

Quotation to the



for Instant Scratch-Off
Lottery Tickets



Submitted by:

**Pollard
Banknote**

November 2011



RESPONSE TO THE



RFQ FOR INSTANT SCRATCH-OFF LOTTERY TICKETS

SUBMITTED BY

Pollard Banknote Limited
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CONTACT

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NOVEMBER 2011



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Transmittal...

TRANSMITTAL

November 8, 2011

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State of West Virginia Department of Administration
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RE: Request for Quotation # LOT460 / Instant Scratch-Off Lottery Tickets

Dear Ms. Murray:

Pollard Banknote Limited (Pollard) is pleased to submit our response to the West Virginia Lottery's Request for Quotation (RFQ) for Instant Scratch-Off Lottery Tickets.

The West Virginia Lottery has done a commendable job of doing more with less. In a small state, and in lean economic times, the West Virginia Lottery grew instant ticket sales from FY 2010 to FY 2011 more than any other NASPL Lottery except California's (*La Fleur's 2011 Lottery Almanac*). This brings much-needed funding to worthy initiatives such as seniors' programs, education, and promoting tourism.

We think there is still room for the Lottery to increase funding to these programs both immediately and in the longer term without any ambitious changes to budget, strategy, price points, or prize structures, simply by **adding several of Pollard's hot-selling licensed properties** like *It's a Wonderful Life*[™] and *Star Trek*[™], and by offering **Pollard's proprietary, best-in-industry marking system** for Bingo and Crossword tickets.

In the short term, a *Star Trek*[™] sequel to the 2009 movie is to appear in 2012. The buzz generated by the film is sure to go hand-in-hand with out-of-this world sales and stellar marketing opportunities. The 2009 release ran for over four months nationwide, though we predict tickets will fly off shelves faster than warp speed.

It's a Wonderful Life[™], meanwhile, is a natural choice for a Christmastime ticket theme at a \$2 or \$3 prize point, as 10-week indexes of 119 (2009) and 145 (2010) proved for the Ontario Lottery. The Ontario example also points to the fact that repeated success with a single ticket concept, if it is the right concept well executed, is eminently possible.



Transmittal...

At the \$5 price point, New Jersey's 2008 *It's a Wonderful Life...For Life* ticket earned much higher 10-week average sales of \$924,895 as compared to other \$5 licensed games (\$750,000). A "for-life" annuity prize made this higher prize point achievable.

Besides our licensed games, we believe the West Virginia Lottery will benefit in the longer term from some of Pollard's proprietary inks, stocks, ticket formats, and processes.

In the more than 25 years since Pollard has been in the scratch ticket industry, we have brought numerous profitable innovations into the marketplace. Our notable offerings include a menu of unique licensed games not available from other Vendors; **our Scratch FX® suite, which has already generated over \$1.3 billion in sales to participating jurisdictions;** and our patented translucent marking system.

Our superior proprietary translucent marking represents 53% of the \$3.52 billion in annual Crossword sales in the U.S. market, while our Bingo games represent 61% of the \$1.32 billion in annual Bingo games sold in the U.S. market. We know of no innovation in the history of instant tickets since the invention of the instant ticket itself that has generated more revenue for lotteries than this one.

Finally, we would be remiss if we did not mention the potential of our online technologies to reach West Virginians. Advertising budgets are tight, and reaching younger people increasingly has to be done online rather than by traditional advertising such as TV and print media.

We would like to partner with the Lottery to help transition online. We will offer a strong and carefully thought-out use of the Web to reach West Virginians in a cost-effective yet highly profitable manner, increasing revenues for important State services. Pollard's PlayOn™ VIP club/loyalty solution will not only push traditional ticket sales and gain more mileage out of printed tickets, but will also create customer loyalty, without competing with existing sales.

In the event you have any questions arising from our response, please direct them to Don Sawatzky, Executive Vice President, Sales & Marketing, whose contact information is given on the cover sheet.

Yours sincerely,
POLLARD BANKNOTE LIMITED

Per: John Pollard
Co-Chief Executive Officer

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Project Specifications...

2. PROJECT SPECIFICATIONS

Pollard Banknote hereby accepts and agrees to all conditions of the RFQ, as well as all General Terms & Conditions pertaining to West Virginia RFQs/RFPs.

Pollard Banknote looks forward to the opportunity to partner with the West Virginia Lottery to build revenues for the State. Our company is equipped with a thorough knowledge of the instant ticket market that will serve the Lottery well in the years ahead. We've amassed a meaningful understanding of players, retail strategies, and all aspects of instant game design, production, and marketing.

Understanding the instant ticket industry is one thing, but understanding a specific lottery's unique challenges and implementing a targeted, jurisdiction-specific marketing plan is quite another. Pollard Banknote appreciates this difference.

The West Virginia Lottery, boosted by a 25th-anniversary celebration, made significant progress in FY 2011 despite a bleak economy that affected FY 2009 and FY 2010 numbers. The West Virginia Lottery sensibly concentrated on lower price points, while offering high payout rates.

Pollard would like to help the Lottery capitalize on that momentum by offering:

- Our translucent marking system for Bingo and Crossword. Our proprietary system accounts for 52% of sales of extended play games.
- A selection of popular and fun-to-play licensed games not available elsewhere. *Star Trek™* will capitalize on the buzz surrounding the 2012 motion picture release, and will reach a wide audience. *It's a Wonderful Life™* offers an at-home feel for holiday tickets.
- Other proprietary processes such as our Scratch FX® range, which simulates the look of foil stock at a fraction of the cost, and can justify higher price points.
- Online offerings such as our PlayOn™ complete VIP/loyalty solution, which will help market tickets while at the same time fostering player loyalty.

In **2.4 Mandatory Requirements**, we offer a glimpse at a small sample of these instant ticket options, while we will detail both ticket innovations and online solutions in **2.4.18 Use of New Technology and Innovations**. Unless otherwise specified, all ticket features are offered options with prices given in **Attachment 1 Cost Sheet**.

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Project Specifications...

2.4 MANDATORY REQUIREMENTS

Tracing back to the commercial printer Saults & Pollard, founded 1907, Pollard Banknote has been supplying NASPL lotteries since 1985, offering ticket design, printing, and marketing services, among others. We have the capability to print billions of secure instant tickets a year in our Ypsilanti, Michigan, and our Winnipeg, Manitoba, Canada, facilities for our approximately 30 NASPL clients, as well as for overseas customers.

Our team of professionals can ably meet all the requirements of **2.4 Mandatory Requirements**. On the following pages, we detail some highlights from our range of **Instant Tickets** as well as our menu of **Online Solutions**.

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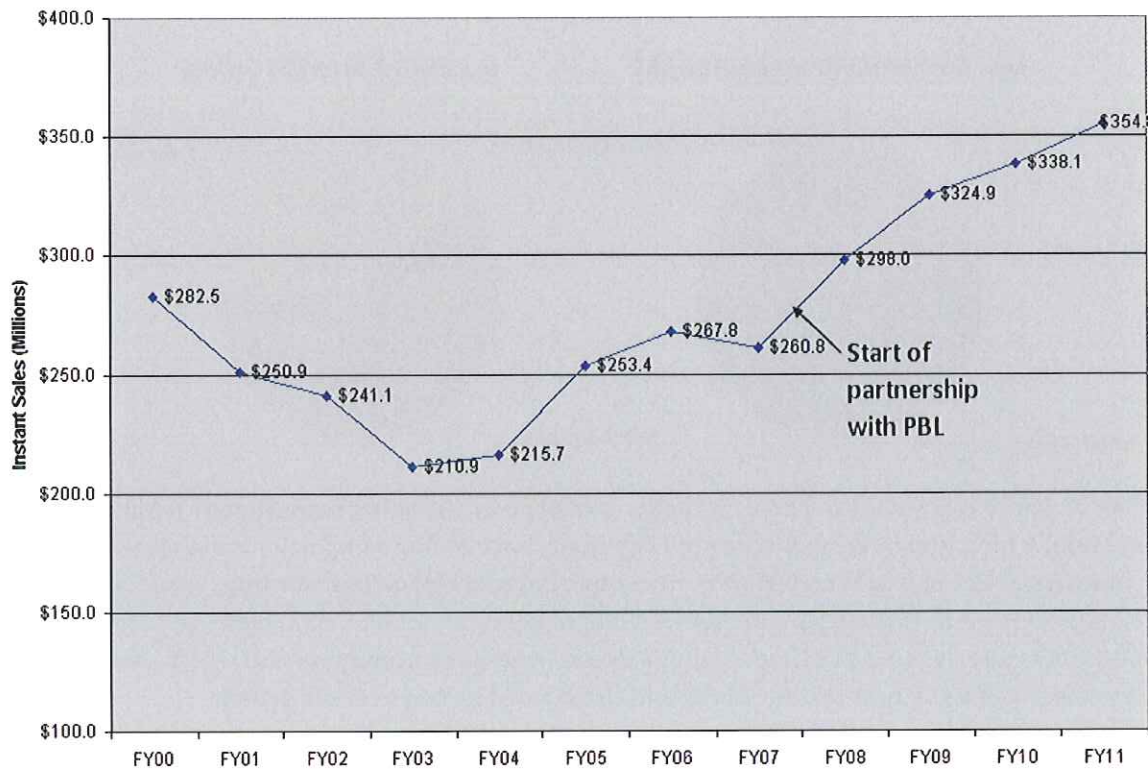
2.4 Mandatory Requirements...

INSTANT TICKETS

Pollard Banknote has successfully collaborated with many lotteries to achieve outstanding sales. We are confident we can prove our value as a Vendor to the West Virginia Lottery.

As an example of such success, we offer this case in point: the Minnesota Lottery. From FY 2007's instant ticket sales of \$260.8 million to \$354.8 million in FY 2011, the Minnesota Lottery experienced the fastest growth in North America (excluding new start-up North Carolina). Pollard's partnership with the Minnesota Lottery began as a secondary supplier in FY 2007. Since this time we've played an instrumental role in growing sales. The graph below clearly demonstrates Minnesota's success since partnering with Pollard Banknote.

INSTANT SALES BY FISCAL YEAR—MINNESOTA



Source: La Fleur's 2011 World Lottery Almanac/October 2011 Magazine

The kind of unprecedented growth witnessed since the start of our collaboration with the Minnesota Lottery proved to be a motivating factor in its decision in 2010 to award our company a multi-year Primary Vendor contract.

