery, may be sufficient cause for potential termination of contract award.

4.1.10.9 Employee Security

This subsection is applicable to the Vendor and to any of its subcontractors. The Lottery MUST be advised as to the procedures adopted to ensure that Vendor employees, who are involved in the production of the instant lottery game tickets, are precluded from ascertaining or being knowledgeable of packs containing winning tickets. Vendor personnel MUST wear photographic identification badges at all times. In addition, it is required that the Vendor's employees are subject to annual background investigations and bonding by the Vendor.

Scientific Games acknowledges that this subsection is applicable to us and to any of our subcontractors. The Lottery will be advised as to the procedures adopted to ensure that Scientific Games employees who are involved in the production of the instant lottery game tickets are precluded from ascertaining or being knowledgeable of packs containing winning tickets. Scientific Games personnel will wear photographic identification badges at all times. In addition, Scientific Games' employees are subject to annual background investigations and bonding.

4.1.10.10 Prize Restrictions

The Vendor MUST agree and acknowledge that its employees, officers, subcontractors, and their immediate family members residing in the same household, are restricted from wagering, winning or gifting in any Lottery instant lottery games.

The Vendor MUST agree to convey this restriction to its employees, officers, and subcontractors and maintain documentation to this effect.

The Vendor MUST use all reasonable resources to exert its best efforts to enforce this restriction.

The Vendor MUST further acknowledge that failure of any employee; officer; subcontractor; or their family members, to comply with this restriction, WILL result in forfeiture of any winnings and/or the termination of the offending officer, employee, or subcontractor.

Scientific Games agrees and acknowledges that its employees, officers, subcontractors, and their immediate family members residing in the same household, are restricted from wagering, winning or gifting in any Lottery instant lottery games.

We agree to convey this restriction to its employees, officers, and subcontractors and maintain documentation to this effect.



We will use all reasonable resources to exert its best efforts to enforce this restriction.

Scientific Games further acknowledges that failure of any employee; officer; subcontractor; or their family members, to comply with this restriction, will result in forfeiture of any winnings and/or the termination of the offending officer, employee, or subcontractor.

4.1.10.11 Security Breach

Upon discovery of any breach of security experienced by the Vendor during the term of this contract, especially that of theft or disappearance of any paper stock, tickets, waste, printing plates, imagery data files, program digital files, or the like, the Vendor MUST immediately notify, by telephone, the Lottery Director, or his designee. This contact MUST be followed by written notification detailing the specifics of the occurrence and what steps have been taken to remedy the problem.

The Lottery MUST be the sole judge of the adequacy of the steps taken and reserves the right to specify other steps to be taken.

Upon discovery of any breach of security experienced by Scientific Games during the term of this contract, especially that of theft or disappearance of any paper stock, tickets, waste, printing plates, imagery data files, program digital files, or the like, Scientific Games will immediately notify, by telephone, the Lottery Director, or his designee. This contact will be followed by written notification detailing the specifics of the occurrence and what steps have been taken to remedy the problem.

The Lottery will be the sole judge of the adequacy of the steps taken and reserves the right to specify other steps to be taken.



4. | Mandatory Requirements

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4. | Mandatory Requirements

4.1.11 Marketing

The vendor will be required to provide ongoing assistance in the marketing of instant game products.

Scientific Games will provide ongoing assistance in the marketing of instant game products.

4.1.11.1 Game Introduction Plans

The Vendor MUST provide assistance and recommendations for planning game introductions, number of tickets to order, pricing of tickets, types of games needed, prize structure development or completion, ticket art changes, and optimal product mix upon request.

Scientific Games will provide assistance and recommendations for planning game introductions, number of tickets to order, pricing of tickets, types of games needed, prize structure development or completion, ticket art changes, and optimal product mix upon request.