While we are eminently capable of providing all of the services required by this RFQ, we also propose some of our very best, industry-leading products that have worked wonders in Minnesota and elsewhere, according to the fees outlined in **Attachment 2 Offered Options**.



2.4 Mandatory Requirements...

These options include:

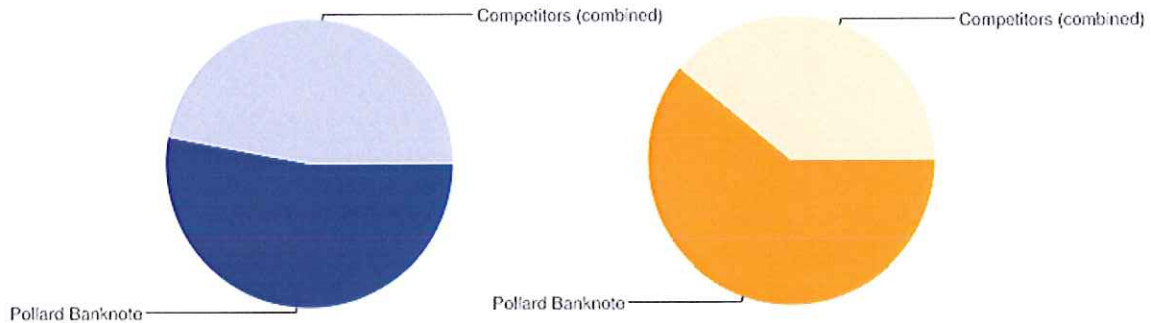
- Leading core games (we suggest our popular, easy-to-read Bingo and Crossword);
- Exclusive licensed games (we recommend *It's a Wonderful Life*™ and *Star Trek*™);
- Innovations, including specialty instant tickets and online tools, are covered in **2.4.18 Use of New Technology and Innovations.**

STRONG CORE GAMES—CROSSWORD & BINGO

The leading core games in the North American Lottery industry are overwhelmingly Crossword and Bingo. No other Vendor has more experience and knowledge of these core games than Pollard Banknote. Pollard's Crossword games represent an estimated 53% of the \$3.52 billion annual Crossword sales in the U.S., while our Bingo games represent roughly 61% of the \$1.32 billion annual Bingo games sold in the U.S.

U.S. CROSSWORD MARKETSHARE

U.S. BINGO MARKET SHARE



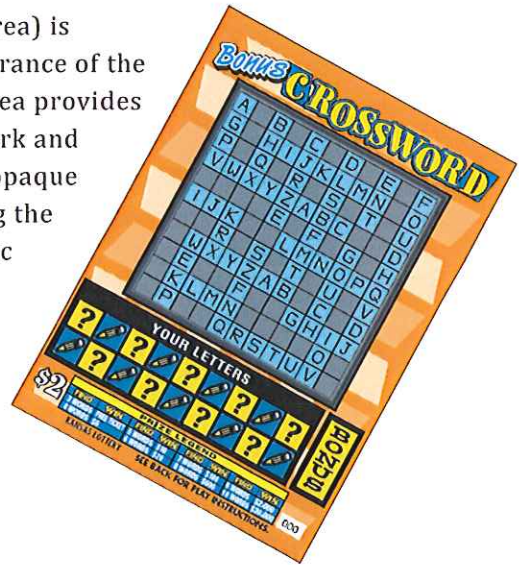
The secret to our success? Three, actually. Our **best-in-industry translucent marking system**, which is clearer and easier to read than those of our competitors: players do not complain about our tickets' legibility. Our **unequaled game programming**, ensuring randomization so that players do not find our tickets predictable, but rather get a genuine new play experience every time. And our **expert category management**, which allows lotteries to sell the best instant Bingo and Crossword games in the industry.

Given our recent track record of supplying U.S. jurisdictions with successful tickets using our patented method, the merits of our marking system are clear.

Compared to other marking systems that create a blue or gray "smear" when scratched, or systems that hide the corresponding game data under opaque latex, our translucent marking system scratches clean, is easy to understand, and enhances the marketability of an extended play product.

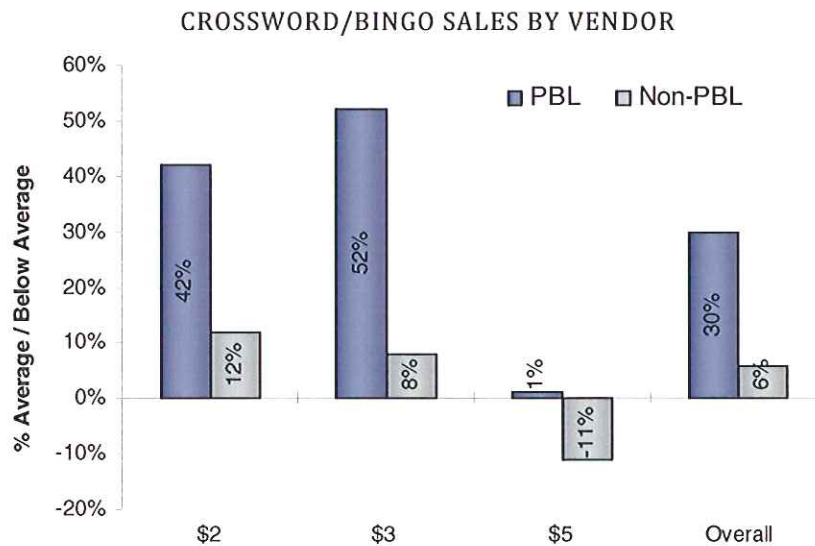
2.4 Mandatory Requirements...

The translucent coat (applied to the secondary play area) is a scratchable material pigmented to modify the appearance of the underlying base color. Rubbing this secondary play area provides a visual distinction that allows the player to easily mark and identify “called” numbers revealed by scratching the opaque material covering the primary play area. By scratching the translucent layer, the original color of the base graphic color is revealed, providing an excellent contrast and making winning or losing readily evident. This convenient marking system has turned potentially confusing games into games that are easy and fun to play.



We have used this exclusive process on a wide variety of extended play games for a number of lotteries, including the state/provincial lotteries in Arizona, California, Connecticut, Illinois, Iowa, Kansas, Michigan, New Jersey, New York, Ohio, Virginia, British Columbia, and Ontario.

Over the past several years, Pollard Banknote’s Bingo and Crossword games have outperformed the offerings of our competitors across the United States. The following chart illustrates this success.



Source: Pollard Banknote’s Industry-Wide Sales Database, U.S. Lotteries

Games made with Pollard Banknote’s translucent marking system sold significantly better than their counterparts from other Vendors. For example, **the average translucent \$3 Bingo/Crossword game sold 52% higher than average over a 10-week period, compared to only 8% higher than average for those tickets not produced with our patented marking system.**



2.4 Mandatory Requirements...

Our superior programming ensures the randomization process for bingo ticket faces creates “virtually unique” tickets. Our programming takes advantage of all possible ticket face combinations allowable by the ticket’s constraints so virtually no two tickets within a Bingo order will have the same combination of numbers and players’ cards. Our competitors may mention the maximum number of ticket faces they can offer; we have no maximum. The more tickets we print, the more faces that are generated.

The addition of four-color process images to our industry-leading translucent latex marking system can also offer players the industry’s preferred extended play marking system with added graphic appeal. Examples of this exclusive eye-catching artistic effect appear below:



In these examples, the art enhances the look of a ticket at a low price point without adding significantly to printing costs. We think this will add value to Bingo and Crossword tickets at the \$2 price point for West Virginia players.

LICENSED GAMES

Pollard Banknote brings our customers games that build on some of the best-known entertainment lines in the world, ranging from classic properties like **It’s a Wonderful Life™** and **Star Trek™** to universally recognizable popular brands like **Dubble Bubble®**, **Tetris®**, and **Frogger®**, as well as in-house creations like our **Hold ‘Em** and **Multiplier** play styles.

2.4 Mandatory Requirements...

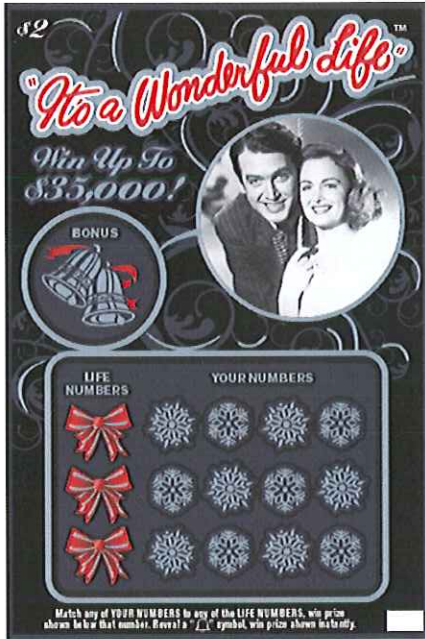
Licensed games can use brand recognition to reach out not only to core audiences but also to new and infrequent players, often with specific demographics or niches. We support these products with customized marketing programs that include creative, cost-effective launch strategies and both online and traditional promotions.

In the next pages, we highlight two licensed properties we believe are of particular interest to the West Virginia Lottery: *It's a Wonderful Life*™ and *Star Trek*™. We list some of our other licensed game offerings on page 18.





2.4 Mandatory Requirements...



IT'S A WONDERFUL LIFE

Enduring charm, a wide audience, and life-affirming messages make the beloved film *It's a Wonderful Life* the perfect property on which to base an instant game between Thanksgiving and Christmas.

A generation-spanning, gather-round-the-television tradition for millions every holiday season, *It's a Wonderful Life* has all the classic scenes and unforgettable characters to inspire creative instant ticket designs (such as a multiscene game).

The property is also ideal for instant-win prize packs and second chance draws. Appealing merchandise options include commemorative posters, limited-edition DVDs, Christmas-themed collectable villages, ornaments, snow globes, and memory books.

The story of George Bailey, all-around good guy who dreams of leaving small-town life behind to see the world and seek his fortune, the film supplies abundant promotional possibilities. Exclusive shopping sprees and travel adventures offer players the chance for a taste of George's dream.

Along with its place in popular culture, *It's a Wonderful Life* occupies a lofty position in the canon of American cinema. The Frank Capra-directed film garnered five Academy Award® nominations, including Best Picture and Best Actor (Jimmy Stewart). It ranks #11 on the American Film Institute's list of Greatest American Movies of All Time and is also on *TIME Magazine's* list of the 100 best films. The United States National Film Preservation Board has selected the film for preservation.

The chart on the following page showcases this property's pertinent focus testing results, sales information, and (where applicable) impending launches within participating jurisdictions.





2.4 Mandatory Requirements...

It's a Wonderful Life: The Picture of Success

Pollard has a solid track record of making *It's a Wonderful Life* a success in multiple jurisdictions, at multiple price points. Below are some launches from the past few years.

IT'S A WONDERFUL LIFE			
LOTTERY	LAUNCHED	PRICE POINT	HIGHLIGHTS
Hoosier Lottery (Indiana)	2007	\$2	<ul style="list-style-type: none"> Sales were 8% higher than other \$2 holiday games launched at the same time Included POS, TV, and radio advertising
Illinois	2008	\$5	<ul style="list-style-type: none"> Strong promotional efforts included billboards, TV, and POS ads The <i>It's a Wonderful Life</i> theme was used in the Lottery's holiday advertising
New Jersey	2008	\$5	<ul style="list-style-type: none"> The 10-week average sales of \$924,895 were 23% higher than the average for other \$5 licensed games (\$750,000) Hosted online second chance draw contest; offered POS and radio promo
Oregon	2008	\$3	<ul style="list-style-type: none"> Average sales of \$81,564 over 10 weeks were higher than the last two \$2 licensed games launched (Mamma Mia: \$63,742, Rubik's Cube: \$73,202) Ticket promoted as part of the Lottery's holiday lineup
Iowa	2008	\$2	<ul style="list-style-type: none"> Extensive radio, print, TV, and social media promotions Conducted a Jimmy Stewart/Donna Reed lookalike contest for players, offering themed merchandise prize packs for winners.
Michigan	2009	\$2	<ul style="list-style-type: none"> Included game promotions at professional sporting events, as well as radio, print, online, and POS advertising Second chance draw contest website where two winners were awarded \$2,500 Visa® Gift Cards
Ontario	2009	\$3	<ul style="list-style-type: none"> Extensive POS, transit ads, radio, retailer display video
	2010	\$3	<ul style="list-style-type: none"> A second version was launched the following year, this time achieving a 10-week index of 145.



2.4 Mandatory Requirements...

IT'S A WONDERFUL LIFE			
LOTTERY	LAUNCHED	PRICE POINT	HIGHLIGHTS
Ohio	2010	\$2	<ul style="list-style-type: none"> Performed 20% higher than traditional \$2 tickets Performed 72% higher than average \$2 holiday tickets
WCLC	2010	\$2	<ul style="list-style-type: none"> 10-week index: 115

It's a Wonderful Life in the Garden State

In November 2008, Pollard Banknote encouraged the New Jersey Lottery to launch a multiscene game in the “for life” category to capitalize on the instantly recognizable brand and the proven success of Pollard Banknote’s \$5 *Win for Life*.

At the same price point, but with the added value of a silver-screen classic to draw sales, the holiday-themed *It's a Wonderful Life...for Life!* offered buyers a compelling vision of nostalgia and gift-giving.

As in the series of snuggly photos of James Stewart’s George Bailey and Donna Reed’s Mary (pictured above the main play area), the effect was a happy marriage between a season of miracles and the suggestion of a lifetime of fortune and happiness.



Decked in Christmasy green, red, and white, this game was warmly received by players and enjoyed a 10-week index of 112, with average 10-week sales 23.3% higher than other licensed games over the same period and 21.7% higher than all other \$5 games.

This ticket concept was also a natural fit for second chance drawings, with prizes including Visa Gift Cards and DVDs of *It's a Wonderful Life*.

2.4 Mandatory Requirements...

STAR TREK™

Star Trek™—one of the best-known and established entertainment icons in television and movie history—has entered the lottery world. With a wide fan base spanning several generations of males and females alike, gamers will surely find that resistance is futile.

Beginning with the original television series and continuing with many films and follow-up series, the *Star Trek*™ franchise has created a timeless cult phenomenon that has spawned many pop culture references. The popularity and entrenchment of *Star Trek*™ is illustrated by accolades from the likes of *TIME Magazine*, *TV Guide*, and others, which designate *Star Trek* as the top cult series of all time and the top all-time TV show.

Market research studies by e-Poll, Nelson Cume, and Simmons Media Research claim:

- 90% percent of Americans between the ages of 25 and 54 are familiar with the *Star Trek*™ property
- 73 million people between the ages of 25 and 54 are active *Star Trek* television program viewers
- The gender split among fans is an impressive 56% (male) to 44% (female)

Few entertainment brands in pop culture are as deeply rooted, recognizable, and as appealing to both genders as the *Star Trek*™ franchise. For lotteries aiming to launch a game at Generation X and Generation Y players while still maintaining appeal to older players, *Star Trek*™ delivers. Building on the strength of an impressive array of branded products, the launch of a classic comic collection, and the introduction of new *Star Trek*™ merchandise supported with multi-million-dollar marketing campaigns means lotteries will have opportunities to leverage exclusive merchandise pricing as part of prize offerings. The 2012 sequel to the 2009 *Star Trek* Hollywood box office hit will reinforce the franchise's appeal, ensuring that this ticket will "live long and prosper."

Just as the classic television series used visionary technology to foreshadow many of today's most popular gadgets, the *Star Trek*™ franchise continues to push the envelope beyond traditional media in order to reach today's audiences. Pollard Banknote's *Star Trek*™ license allows clients to bridge this frontier via Web-based gaming, social media, and mobile applications that can be custom-tailored to create the platform for a fully integrated, lottery-specific promotion designed to attract a younger demographic.





2.4 Mandatory Requirements...



Dubble Bubble®



Atari®



Tetris®



Frogger®



Laurel & Hardy™



Sudoku



Word Jong®

KEITH KIMBERLIN

Keith Kimberlin



Grease™



Cadillac®



Mr. Bean™



EMI



R.J. McDonald



Single, Double, Triple Play Bingo™

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2.4.18 Use of New Technology and Innovations...

2.4.18 USE OF NEW TECHNOLOGY AND INNOVATIONS

Pollard is committed to researching, developing, and bringing to market creative innovations to drive instant ticket sales and generate revenue. Following, we mention some of our proprietary ticket and online technologies that will and already have boosted sales in multiple jurisdictions, and which we are sure will do the same for West Virginia.

SPECIALTY PRODUCTS: POLLARD BANKNOTE'S FORTE

Pollard Banknote's proprietary games are ideally suited for higher price points. These premium enhancements provide players with a greater value for their larger outlay and really help these games stand out at retail.

We suggest the following processes to boost the West Virginia Lottery's ticket revenues:

SCRATCH FX®

An industry first, Pollard Banknote's Scratch FX® process replicates the look of either foil or holographic foil—adding *sparkle* to any ticket stock in a way never before possible! Patented in the U.S. and Canada, and patent-pending in other countries, Scratch FX® tickets present a lower-cost and environmentally friendly alternative to traditional products featuring these attributes. Scratch FX® can be applied to both the base graphic and overprint areas of a ticket, allowing great customization of games to achieve maximum impact at retail. Silver and holographic hues allow lotteries to cater to the color palates of their discerning players. It's the perfect way to visually enhance premium instant tickets.

The Scratch FX® advantages:

- Drives instant sales
- Adds the sparkle of holographic stock at a lower cost
- Maximizes return on investment
- Provides a strong visual impact
- Cuts through retail clutter
- Adds perceived value
- Can be applied to recyclable stock



Many lotteries are increasing sales by applying enhanced processes to their products. To date, 24 lotteries worldwide have launched over 100 Scratch FX® offerings, collectively contributing **over \$1.3 billion in sales**. We want West Virginia to benefit from this too.



2.4.18 Use of New Technology and Innovations...



Pollard Banknote continually strives to create uniquely compelling products. This has resulted in a notable enhancement to the company's exclusive Scratch FX® process: the development of Spectrum FX®.

This advance involves four-color printing over cold foil stock. This newfound ability to print any desired color onto foil boasts at least four benefits: first, it means that Pollard Banknote can now successfully mimic the look of colored foil; second, opportunities to incorporate more elaborate graphics designs are greatly enhanced; third, we're now able to "knock out" the grid and play areas; and finally, the potential exists for this product to completely replicate/replace the company's current holographic stock—at a much cheaper price.

Loto-Québec's Christmas-themed *Sapin Mystère* made glittering use of Spectrum FX®.

Michigan

In 2009, the Michigan Lottery launched *Million Dollar Mega Play*—a \$10 game featuring Pollard Banknote's patented Scratch FX® process. Despite a 10-year history of million-dollar-themed tickets at the \$10 price point in the state, this indexed at an impressive 221.





2.4.18 Use of New Technology and Innovations...

New Jersey

The New Jersey Lottery, another of our major clients, realized terrific sales upon its foray into Scratch FX[®] territory. Consider the following:

- Selling for \$10, *Million Dollar Doubler* comprised the Lottery's first-ever Scratch FX[®] game. Players immediately embraced this offering, as evidenced by its 10-week sales that indexed at 192.
- *\$1,000,000 Explosion*—the Lottery's first \$20 Scratch FX[®] game—earned a 10-week sales average that topped \$1.47 million per week, comparing very favorably to the \$10 price point average of \$750,500 over the first 10 weeks, and indexed at 189.

Minnesota

Scratch FX[®] has proven remarkably successful for the Minnesota Lottery. Their \$20 category—employing Pollard Banknote's patented Scratch FX[®] process—represented 18% of the Lottery's instant sales in FY 2009, even exceeding sales of the \$10 category. Notable successes include:

- Minnesota's first Scratch FX[®] ticket—*\$500,000 Spectacular*—launched in February 2008. This \$20 game was an immediate success, **shattering sales records with an average of almost \$1.5 million per week in its initial 10 weeks on the market. \$500,000 Spectacular indexed at an incredible 257!**
- Due to the success of *\$500,000 Spectacular*, the Minnesota Lottery followed up with another \$20 Scratch FX[®] game—*\$500,000 Extravaganza*—later that year. This game also enjoyed marked success in the marketplace, indexing at 219 and averaging \$1.25 million per week in its initial 10 weeks on the market.