4.1.11.2 Planning and Concept Testing

The Vendor MUST host meetings to plan future games with the Lottery. These planning sessions MUST occur at least twice a year. The Vendor MUST provide a sales analysis to include the past year's instant games at minimum indicating relative performance and suggestions to improve future games or schedules. The Vendor MUST be responsible for travel costs for two (2) Lottery personnel when these meetings are held at the Vendor's location(s).

Scientific Games will host meetings to plan future games with the Lottery. These planning sessions will occur at least twice a year. We will provide a sales analysis to include the past year's instant games at a minimum indicating relative performance and suggestions to improve future games or schedules. We will be responsible for travel costs for two Lottery personnel when these meetings are held at our location.

4.1.11.2.1 Account Representative

At a minimum, the Vendor MUST be represented by an account representative.

Scientific Games will be represented by an account representative. Tracey Cohen will be the West Virginia Lottery's key day-to-day contact for production of instant lottery games. Tracey will serve the Lottery in a variety of ways including working with your team to develop and execute the Lottery's product plans, presenting new game concepts, overseeing game production through the entire process- development, printing, and delivery, analyzing game performance/market conditions, and sharing industry trends to bring the best and most strategic strategies to maximize revenues and returns.

4.1.11.2.2 Concept Art

The Vendor MUST provide instant ticket concept art for web testing as scheduled by the Lottery (once per year.)

Scientific Games will provide instant ticket concept art for web testing as scheduled by the Lottery (once per year).



4.1.11.2.3 Ticket Digital Mock-ups

The Vendor MUST prepare approximately twenty-eight (28) proposed ticket digital mock-ups for concept testing including covered and uncovered art. The final list of games to be tested will be approved by the Lottery.

Scientific Games will prepare approximately 28 proposed ticket digital mock-ups for concept testing including covered and uncovered art. We understand that the final list of games to be tested will be approved by the Lottery.

4.1.12 Disaster Recovery

In the event of irreparable damage at the primary printing facility, or of an unplanned, extended abandonment of the primary printing facility, the Vendor MUST provide at no additional cost those facilities and other components necessary to resume Lottery instant lottery game ticket production. Such facilities and other components MUST be operational within thirty (30) days after the disaster and/or abandonment. Until a permanent primary printing facility can be re-established, substitute facilities MUST meet Lottery-approved environmental and security measures.

In the event of irreparable damage at the primary printing facility, or of an unplanned, extended abandonment of the primary printing facility, Scientific Games will provide at no additional cost those facilities and other components necessary to resume Lottery instant lottery game ticket production. Such facilities and other components will be operational within 30 days after the disaster and/or abandonment. Until a permanent primary printing facility can be re-established, substitute facilities will meet Lottery-approved environmental and security measures.

4.1.13 Rights to Intellectual Property

The Lottery will be leasing or purchasing rights to use materials or processes that may be deemed the intellectual property of the Vendor or third-party entities. Such properties include, but are not limited to: products, processes, names, and/or graphic renditions that are trademarked or copyrighted, stock photography, personalities, specialty type-fonts, barcode placements, and commercial themes that are not in the realm of public domain.

Scientific Games understands that the Lottery will be leasing or purchasing rights to use materials or processes that may be deemed the intellectual property of Scientific Games or third-party entities and that such properties include, but are not limited to products, processes, names, and/or graphic renditions that are trademarked or copyrighted, stock photography, personalities, specialty type-fonts, barcode placements, and commercial themes that are not in the realm of public domain.

4.1.13.1 Procuring Rights

The Lottery may require the Vendor to procure the rights for use of copyrights, brand names, intellectual property, etc. on behalf and at the behest of the Lottery. The Vendor then MUST cost all fees, without mark-up, solely for rights to the use of intellectual property separately for each instant lottery game. Such costs MUST be listed as additional line items in the working paper confirmation page for payment approval and invoice should be provided for confirmation.

Scientific Games understands that the Lottery may require us to procure the rights for use of copyrights, brand names, intellectual property, etc. on behalf and at the behest of the Lottery and that we then must cost all fees, without mark-up, solely for rights to the use of intellectual property separately for each instant lottery game. Such costs will be listed as additional line items in the working paper confirmation page for payment approval and invoice should be provided for confirmation.