"We were thrilled with the look of the ticket and, more importantly, so were our players! The return on investment for this added feature more than exceeded our expectations."

Jennifer Canfield, Director of Operations, Minnesota State Lottery





2.4.18 Use of New Technology and Innovations...

Arizona

From 2008 to fall 2011, the Arizona Lottery launched several holiday-themed Scratch FX® tickets, mainly at the \$10 price point, and several Scratch FX® bingo tickets at the \$5 price point. The 2008 *Silver Bells*, offering a holiday theme at a \$5 price point, indexed at a respectable 113. The \$10 price point for holiday tickets, meanwhile, was also introduced in 2008 by Pollard, and the higher price point justified by the glitter of Scratch FX®.

"Scratch FX® has been an excellent addition to a number of our games. The Arizona Lottery has worked with Pollard Banknote to design truly eye-catching \$5 and \$10 tickets that have performed exceptionally well. We have been quite pleased with the return on investment of this feature. Our players quickly learned that games that feature Scratch FX® are special and offer extra value. It's a subtle but very effective way to differentiate our premium tickets."

Karen Emery, Deputy Director, Policy, Arizona Lottery

FUSION® GAMES

Pioneered by Pollard Banknote, these patented, custom-developed tickets are created by laminating together two layers of recyclable card stock, or two layers of foil stock, or a combination of recyclable card stock and foil. Fusion® games present another opportunity to bring forward fresh instant ticket concepts, at the same time justifying higher price points.

A growing number of NASPL lotteries have discovered the benefits of our dynamic Fusion® games lineup, a blend of unique ticket concepts that include Scratch Tab™ (latex play areas under perforated "windows"), Double Play® (combination scratch and pull tickets), Action Pack® (integrated pouches), Pull Tab Plus® (variable imaged break-open tickets), and Pollard PlayBook™ (multi-game packet).

The verdict so far? Our Fusion® games have generated sales in excess of \$1 billion—with our Double Play® Fusion® products accounting for over half that. Fusion® tickets can similarly encourage West Virginia players to move to a higher price point because there are more winning opportunities.

Our specific suggestions for the Lottery are Pollard PlayBook™, a booklet of themed games (e.g. all Bingo tickets); and Double Play®, offering a scratch-off play area on one side and a break-open ticket on the other. Descriptions of each Fusion® product follow.

2.4.18 Use of New Technology and Innovations...

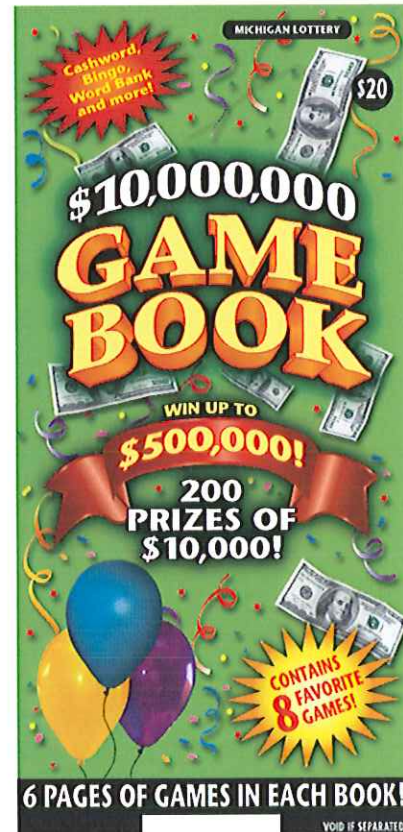
The Pollard PlayBook™ (Booklet Format)

The Pollard PlayBook™ is a unique concept in instant lottery gaming: layers of laminated stock are combined to create an attractive booklet of themed games. The Pollard PlayBook™ brings multiple games together in a unique format, enabling players to try a number of different games at once. A variety of game types can be fused into the Pollard PlayBook™, including games that implement our patented translucent marking system.

Ideal for lotteries looking to introduce extra-value games at higher price points, this game format will open many doors for instant ticket marketing strategies. Games included in the Pollard PlayBook™ may center around a single theme (such as a booklet of Crossword-themed tickets), or may be designed around similar booklet concepts—for example, one Pollard PlayBook™ might mimic a newspaper, offering a sports section, a horoscope section, and a Crossword puzzle. The idea is for players to get a collection of play experiences in a new and exciting way—that “collection” could be a number of different simple play format games.

BCLC was the first NASPL lottery to launch one of our Fusion® products, a *Scratch & Win PlayBook™*. Within the U.S. market, the Michigan Lottery was the first out of the gate, setting the bar even higher by introducing a \$20 offering in 2007 entitled *\$10 Million Game Book™*.

The Minnesota Lottery is the most recent lottery to introduce Pollard Banknote’s patented Pollard PlayBook™—and what a payoff! Launched in January 2010, *Casino Game Book* achieved average weekly sales of over \$741,000 in its first 10 weeks on the market and indexed at 130. Subsequently, the Minnesota Lottery launched a second Pollard PlayBook™ game, *Casino Collection Game Book*, in August 2010.





2.4.18 Use of New Technology and Innovations...

Double Play® (Combination Scratch and Pull Tab Ticket)

Double Play® is a combination instant scratch-off/break-open ticket with a full scratch-off game on one side and a full break-open game on the other side of the same ticket. This product makes it possible for lotteries to offer a ticket in the instant game lineup that would appeal to break-open players and to all players looking for increased play value and the excitement of additional play action. We have designed this product to be compatible with both manual dispensers and ITVMs. We provide full validation capability for both games (front and back) and 100% accountability of all tickets. This ticket is recyclable, or can be printed on foil stock, and can be sold in the same retail locations as instant tickets. Security levels are comparable to existing instant and break-open products with enhanced security available for the break-open portion.



The Wisconsin Lottery, for one, has seen spectacular success with Double Play®, launching five tickets between June 2007 and April 2010. Over 26 weeks, these tickets cumulatively totaled \$9.9 million in sales, despite having relatively low top prizes of between \$20,000 and \$25,000 and a price point of \$5. We credit the ticket's innovative play style, offering multiple win opportunities, complemented by strong ticket design.

2.4.18 Use of New Technology and Innovations...

PLAY AROUND™ FOLD-OVER GAMES

Pollard Banknote's patent-pending Play Around™ fold-over games add a new twist to quick play or extended play game categories. In Play Around™ games, play symbols fold over other play areas of the ticket. It's the perfect way to add value for your player without moving to a larger ticket size. The concepts are well-suited for either additional play or bonus prizes—or both.

Slots, Slots, and More Slots!

This fold-over game concept is designed to provide additional value for players through the use of extra game areas that “play off” the main game area. Players scratch the slots games on the ticket front and play as usual. Then, they simply fold the ticket along vertical score line to reveal additional play areas. By combining symbols from the front play area with symbols from the ticket back, players double the number of games available.





2.4.18 Use of New Technology and Innovations...

Double Draw Poker

Another Play Around™ fold-over game, *Double Draw Poker* offers players extra draw cards to help them build a winning poker hand. After the initial deal is scratched, the player simply folds the ticket along the score lines to align two extra draw cards. These cards are combined with the first three cards of each hand, providing extra opportunities to beat the dealer's hand.



We feel that a properly selected blend of these innovative Pollard-specific ticket concepts can help the Lottery increase sales by giving existing players a change of pace and by reaching out to new ones.

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2.4.18 Use of New Technology and Innovations...

ONLINE SOLUTIONS

Our innovations extend far beyond the ticket technologies outlined earlier. They include how we package and promote tickets, whether that means working to create innovative ticket dispensers that also act as a POS, or using brand-new approaches such as targeted marketing through social media.

We would like to partner with the West Virginia Lottery to develop a state-specific approach. We believe the ideal approach to incremental growth involves gaining extra mileage out of the Lottery's instant tickets by adding a component of our PlayOn™ solutions.

PLAYON™ ENHANCED REWARDS AND LOYALTY PROGRAM

Want more mileage out of your instant tickets?
How can the Lottery best attract casual impulse buyers while similarly rewarding core gamers?



Pollard has the answer: our patent-pending PlayOn™ enhanced program for customer loyalty and market growth. Pollard can offer an innovative and compelling reward program seamlessly tied to a second chance draw system and VIP Club. We will create the totally integrated package and enhance it with the necessary tools, promotions, and interactive games necessary to tap into new sales and a new player base, while retaining and incentivizing current players and members.

Many of the most successful lotteries incorporate VIP or Player's Clubs into their marketing mix. Generally, lotteries use point-of-sale promotions and ticket artwork to drive traffic to their websites, where customers can then join a VIP Club by submitting their personal information online.

This platform can wrap up and consolidate into one lottery-branded site:

- Second chance draw entries;
- Loyalty program for frequent players, with accumulations and perks similar to an airline or hotel loyalty program, incentivizing core players;
- Play-for-fun games that add an online version of traditional printed tickets;
- Other features, if desired, such as surveys, a feedback module, a venue to communicate winning experiences, and so on.



2.4.18 Use of New Technology and Innovations...

The addition of a rewards system to the VIP Player's Suite builds loyalty and increases visits to the site, introducing "permission-based" marketing to the player. This allows both the Lottery and Pollard to gain unique and valuable information from users, such as demographics and buying patterns. The Lottery can use this information to make informed decisions about its online and printed offerings, plan coupon offerings and campaigns, and better target games and cross-promote various Lottery products.

Pollard can help the Lottery plan campaigns, undertake strategy analyses, and conduct media research using databases, tracking cookies, demographic information (such as geography and login times, pages clicked, and games purchased), and other techniques. We can plan and deliver direct-response marketing campaigns using search engines, banner ads, e-mail, SMS, viral marketing, social media, and mobile marketing.



Built into our program is integration with Google Analytics. This service offers complete tracking of user behavior, and measurement tools such as amount of time users spend on the website, traffic source tracking, e-commerce reporting, and other advanced analysis tools. This will help not only to maximize return on investment, but also to design and offer programs.

Our rewards solution adds impact to database target marketing. Our program offers the unique opportunity to poll West Virginia players directly by asking them to respond to focus-testing of ticket concepts, to enter surveys, and to provide other insight and feedback valuable to both the Lottery and Pollard in our collective effort to boost the Lottery's sales and revenues.