4.1.13.2 Negotiate an Amendment

The Lottery may negotiate an amendment with the Instant Game Printing Vendor of record to produce games where the product, technology, or process desired for games is trademarked, copyrighted, introduced, or implemented by the Vendor of record and must be obtained outside of the scope of this Solicitation.

This excludes any licensed property or program which may be directly licensed to the Lottery from a third party vendor.

Scientific Games acknowledges that the Lottery may negotiate an amendment with the Instant Game Printing Vendor of record to produce games where the product, technology, or process desired for games is trademarked, copyrighted, introduced, or implemented by the Vendor of record and must be obtained outside of the scope of this Solicitation. We understand that this excludes any licensed property or program which may be directly licensed to the Lottery from a third-party vendor.

4.1.14 Ownership of Materials

All materials and data exclusively produced for first use by the Lottery under the Contract MUST be deemed the Lottery's work product and MUST not entitle the Vendor to additional financial considerations, unless otherwise agreed to in writing by the State.

Scientific Games understands that all materials and data exclusively produced for first use by the Lottery under the Contract will be deemed the Lottery's work product and will not entitle Scientific Games to additional financial considerations, unless otherwise agreed to in writing by the State.

4.1.15 End of Contract Transition

It is contemplated that the Lottery, approximately six (6) months prior to the expiration of the Contract resulting from this Solicitation will award a new contract for instant ticket printing and services. The parties understand and agree that the Lottery may utilize the last one hundred eighty (180) days of the Contract resulting from this Solicitation or renewal thereof for conversion. The Vendor MUST cooperate fully and in good faith in the conversion, which may or may not involve other vendors. If a subsequent contract is awarded to a different vendor, then the current Vendor of record MUST continue in paid obligation to complete end of game audits and reporting, any web and/or mail-in based drawings, ticket reconstructions, and other obligations regardless of contract end.

Scientific Games understands that it is contemplated that the Lottery, approximately six (6) months prior to the expiration of the Contract resulting from this Solicitation, will award a new contract for instant ticket printing and services and that the parties understand and agree that the Lottery may utilize the last 180 days of the Contract resulting from this Solicitation or renewal thereof for conversion. Scientific Games will cooperate fully and in good faith in the conversion, which may or may not involve other vendors. Scientific Games acknowledges that if a subsequent contract is awarded to a different vendor, then the current Vendor of record must continue in paid obligation to complete end of game audits and reporting, any web and/or mail-in based drawings, ticket reconstructions, and other obligations regardless of contract end.



4.1.16 Record Retention (Access and Confidentiality)

Vendor shall comply with all applicable federal and state rules, regulations, and requirements governing the maintenance of documentation to verify any cost of services or commodities rendered under this contract by the Vendor.

Scientific Games will comply with all applicable federal and state rules, regulations, and requirements governing the maintenance of documentation to verify any cost of services or commodities rendered under this contract by us.

4.1.16.1 Minimum of Five Years

The Vendor shall maintain such records a minimum of five (5) years and make such records available to Lottery personnel at the Vendor's location during normal business hours upon written request by the Lottery within ten business (10 days after receipt of the request.)

Scientific Games will maintain such records a minimum of five years and make such records available to Lottery personnel at our location during normal business hours upon written request by the Lottery within ten business days after receipt of the request.

4.1.16.1.1 Maintain Confidentiality

Vendor shall have access to private and confidential data maintained by the Lottery to the extent required for the Vendor to carry out the duties and responsibilities defined in this contract. Vendor agrees to maintain confidentiality and security of the data made available and shall indemnify and hold harmless the State and the Lottery against any and all claims brought by any party attributed to actions of breach of confidentiality by the Vendor, subcontractors, or individuals permitted access by the Vendor.