Once designed by us, the site is easy to maintain, with self-updatable page managers, image rotators, a frequently asked questions (FAQ) module, and promotional systems. And tie-ins with social networking sites will help spread the word.



2.4.18 Use of New Technology and Innovations...

Our content management system (CMS) is designed to be flexible so that even non-IT staff with little or no specialized technical training can update page content, thus reducing staff overhead.

Pollard's PlayOn™ VIP Club provides the chance to inform players of new ticket concepts through a homepage image rotator, targeted advertising modules, and various other features. It also allows players to communicate directly with the Lottery and, potentially, with each other.

Incorporated into our loyalty club is site development and management, which includes from-scratch design and project management, development of a point tallying strategy for each price point, and ongoing site updates. We can develop second chance drawing schedules for the Lottery's review and approval, manage the entry site, conduct draws, and advise on and implement promotional campaigns.

LEVERAGING VIP CLUBS FOR CRITICAL PROMOTIONS

Pollard Banknote has enjoyed an impressive history of working closely with our clients to integrate their VIP Clubs with compelling promotional and incentive programs for instant games. Our collaborative efforts in jurisdictions like Maryland, Michigan, Minnesota, and New Jersey have translated into measurable success for our clients. We welcome the chance to work with the Lottery to explore similar revenue-generating opportunities.

STANDALONE SECOND CHANCE DRAWS

If desired by the Lottery, Pollard can create standalone websites and conduct second chance draws without implementing the full PlayOn™ system. We have significant experience conducting such draws using random number generators, designing websites, and with prize fulfillment.

□□□



2.4.18 *Use of New Technology and Innovations...*

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Vendor Quotation Document...

3. VENDOR QUOTATION DOCUMENT

Pollard Banknote hereby accepts and agrees to all conditions of Section 3 of the RFQ.

As requested, we include **Attachment 1 Cost Sheet**, **Attachment 2 Offered Options Sheet**, and **Attachment 5 Mandatory Specification Checklist**.

□□□



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Rejection of Quotations; Vendor Registration...

4. REJECTION OF QUOTATIONS; VENDOR REGISTRATION

Pollard Banknote hereby accepts and agrees to all conditions within this section of the RFQ..

□□□



Rejection of Quotations; Vendor Registration...

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Contract Terms and Conditions...

5. CONTRACT TERMS AND CONDITIONS

Pollard Banknote hereby accepts and agrees to all conditions within this section of the RFQ.

5.12.1.2 BID BOND

As requested, we attach a bid bond in the amount of \$5,000.

□□□

BID BOND

KNOW ALL MEN BY THESE PRESENTS, That we, the undersigned, Pollard Banknote Limited
of Winnipeg, Manitoba, Canada, as Principal, and Western Surety
Company of Sioux Falls, South Dakota, a corporation organized and existing under the laws of the State of South Dakota with its principal office in the City of Sioux Falls, as Surety, are held and firmly bound unto the State of West Virginia, as Obligee, in the penal sum of Five Thousand Dollars (\$ 5,000.00) for the payment of which, well and truly to be made, we jointly and severally bind ourselves, our heirs, administrators, executors, successors and assigns.

The Condition of the above obligation is such that whereas the Principal has submitted to the Purchasing Section of the Department of Administration a certain bid or proposal, attached hereto and made a part hereof, to enter into a contract in writing for Development, Printing and Delivery of Instant Ticket Products and
Related Services

NOW THEREFORE,

- (a) If said bid shall be rejected, or
- (b) If said bid shall be accepted and the Principal shall enter into a contract in accordance with the bid or proposal attached hereto and shall furnish any other bonds and insurance required by the bid or proposal, and shall in all other respects perform the agreement created by the acceptance of said bid, then this obligation shall be null and void, otherwise this obligation shall remain in full force and effect. It is expressly understood and agreed that the liability of the Surety for any and all claims hereunder shall, in no event, exceed the penal amount of this obligation as herein stated.

The Surety, for the value received, hereby stipulates and agrees that the obligations of said Surety and its bond shall be in no way impaired or affected by any extension of the time within which the Obligee may accept such bid, and said Surety does hereby waive notice of any such extension.

IN WITNESS WHEREOF, Principal and Surety have hereunto set their hands and seals, and such of them as are corporations have caused their corporate seals to be affixed hereunto and these presents to be signed by their proper officers, this 20th day of October, 2011.

Principal Corporate Seal

Pollard Banknote Limited
(Name of Principal)

By [Signature]
(Must be President or Vice President)

Co-Chief Executive Officer
(Title)

Surety Corporate Seal

Western Surety Company
(Name of Surety)

[Signature]
Amanda L. Caverly, Attorney-in-Fact

IMPORTANT – Surety executing bonds must be licensed in West Virginia to transact surety insurance. Raised corporate seals must be affixed, a power of attorney must be attached.

Western Surety Company

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Bond No: 58628767-02

Know All Men By These Presents, That WESTERN SURETY COMPANY, a South Dakota corporation, is a duly organized and existing corporation having its principal office in the City of Sioux Falls, and State of South Dakota, and that it does by virtue of the signature and seal herein affixed hereby make, constitute and appoint

Daniel Calderhead, Amanda Caverly, John Wendell, M Carmen Sanvictores, Kevin V Matwick, Individually

of Surrey, BC, its true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on its behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind it thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of the corporation and all the acts of said Attorney, pursuant to the authority hereby given, are hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the By-Law printed on the reverse hereof, duly adopted, as indicated, by the shareholders of the corporation.

In Witness Whereof, WESTERN SURETY COMPANY has caused these presents to be signed by its Senior Vice President and its corporate seal to be hereto affixed on this 11th day of June, 2009.

WESTERN SURETY COMPANY



Paul T. Bruflat
Paul T. Bruflat, Senior Vice President

State of South Dakota }
County of Minnehaha } ss

On this 11th day of June, 2009, before me personally came Paul T. Bruflat, to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Sioux Falls, State of South Dakota; that he is the Senior Vice President of WESTERN SURETY COMPANY described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said corporation and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said corporation.

My commission expires

November 30, 2012



D. Krell
D. Krell, Notary Public

CERTIFICATE

I, L. Nelson, Assistant Secretary of WESTERN SURETY COMPANY do hereby certify that the Power of Attorney hereinabove set forth is still in force, and further certify that the By-Law of the corporation printed on the reverse hereof is still in force. In testimony whereof I have hereunto subscribed my name and affixed the seal of the said corporation this 20th day of October, 2011.



WESTERN SURETY COMPANY

L. Nelson
L. Nelson, Assistant Secretary

Authorizing By-Law

ADOPTED BY THE SHAREHOLDERS OF WESTERN SURETY COMPANY

This Power of Attorney is made and executed pursuant to and by authority of the following By-Law duly adopted by the shareholders of the Company.

Section 7. All bonds, policies, undertakings, Powers of Attorney, or other obligations of the corporation shall be executed in the corporate name of the Company by the President, Secretary, and Assistant Secretary, Treasurer, or any Vice President, or by such other officers as the Board of Directors may authorize. The President, any Vice President, Secretary, any Assistant Secretary, or the Treasurer may appoint Attorneys in Fact or agents who shall have authority to issue bonds, policies, or undertakings in the name of the Company. The corporate seal is not necessary for the validity of any bonds, policies, undertakings, Powers of Attorney or other obligations of the corporation. The signature of any such officer and the corporate seal may be printed by facsimile.



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

Request for Quotation

RFQ NUMBER
LOT460

PAGE
1

ADDRESS CORRESPONDENCE TO ATTENTION OF:
SHELLY MURRAY
304-558-8801

VENDOR

*406084736 204-474-2323
POLLARD BANKNOTE LIMITED
1499 BUFFALO PLACE

WINNIPEG MANITOBA CANADA
R3T 1L7

SHIP TO

LOTTERY COMMISSION

312 MACCORKLE AVENUE, SE
CHARLESTON, WV
25314-1143 558-0500

DATE PRINTED 09/22/2011	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
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BID OPENING DATE: **10/27/2011** BID OPENING TIME **01:30PM**

LINE	QUANTITY	UOP	CAT. NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
				OPEN END CONTRACT		
				<p>THE WEST VIRGINIA PURCHASING DIVISION, FOR THE AGENCY, THE WEST VIRGINIA LOTTERY, IS SOLICITING BIDS TO DEVELOP, DESIGN, PRINT, AND DELIVER TAMPER-PROOF AND SECURE INSTANT SCRATCH-OFF LOTTERY GAME TICKETS CONTAINING RANDOMLY DISTRIBUTED WINNING AND NON-WINNING TICKETS OF MEAN AND MAXIMUM STRINGS WITHIN POOLS AND PACKS WITH SECURED VALIDATION FILES TO VERIFY PRIZE CLAIMS, AND HIGH-LEVEL SECURITY TRANSPORTATION AS MANY TIMES AS NEEDED THROUGHOUT THE LIFE OF THE CONTRACT PER THE ATTACHED SPECIFICATIONS.</p> <p>TECHNICAL QUESTIONS MUST BE SUBMITTED IN WRITING TO SHELLY MURRAY IN THE WEST VIRGINIA PURCHASING DIVISION VIA MAIL AT THE ADDRESS SHOWN AT THE TOP OF THIS RFQ, VIA FAX AT 304-558-4115, OR VIA E-MAIL AT SHELLY.L.MURRAY@WV.GOV. DEADLINE FOR ALL TECHNICAL QUESTIONS IS 10/12/2011 AT THE CLOSE OF BUSINESS. ALL TECHNICAL QUESTIONS RECEIVED, IF ANY, WILL BE ADDRESSED BY ADDENDUM AFTER THE DEADLINE.</p> <p>**** CD ATTACHED ***</p>		
0001	1	LS		785-53		
				INSTANT SCRATCH-OFF LOTTERY TICKETS		

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE 	TELEPHONE (204) 474-2323	DATE Nov. 08, 2011
TITLE Co-Chief Executive Officer	FEIN 98-0665125	ADDRESS CHANGES TO BE NOTED ABOVE

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'

GENERAL TERMS & CONDITIONS
REQUEST FOR QUOTATION (RFQ) AND REQUEST FOR PROPOSAL (RFP)