Scientific Games acknowledges that we will have access to private and confidential data maintained by the Lottery to the extent required for us to carry out the duties and responsibilities defined in this contract. We agree to maintain confidentiality and security of the data made available and will indemnify and hold harmless the State and the Lottery against any and all claims brought by any party attributed to actions of breach of confidentiality by Scientific Games, subcontractors, or individuals permitted access by the Scientific Games.

4.1.16.1.2 Maintain Technical and Logistical Records

The Vendor shall maintain technical and logistical records relative to the Contract for a period of three (3) years after the end of the Contract. Records MUST include, but are not limited to, graphic art files for the games, ticket and validation number algorithm information, and production and shipping records.

Scientific Games will maintain technical and logistical records relative to the Contract for a period of three years after the end of the Contract. Records will include, but are not limited to, graphic art files for the games, ticket and validation number algorithm information, and production and shipping records.



5. | Contract Award

5.1 Contract Award

The Contract is intended to provide Lottery with a purchase price for the Contract Services. The Contract MUST be awarded to the Vendor that provides the Contract Services meeting the required specifications for the lowest overall total cost as shown on the Pricing Page.

Scientific Games understands that the Contract is intended to provide Lottery with a purchase price for the Contract Services and that the Contract must be awarded to the Vendor that provides the Contract Services meeting the required specifications for the lowest overall total cost as shown on the Pricing Page.

5.2 Pricing Page

Vendor should complete the Pricing Page by determining the cost per square inch per one thousand tickets for the base ticket requirements and the additional processes or finishes. Vendor must complete the Pricing Page in full as failure to complete the Pricing Page in its entirety may result in Vendor's bid being disqualified.

Scientific Games has completed the Pricing Page by determining the cost per square inch per one thousand tickets for the base ticket requirements and the additional processes or finishes. Scientific Games has completed the Pricing Page in full. We understand that failure to complete the Pricing Page in its entirety may result in our bid being disqualified.



5. | Contract Award

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6. | Performance

Vendor and Lottery MUST agree upon a schedule for performance of Contract Services and Contract Services Deliverables, unless such a schedule is already included herein by Lottery. Vendor MUST perform in accordance with the release orders that may be issued against this Contract.

Scientific Games acknowledges that we must agree with the Lottery upon a schedule for performance of Contract Services and Contract Services Deliverables, unless such a schedule is already included herein by Lottery. We further acknowledge that we must perform in accordance with the release orders that may be issued against this Contract.



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7. | Ordering and Payment

7.1 Ordering

Vendor shall accept orders through wvOASIS, regular mail, facsimile, e-mail, or any other written form of communication. Vendor may, but is not required to, accept on-line orders through a secure internet ordering portal/website. If Vendor has the ability to accept on-line orders, it should include in its response a brief description of how Agencies may utilize the on-line ordering system. Vendor shall ensure that its on-line ordering system is properly secured prior to processing Agency orders on-line.

Scientific Games understands that we will be required to accept orders through wvOASIS, regular mail, facsimile, e-mail, or any other written form of communication. We acknowledge that we may accept online orders through a secure internet ordering portal or website but it is not required.

The working papers specify the Lottery's order. Scientific Games can process that order however the Lottery wishes. We can receive the executed working papers through any of the options listed. Most of our customers deliver the executed working papers through email. Depending on the Lottery's preference, Scientific Games can also process the order through a secure method such as secure file transfer or through a service like DocuSign.

7.2 Payment

Lottery shall pay the cost per square inch per one thousand for delivered tickets and point of sale, as shown on the Pricing Page, for all Contract Services performed and accepted under this Contract. Vendor MUST accept payment in accordance with the payment procedures of the State of West Virginia.

Scientific Games understands that the Lottery will pay the cost per square inch per one thousand for delivered tickets and point of sale, as shown on the Pricing Page, for all Contract Services performed and accepted under this Contract and that Scientific Games must accept payment in accordance with the payment procedures of the State of West Virginia.



7. | Ordering and Payment

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8. | Travel

Vendor MUST be responsible for all mileage and travel costs, including travel time, associated with performance of this Contract. Any anticipated mileage or travel costs should be included in the base cost on the PRICING PAGE, as such costs will not be paid separately by the Lottery.

Scientific Games will be responsible for all mileage and travel costs, including travel time, associated with performance of this Contract. Any anticipated mileage or travel costs is included in the base cost on the **Pricing Page**. We understand that such costs will not be paid separately by the Lottery.



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9. | Delivery and Return

9.1 Delivery Time

Vendor shall deliver orders within forty-five (45) calendar days after working papers are executed. Vendor shall ship all orders in accordance with the executed working papers.

Scientific Games will deliver orders within 45 calendar days after Working Papers are executed and will ship all orders in accordance with the executed Working Papers.

9.2 Late Delivery

The Agency placing the order under this Contract must be notified in writing if orders will be delayed for any reason. Any Unapproved delays in the production and delivery of a game may result in the Lottery assessing liquidated damages.

The Agency placing the order under this Contract will be notified by Scientific Games in writing if orders will be delayed for any reason. We understand that any unapproved delays in the production and delivery of a game may result in the Lottery assessing liquidated damages.

9.3 Delivery Payment/Risk of Loss

Standard order delivery shall be F.O.B. destination to the Agency's approved warehousing location. Vendor shall include the cost of standard order delivery charges in its base pricing and is not permitted to charge the Agency separately for such delivery.

Standard order delivery will be F.O.B. destination to the Lottery's approved warehousing location. Scientific Games will include the cost of standard order delivery charges in its base pricing. We understand that we are not permitted to charge the Lottery separately for such delivery.

9.4 Return of Unacceptable Items

If the Agency deems the Contract Items to be unacceptable, the Contract Items shall be returned to Vendor at Vendor's expense and the Vendor shall be responsible for the destruction of the refused items. Vendor shall make arrangements for the return after Lottery notification that the items are unacceptable. All returns of unacceptable items shall be F.O.B. the Agency's location. The returned product shall either be replaced, or the Agency shall receive a full credit or refund for the purchase price, at the Agency's discretion.

Scientific Games understands that if the Lottery deems the Contract Items to be unacceptable, the Contract Items will be returned to us at our expense and that we will be responsible for the destruction of the refused items. Scientific Games will make arrangements for the return after Lottery notification that the items are unacceptable. All returns of unacceptable items will be F.O.B. the Lottery's location. The returned product will either be replaced, or the Lottery will receive a full credit or refund for the purchase price, at the Lottery's discretion.



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10. | Facilities Access

Performance of Contract Services may require access cards and/or keys to gain entrance to Lottery's facilities. In the event that access cards and/or keys are required:

Scientific Games understands that performance of Contract Services may require access cards and/or keys to gain entrance to Lottery's facilities. In the event that access cards and/or keys are required:

- Scientific Games must identify principal service personnel which will be issued access cards and/or keys to perform service (10.1).
- Scientific Games will be responsible for controlling cards and keys and will pay a replacement fee if the cards or keys become lost or stolen (10.2).
- Scientific Games must notify Lottery immediately of any lost, stolen, or missing card or key (10.3).
- Anyone performing under this Contract will be subject to Lottery's security protocol and procedures (10.4).
- Scientific Games must inform all staff of Lottery's security protocol and procedures (10.5).



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11.1 | Vendor Default

11.1 Vendor Default

The following MUST be considered a vendor default under this Contract.

Scientific Games understands that the following must be considered a vendor default under this Contract:

- Failure to perform Contract Services in accordance with the requirements contained herein (11.1.1).
- Failure to comply with other specifications and requirements contained herein (11.1.2).
- Failure to comply with any laws, rules, and ordinances applicable to the Contract Services provided under this Contract (11.1.3).
- Failure to remedy deficient performance upon request (11.1.4).

11.2 Remedies

The following remedies MUST be available to Lottery upon default.