1. Awards will be made in the best interest of the State of West Virginia.
2. The State may accept or reject in part, or in whole, any bid.
3. Prior to any award, the apparent successful vendor must be properly registered with the Purchasing Division and have paid the required \$125 fee.
4. All services performed or goods delivered under State Purchase Order/Contracts are to be continued for the term of the Purchase Order/Contracts, contingent upon funds being appropriated by the Legislature or otherwise being made available. In the event funds are not appropriated or otherwise available for these services or goods this Purchase Order/Contract becomes void and of no effect after June 30.
5. Payment may only be made after the delivery and acceptance of goods or services.
6. Interest may be paid for late payment in accordance with the *West Virginia Code*.
7. Vendor preference will be granted upon written request in accordance with the *West Virginia Code*.
8. The State of West Virginia is exempt from federal and state taxes and will not pay or reimburse such taxes.
9. The Director of Purchasing may cancel any Purchase Order/Contract upon 30 days written notice to the seller.
10. The laws of the State of West Virginia and the *Legislative Rules* of the Purchasing Division shall govern the purchasing process.
11. Any reference to automatic renewal is hereby deleted. The Contract may be renewed only upon mutual written agreement of the parties.
12. **BANKRUPTCY:** In the event the vendor/contractor files for bankruptcy protection, the State may deem this contract null and void, and terminate such contract without further order.
13. **HIPAA BUSINESS ASSOCIATE ADDENDUM:** The West Virginia State Government HIPAA Business Associate Addendum (BAA), approved by the Attorney General, is available online at www.state.wv.us/admin/purchase/vrc/hipaa.htm and is hereby made part of the agreement. Provided that the Agency meets the definition of a Cover Entity (45 CFR §160.103) and will be disclosing Protected Health Information (45 CFR §160.103) to the vendor.
14. **CONFIDENTIALITY:** The vendor agrees that he or she will not disclose to anyone, directly or indirectly, any such personally identifiable information or other confidential information gained from the agency, unless the individual who is the subject of the information consents to the disclosure in writing or the disclosure is made pursuant to the agency's policies, procedures, and rules. Vendor further agrees to comply with the Confidentiality Policies and Information Security Accountability Requirements, set forth in <http://www.state.wv.us/admin/purchase/privacy/noticeConfidentiality.pdf>.
15. **LICENSING:** Vendors must be licensed and in good standing in accordance with any and all state and local laws and requirements by any state or local agency of West Virginia, including, but not limited to, the West Virginia Secretary of State's Office, the West Virginia Tax Department, and the West Virginia Insurance Commission. The vendor must provide all necessary releases to obtain information to enable the director or spending unit to verify that the vendor is licensed and in good standing with the above entities.
16. **ANTITRUST:** In submitting a bid to any agency for the State of West Virginia, the bidder offers and agrees that if the bid is accepted the bidder will convey, sell, assign or transfer to the State of West Virginia all rights, title and interest in and to all causes of action it may now or hereafter acquire under the antitrust laws of the United States and the State of West Virginia for price fixing and/or unreasonable restraints of trade relating to the particular commodities or services purchased or acquired by the State of West Virginia. Such assignment shall be made and become effective at the time the purchasing agency tenders the initial payment to the bidder.

I certify that this bid is made without prior understanding, agreement, or connection with any corporation, firm, limited liability company, partnership, or person or entity submitting a bid for the same material, supplies, equipment or services and is in all respects fair and without collusion or fraud. I further certify that I am authorized to sign the certification on behalf of the bidder or this bid.

INSTRUCTIONS TO BIDDERS

1. Use the quotation forms provided by the Purchasing Division. Complete all sections of the quotation form.
2. Items offered must be in compliance with the specifications. Any deviation from the specifications must be clearly indicated by the bidder. Alternates offered by the bidder as **EQUAL** to the specifications must be clearly defined. A bidder offering an alternate should attach complete specifications and literature to the bid. The Purchasing Division may waive minor deviations to specifications.
3. Unit prices shall prevail in case of discrepancy. All quotations are considered F.O.B. destination unless alternate shipping terms are clearly identified in the quotation.
4. All quotations must be delivered by the bidder to the office listed below prior to the date and time of the bid opening. Failure of the bidder to deliver the quotations on time will result in bid disqualifications: Department of Administration, Purchasing Division, 2019 Washington Street East, P.O. Box 50130, Charleston, WV 25305-0130
5. Communication during the solicitation, bid, evaluation or award periods, except through the Purchasing Division, is strictly prohibited (W.Va. C.S.R. §148-1-6.6).



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

Request for Quotation

RFQ NUMBER
LOT460

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ADDRESS CORRESPONDENCE TO ATTENTION OF:
SHELLY MURRAY 304-558-8801

V E N D O R	*406084736 204-474-2323
	POLLARD BANKNOTE LIMITED 1499 BUFFALO PLACE
	WINNIPEG MANITOBA CANADA R3T 1L7

S H I P T O	LOTTERY COMMISSION
	312 MACCORKLE AVENUE, SE CHARLESTON, WV 25314-1143 558-0500

DATE PRINTED	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
09/22/2011				

BID OPENING DATE: 10/27/2011 BID OPENING TIME 01:30PM

LINE	QUANTITY	UOP	CAT. NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
				EXHIBIT 3		
<p>LIFE OF CONTRACT: THIS CONTRACT BECOMES EFFECTIVE UPON AWARD AND EXTENDS FOR A PERIOD OF ONE (1) YEAR OR UNTIL SUCH "REASONABLE TIME" THEREAFTER AS IS NECESSARY TO OBTAIN A NEW CONTRACT OR RENEW THE ORIGINAL CONTRACT. THE "REASONABLE TIME" PERIOD SHALL NOT EXCEED TWELVE (12) MONTHS. DURING THIS "REASONABLE TIME" THE VENDOR MAY TERMINATE THIS CONTRACT FOR ANY REASON UPON GIVING THE DIRECTOR OF PURCHASING 30 DAYS WRITTEN NOTICE.</p> <p>UNLESS SPECIFIC PROVISIONS ARE STIPULATED ELSEWHERE IN THIS CONTRACT DOCUMENT, THE TERMS, CONDITIONS AND PRICING SET HEREIN ARE FIRM FOR THE LIFE OF THE CONTRACT.</p> <p>RENEWAL: THIS CONTRACT MAY BE RENEWED UPON THE MUTUAL WRITTEN CONSENT OF THE SPENDING UNIT AND VENDOR, SUBMITTED TO THE DIRECTOR OF PURCHASING THIRTY (30) DAYS PRIOR TO THE EXPIRATION DATE. SUCH RENEWAL SHALL BE IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE ORIGINAL CONTRACT AND SHALL BE LIMITED TO TWO (2) ONE (1) YEAR PERIODS.</p> <p>CANCELLATION: THE DIRECTOR OF PURCHASING RESERVES THE RIGHT TO CANCEL THIS CONTRACT IMMEDIATELY UPON WRITTEN NOTICE TO THE VENDOR IF THE COMMODITIES AND/OR SERVICES SUPPLIED ARE OF AN INFERIOR QUALITY OR DO NOT CONFORM TO THE SPECIFICATIONS OF THE BID AND CONTRACT HEREIN.</p> <p>OPEN MARKET CLAUSE: THE DIRECTOR OF PURCHASING MAY AUTHORIZE A SPENDING UNIT TO PURCHASE ON THE OPEN MARKET, WITHOUT THE FILING OF A REQUISITION OR COST ESTIMATE, ITEMS SPECIFIED ON THIS CONTRACT FOR IMMEDIATE DELIVERY IN EMERGENCIES DUE TO UNFORESEEN</p>						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE	TELEPHONE	DATE
	(204) 474-2323	Nov. 03, 2011
TITLE	FEIN	ADDRESS CHANGES TO BE NOTED ABOVE
Co-Chief Executive Officer	98-0665125	

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'



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

Request for Quotation

RFQ NUMBER
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25314-1143 558-0500

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<p>CAUSES (INCLUDING BUT NOT LIMITED TO DELAYS IN TRANSPORTATION OR AN UNANTICIPATED INCREASE IN THE VOLUME OF WORK.)</p> <p>QUANTITIES: QUANTITIES LISTED IN THE REQUISITION ARE APPROXIMATIONS ONLY, BASED ON ESTIMATES SUPPLIED BY THE STATE SPENDING UNIT. IT IS UNDERSTOOD AND AGREED THAT THE CONTRACT SHALL COVER THE QUANTITIES ACTUALLY ORDERED FOR DELIVERY DURING THE TERM OF THE CONTRACT, WHETHER MORE OR LESS THAN THE QUANTITIES SHOWN.</p> <p>ORDERING PROCEDURE: SPENDING UNIT(S) SHALL ISSUE A WRITTEN STATE CONTRACT ORDER (FORM NUMBER WV-39) TO THE VENDOR FOR COMMODITIES COVERED BY THIS CONTRACT. THE ORIGINAL COPY OF THE WV-39 SHALL BE MAILED TO THE VENDOR AS AUTHORIZATION FOR SHIPMENT, A SECOND COPY MAILED TO THE PURCHASING DIVISION, AND A THIRD COPY RETAINED BY THE SPENDING UNIT.</p> <p>BANKRUPTCY: IN THE EVENT THE VENDOR/CONTRACTOR FILES FOR BANKRUPTCY PROTECTION, THE STATE MAY DEEM THE CONTRACT NULL AND VOID, AND TERMINATE SUCH CONTRACT WITHOUT FURTHER ORDER.</p> <p>THE TERMS AND CONDITIONS CONTAINED IN THIS CONTRACT SHALL SUPERSEDE ANY AND ALL SUBSEQUENT TERMS AND CONDITIONS WHICH MAY APPEAR ON ANY ATTACHED PRINTED DOCUMENTS SUCH AS PRICE LISTS, ORDER FORMS, SALES AGREEMENTS OR MAINTENANCE AGREEMENTS, INCLUDING ANY ELECTRONIC MEDIUM SUCH AS CD-ROM.</p> <p>PURCHASING CARD ACCEPTANCE: THE STATE OF WEST VIRGINIA CURRENTLY UTILIZES A VISA PURCHASING CARD PROGRAM WHICH IS ISSUED THROUGH A BANK. THE SUCCESSFUL VENDOR MUST ACCEPT THE STATE OF WEST VIRGINIA VISA PURCHASING CARD FOR PAYMENT OF ALL ORDERS PLACED BY ANY STATE</p>						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE 	TELEPHONE (204) 474-2323	DATE Nov. 08, 2011
TITLE Co-Chief Executive Officer	FEIN 98-0665125	ADDRESS CHANGES TO BE NOTED ABOVE