Scientific Games understands that the following remedies MUST be available to Lottery upon default:

- Immediate cancellation of the Contract (11.2.1).
- Immediate cancellation of one or more release orders issued under this Contract (11.2.2).
- Any other remedies available in law or equity (11.2.3).



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12. | Miscellaneous

Contract Manager: During its performance of this Contract, Vendor must designate and maintain a primary contract manager responsible for overseeing Vendor's responsibilities under this Contract. The Contract manager must be available during normal business hours to address any customer service or other issues related to this Contract. Vendor should list its Contract manager and his or her contact information below.

Contract Manager: Kyle Rogers, Vice President, North American Instant Products

Telephone Number: 678-297-5327

Fax Number: 770-393-3477

Email Address: kyle.rogers@scientificgames.com



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EXHIBIT A - PRICING PAGE

All pricing is per
square inch per
thousand Estimated Usage
Percentage Per
Square Inch Weighted Price

1	BASE PRINTING COST Each Vendor's base price MUST include base ticket cost with foil-less stock, one imaged play area, four-color display, four-color overprint, two color ticket back, full gloss coating, background coating, all security for full game creation and reconstruction, barcode data on ticket front and back, UPC barcode on ticket back, all protective coatings, personnel required for contract, all set-up fees, auditing, physical testing, and all research and development costs.	\$2.174	100%	\$2.174
2	PULSES SPLIT QUANTITIES WITHIN A GAME	\$0.144	75%	\$0.108
3	MULTIPLE IMAGED PLAY AREAS	\$0.000	47%	\$0.000
4	SCENES/COLOR SEQUENTIALLY WITHIN A GAME	\$0.065	22%	\$0.014
5	FULL COLOR MARKING SYSTEM FOR EXTENDED PLAY	\$0.240	20%	\$0.048
6	FULL COLOR IMAGING OF PLAY SYMBOLS	\$0.995	8%	\$0.080
7	SINGLE COLOR MARKING SYSTEM FOR EXTENDED PLAY	\$0.160	7%	\$0.011
8	FLOURESCENT INKS	\$0.120	7%	\$0.008
9	EACH ADDITIONAL SPOT COLOR	\$0.070	6%	\$0.004
10	OVERSIZED TICKETS	\$0.560	5%	\$0.028
11	METALLIC-LIKE INKS	\$0.160	3%	\$0.005
12	DUAL COLOR IMAGING OF PLAY SYMBOLS	\$0.556	3%	\$0.017
13	MATTE COATING ON TICKET FRONT	\$0.090	2%	\$0.002
14	SPOT GLOSS COATING	\$0.090	2%	\$0.002
15	ADDITIONAL VARIABLE BARCODE OR DATA	\$0.000	2%	\$0.000
16	FOIL PROCESS	\$0.700	1%	\$0.007
17	HOLOGRAPHIC PROCESS	\$2.650	1%	\$0.027
18	SCENTED TICKETS	\$0.850	1%	\$0.009
19	DIE-CUTTING OF TICKETS	\$0.643	0.5%	\$0.003
20	PERFORATED STUB WITH IMAGED INFORMATION	\$0.180	0.5%	\$0.001
21	PERFORATED STUB WITHOUT IMAGED INFORMATION	\$0.090	0.5%	\$0.000
22	Point of Sale Piece	\$58.000	0.5%	\$0.290
23	Point of Sale Piece with fluorescent ink	\$69.000	0.05%	\$0.035
24	Point of Sale Piece with metallic-like ink	\$69.000	0.05%	\$0.035
25	Point of Sale Piece with holographic process	\$121.000	0.05%	\$0.061
26	Point of Sale Piece with foil process	\$94.000	0.05%	\$0.047

<p>Weighted Price = Line Items each multiplied by respective Estimated Usage Percentage Per Square Inch</p> <p>Award will be based on lowest cost bid Weighted Price TOTAL.</p>	\$3.014
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