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'



State of West Virginia
 Department of Administration
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Request for Quotation

RFQ NUMBER
LOT460

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BID OPENING DATE: **10/27/2011** BID OPENING TIME **01:30PM**

LINE	QUANTITY	UOP	CAT. NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
CONTACT PERSON (PLEASE PRINT CLEARLY): <i>Don Sawatzky</i>						
***** THIS IS THE END OF RFQ LOT460 ***** TOTAL:						_____

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE <i>[Signature]</i>	TELEPHONE <i>(204) 474-2323</i>	DATE <i>Nov. 08, 2011</i>
TITLE <i>Co-Chief Executive Officer</i>	FEIN <i>98-0665125</i>	ADDRESS CHANGES TO BE NOTED ABOVE

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'



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

Request for Quotation

RFQ NUMBER
LOT460

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VENDOR	*406084736 204-474-2323
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	WINNIPEG MANITOBA CANADA R3T 1L7

SHIP TO	LOTTERY COMMISSION
	312 MACCORKLE AVENUE, SE CHARLESTON, WV
	25314-1143 558-0500

DATE PRINTED	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
10/24/2011				

BID OPENING DATE: 11/10/2011 BID OPENING TIME 01:30PM

LINE	QUANTITY	UOP	CAT. NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
----- ADDENDUM NO. 1 -----						
THIS ADDENDUM IS ISSUED TO EXTEND THE BID OPENING DATE TO 11/10/2011.						
AN ADDENDUM TO ADDRESS THE QUESTIONS RECEIVED WILL BE FORTHCOMING.						
0001	1	LS		785-53		
INSTANT SCRATCH-OFF LOTTERY TICKETS						
EXHIBIT 10						
REQUISITION NO.: LOT.460....						
ADDENDUM ACKNOWLEDGEMENT						
I HEREBY ACKNOWLEDGE RECEIPT OF THE FOLLOWING CHECKED ADDENDUM(S) AND HAVE MADE THE NECESSARY REVISIONS TO MY PROPOSAL, PLANS AND/OR SPECIFICATION, ETC.						
ADDENDUM NO.'S:						
NO. 1 ✓.....						
NO. 2 ✓.....						
NO. 3						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS		
SIGNATURE	TELEPHONE	DATE
	(204) 474-2323	Nov-08, 2011
TITLE	FEIN	ADDRESS CHANGES TO BE NOTED ABOVE
Chief Executive Officer	98-0665125	

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'



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

Request for Quotation

RFQ NUMBER
 LOT460

PAGE
 2

ADDRESS CORRESPONDENCE TO ATTENTION OF:
 SHELLY MURRAY
 304-558-8801

VENDOR

*406084736 204-474-2323
 POLLARD BANKNOTE LIMITED
 1499 BUFFALO PLACE

 WINNIPEG MANITOBA CANADA
 R3T 1L7

SHIP TO

LOTTERY COMMISSION

 312 MACCORKLE AVENUE, SE
 CHARLESTON, WV
 25314-1143 558-0500

DATE PRINTED 10/24/2011	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
----------------------------	---------------	----------	--------	---------------

BID OPENING DATE: 11/10/2011 BID OPENING TIME 01:30PM

LINE	QUANTITY	UOP	CAT. NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
	NO. 4					
	NO. 5					
<p>I UNDERSTAND THAT FAILURE TO CONFIRM THE RECEIPT OF THE ADDENDUM(S) MAY BE CAUSE FOR REJECTION OF BIDS.</p> <p>VENDOR MUST CLEARLY 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.</p> <p>..... SIGNATURE <i>Pollard Banknote Limited</i> COMPANY</p> <p>Nov. 03, 2011 DATE</p> <p>NOTE: THIS ADDENDUM ACKNOWLEDGEMENT SHOULD BE SUBMITTED WITH THE BID.</p> <p>----- END OF ADDENDUM NO. 1 -----</p>						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE <i>[Signature]</i>	TELEPHONE (204) 474-2323	DATE Nov. 08, 2011
TITLE Co-Chief Executive Officer	FEIN 98-0665125	ADDRESS CHANGES TO BE NOTED ABOVE

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'



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

Request for Quotation

RFQ NUMBER
 LOT460

PAGE
 1

ADDRESS CORRESPONDENCE TO ATTENTION OF:
 SHELLY MURRAY
 304-558-8801

VENDOR

RFQ COPY
 TYPE NAME/ADDRESS HERE
 POLLARD BANKNOTE LIMITED
 1499 BUFFALO PLACE
 WINNIPEG MB CANADA R3T 1L7

SHIP TO

LOTTERY COMMISSION
 312 MACCORKLE AVENUE, SE
 CHARLESTON, WV
 25314-1143 558-0500

DATE PRINTED	TERMS OF SALE	SHIP VIA	E.O.B.	FREIGHT TERMS
10/25/2011				

BID OPENING DATE: 11/10/2011 BID OPENING TIME 01:30PM

LINE	QUANTITY	UOP	CAT. NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
----- ADDENDUM NO. 2 -----						
THIS ADDENDUM IS ISSUED TO ADDRESS THE QUESTIONS RECEIVED PRIOR TO THE QUESTION SUBMISSION DEADLINE OF 10/12/2011.						
BID OPENING DATE REMAINS 11/10/2011						
0001	1	LS		785-53		
INSTANT SCRATCH-OFF LOTTERY TICKETS						
EXHIBIT 10						
REQUISITION NO.: LOT460						
ADDENDUM ACKNOWLEDGEMENT						
I HEREBY ACKNOWLEDGE RECEIPT OF THE FOLLOWING CHECKED ADDENDUM(S) AND HAVE MADE THE NECESSARY REVISIONS TO MY PROPOSAL, PLANS AND/OR SPECIFICATION, ETC.						
ADDENDUM NO. S:						
NO. 1 <input checked="" type="checkbox"/>						
NO. 2 <input checked="" type="checkbox"/>						
NO. 3 <input type="checkbox"/>						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE: *[Signature]* TELEPHONE: (204) 474-2323 DATE: Nov-08, 2011
 TITLE: Co-Chief Executive Officer FEIN: 98-0665125 ADDRESS CHANGES TO BE NOTED ABOVE

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'



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

Request for Quotation

RFQ NUMBER
 LOT460

PAGE
 2

ADDRESS CORRESPONDENCE TO ATTENTION OF:
 SHELLY MURRAY
 804-558-8801

RFQ COPY
 TYPE NAME/ADDRESS HERE

V. VENDOR

S. H. P. O.

LOTTERY COMMISSION
 312 MACCORKLE AVENUE, SE
 CHARLESTON, WV
 25314-1143 558-0500

DATE PRINTED 10/25/2011	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
----------------------------	---------------	----------	--------	---------------

BID OPENING DATE: 11/10/2011 BID OPENING TIME 01:30PM

LINE	QUANTITY	UOP	CAT. No.	ITEM NUMBER	UNIT PRICE	AMOUNT
NO. 4					
NO. 5					
<p>I UNDERSTAND THAT FAILURE TO CONFIRM THE RECEIPT OF THE ADDENDUM(S) MAY BE CAUSE FOR REJECTION OF BIDS.</p> <p>VENDOR MUST CLEARLY 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.</p> <p>..... SIGNATURE <i>Pollard Banknote Limited</i> COMPANY Nov. 03, 2011 DATE</p> <p>NOTE: THIS ADDENDUM ACKNOWLEDGEMENT SHOULD BE SUBMITTED WITH THE BID.</p> <p>----- END OF ADDENDUM NO. 2 -----</p>						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE: *[Signature]* TELEPHONE: (704) 474-2323 DATE: Nov. 08, 2011

TITLE: Chief Executive Officer FEIN: 98-0665125 ADDRESS CHANGES TO BE NOTED ABOVE

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'

AGREEMENT ADDENDUM

In the event of conflict between this addendum and the agreement, this addendum shall control:

1. **DISPUTES** - Any references in the agreement to arbitration or to the jurisdiction of any court are hereby deleted. Disputes arising out of the agreement shall be presented to the West Virginia Court of Claims.
2. **HOLD HARMLESS** - Any provision requiring the Agency to indemnify or hold harmless any party is hereby deleted in its entirety.
3. **GOVERNING LAW** - The agreement shall be governed by the laws of the State of West Virginia. This provision replaces any references to any other State's governing law.
4. **TAXES** - Provisions in the agreement requiring the Agency to pay taxes are deleted. As a State entity, the Agency is exempt from Federal, State, and local taxes and will not pay taxes for any Vendor including individuals, nor will the Agency file any tax returns or reports on behalf of Vendor or any other party.
5. **PAYMENT** - Any references to prepayment are deleted. Payment will be in arrears.
6. **INTEREST** - Any provision for interest or charges on late payments is deleted. The Agency has no statutory authority to pay interest or late fees.
7. **NO WAIVER** - Any language in the agreement requiring the Agency to waive any rights, claims or defenses is hereby deleted.
8. **FISCAL YEAR FUNDING** - Service performed under the agreement may be continued in succeeding fiscal years for the term of the agreement, contingent upon funds being appropriated by the Legislature or otherwise being available for this service. In the event funds are not appropriated or otherwise available for this service, the agreement shall terminate without penalty on June 30. After that date, the agreement becomes of no effect and is null and void. However, the Agency agrees to use its best efforts to have the amounts contemplated under the agreement included in its budget. Non-appropriation or non-funding shall not be considered an event of default.
9. **STATUTE OF LIMITATION** - Any clauses limiting the time in which the Agency may bring suit against the Vendor, lessor, individual, or any other party are deleted.
10. **SIMILAR SERVICES** - Any provisions limiting the Agency's right to obtain similar services or equipment in the event of default or non-funding during the term of the agreement are hereby deleted.
11. **FEES OR COSTS** - The Agency recognizes an obligation to pay attorney's fees or costs only when assessed by a court of competent jurisdiction. Any other provision is invalid and considered null and void.
12. **ASSIGNMENT** - Notwithstanding any clause to the contrary, the Agency reserves the right to assign the agreement to another State of West Virginia agency, board or commission upon thirty (30) days written notice to the Vendor and Vendor shall obtain the written consent of Agency prior to assigning the agreement.
13. **LIMITATION OF LIABILITY** - The Agency, as a State entity, cannot agree to assume the potential liability of a Vendor. Accordingly, any provision limiting the Vendor's liability for direct damages to a certain dollar amount or to the amount of the agreement is hereby deleted. Limitations on special, incidental or consequential damages are acceptable. In addition, any limitation is null and void to the extent that it precludes any action for injury to persons or for damages to personal property.
14. **RIGHT TO TERMINATE** - Agency shall have the right to terminate the agreement upon thirty (30) days written notice to Vendor. Agency agrees to pay Vendor for services rendered or goods received prior to the effective date of termination.
15. **TERMINATION CHARGES** - Any provision requiring the Agency to pay a fixed amount or liquidated damages upon termination of the agreement is hereby deleted. The Agency may only agree to reimburse a Vendor for actual costs incurred or losses sustained during the current fiscal year due to wrongful termination by the Agency prior to the end of any current agreement term.
16. **RENEWAL** - Any reference to automatic renewal is deleted. The agreement may be renewed only upon mutual written agreement of the parties.
17. **INSURANCE** - Any provision requiring the Agency to purchase insurance for Vendor's property is deleted. The State of West Virginia is insured through the Board of Risk and Insurance Management, and will provide a certificate of property insurance upon request.
18. **RIGHT TO NOTICE** - Any provision for repossession of equipment without notice is hereby deleted. However, the Agency does recognize a right of repossession with notice.
19. **ACCELERATION** - Any reference to acceleration of payments in the event of default or non-funding is hereby deleted.
20. **CONFIDENTIALITY** - Any provision regarding confidentiality of the terms and conditions of the agreement is hereby deleted. State contracts are public records under the West Virginia Freedom of Information Act.
21. **AMENDMENTS** - All amendments, modifications, alterations or changes to the agreement shall be in writing and signed by both parties. No amendment, modification, alteration or change may be made to this addendum without the express written approval of the Purchasing Division and the Attorney General.

ACCEPTED BY:

STATE OF WEST VIRGINIA

Spending Unit: _____

Signed: _____

Title: _____

Date: _____

VENDOR

Company Name: Pollard Banknote Limited

Signed: _____

Title: Co-Chief Executive Officer

Date: 08 November 2011

STATE OF WEST VIRGINIA
Purchasing Division

PURCHASING AFFIDAVIT

West Virginia Code §5A-3-10a states: No contract or renewal of any contract may be awarded by the state or any of its political subdivisions to any vendor or prospective vendor when the vendor or prospective vendor or a related party to the vendor or prospective vendor is a debtor and the debt owed is an amount greater than one thousand dollars in the aggregate.

DEFINITIONS:

"Debt" means any assessment, premium, penalty, fine, tax or other amount of money owed to the state or any of its political subdivisions because of a judgment, fine, permit violation, license assessment, defaulted workers' compensation premium, penalty or other assessment presently delinquent or due and required to be paid to the state or any of its political subdivisions, including any interest or additional penalties accrued thereon.

"Debtor" means any individual, corporation, partnership, association, limited liability company or any other form or business association owing a debt to the state or any of its political subdivisions. "Political subdivision" means any county commission; municipality; county board of education; any instrumentality established by a county or municipality; any separate corporation or instrumentality established by one or more counties or municipalities, as permitted by law; or any public body charged by law with the performance of a government function or whose jurisdiction is coextensive with one or more counties or municipalities. "Related party" means a party, whether an individual, corporation, partnership, association, limited liability company or any other form or business association or other entity whatsoever, related to any vendor by blood, marriage, ownership or contract through which the party has a relationship of ownership or other interest with the vendor so that the party will actually or by effect receive or control a portion of the benefit, profit or other consideration from performance of a vendor contract with the party receiving an amount that meets or exceeds five percent of the total contract amount.

EXCEPTION: The prohibition of this section does not apply where a vendor has contested any tax administered pursuant to chapter eleven of this code, workers' compensation premium, permit fee or environmental fee or assessment and the matter has not become final or where the vendor has entered into a payment plan or agreement and the vendor is not in default of any of the provisions of such plan or agreement.

Under penalty of law for false swearing (*West Virginia Code §61-5-3*), it is hereby certified that the vendor affirms and acknowledges the information in this affidavit and is in compliance with the requirements as stated.

WITNESS THE FOLLOWING SIGNATURE

Vendor's Name: Pollard Banknote Limited

Authorized Signature: _____ Date: 08 November 2011

PROVINCE OF _____
State of Manitoba, CANADA

CITY _____
County of Winnipeg, to-wit:

Taken, subscribed, and sworn to before me this 8th day of November, 2011.

My Commission expires XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX 2011.
does not expire.

AFFIX SEAL HERE

NOTARY PUBLIC [Signature]

in and for the Province of Manitoba. My commission does not expire.

West Virginia Lottery
RFQ LOT460

Attachment 1: Cost Sheet

	ALL PRICING PER SQUARE INCH PER THOUSAND
BASIC PRINTING COST	
Each Bidder's price should assume a basic ticket cost with ten point foil-less stock, four-color display, four-color overprint, two colors on the back of the ticket, full gloss coating, background coating, secure game creation and reconstruction, validation bar code of the ticket front and back and UPC barcode on the back of the ticket, any protective coatings, one imaged play area and research and development costs	\$1.91 per square inch of ticket per 1,000
MULTIPLE SCENES / COLOR PULSES SEQUENTIALLY WITHIN A GAME (Multiple Scenes / Color Pulses within a pack of tickets)	Add \$0.08 per square inch of ticket per 1,000 for each additional scene / color
FLORESCENT INKS	Add \$0.12 per square inch of ticket per 1,000
METALLIC-LIKE INKS	Add \$0.25 per square inch of ticket per 1,000
DUAL COLR IMAGING OF PLAY SYMBOLS	Add \$0.57 per square inch of ticket per 1,000
MULTIPLE COLOR IMAGING OF PLAY SYMBOLS	Add \$0.78 per square inch of ticket per 1,000
TEN-POINT FOIL STOCK	Add \$0.25 per square inch of ticket per 1,000
RECYCLEABLE HOLOGRAPHIC STOCK	Add \$3.07 per square inch of ticket per 1,000
MULTIPLE GAME DATA AREAS	Add \$0.05 per square inch of ticket per 1,000
DIE-CUTTING OF TICKETS	Add \$0.57 per square inch of ticket per 1,000
MATTE COATING ON TICKET FRONT	No Charge
TICKETS WITH PERFORATED STUB AND WITH IMAGE INFORMATION	Add \$0.08 per square inch of ticket per 1,000
TICKETS WITH PERFORATED STUB AND WITHOUT IMAGE INFORMATION	Add \$0.05 per square inch of ticket per 1,000
SCENE / COLOR PULSING SPLIT BETWEEN TICKET QUANTITIES WITHIN A GAME (Scenes / Color Pulses within a game)	Add \$0.19 per square inch of ticket per 1,000 for each additional scene / color
FOIL LAMINATE Pollard Banknote's Scratch FX foil	Add \$1.41 per square inch of ticket per 1,000
OVERSIZE TICKETS / EXTENDED PLAY TICKETS for tickets larger then 12 x 4 inches (as per addendum #2, Question and Answers, Question 29)	Add \$0.15 per square inch of ticket per 1,000
TOTAL OF ALL ITEMS	\$9.52 per square inch of ticket per 1,000
Award will be based on lowest cost bid for this total.	

Attachment 2: Offered Options

The Bidder **SHALL** attach sheets for any Bidder offered optional items. Each item offered **MUST** be clearly identified along with the terms and costs under which they are offered.

PROMOTIONAL WEBSITE CREATION AND HOSTING Includes creative, web hosting, drawing entry collection, and site security per promotional game.	Annual fee of \$131,000 per year, for up to five (5) promotional games
PROMOTIONAL DRAWING Includes procuring mail box, Lottery approved random drawing, external auditor, use of mail entries and web entries as required, and security per promotional game	Add \$12,400 per promotional game. Covers up to three individual drawings per promotional game
Additional Void Tickets beyond 10,000	Same as game price
No Omit Games	Add \$10,000 lump sum plus \$0.30 per square inch of ticket per 1,000 tickets
Split Game Balancing, where pulses and or color changes require more then a single game balance under one game number	Add \$2,500 per additional balancing requirement per game
Plate Changes, customer changes that result in press stoppage during a production run	Add \$1,500 per plate change
Complicated Programming	Add \$150 per programming hour
Scored Tickets	Add \$1.95 per 1,000 tickets
Scored and Folded Tickets	Add \$3,000 lump sum plus \$0.13 per square inch of ticket per 1,000 tickets
Embossed Tickets	Add \$2,500 lump sum plus \$0.10 per square inch of ticket per 1,000 tickets
Translucent Marking System	Add \$0.15 per square inch of ticket per 1,000 tickets
Continuous Image Four Color Process	Add \$0.25 per square inch of ticket per 1,000 tickets
Scratch FX: Colored Foil	Add \$5,000 lump sum plus \$1.25 per square inch of ticket per 1,000 tickets
Scratch FX: Holographic Foil	Add \$5,000 lump sum plus \$1.50 per square inch of ticket per 1,000 tickets
Spectrum Scratch FX	Add \$5,500 lump sum plus \$1.65 per square inch of ticket per 1,000 tickets
RefleXions Foil stock	Add \$0.75 per square inch of ticket per 1,000 tickets
Additional UV Coating on Back of Ticket	Add \$0.11 per square inch of ticket per 1,000 tickets

West Virginia Lottery
RFQ LOT460

Additional OP colors	Add \$0.04 per square inch of ticket per 1,000 tickets per color
Additional Base colors	Add \$0.04 per square inch of ticket per 1,000 tickets per color
QR Codes	Add \$1.50 per 1,000 tickets
Synchronized Game Play Data to Base or Overprint Graphics	Add \$0.25 per square inch of ticket per 1,000 tickets
Other game features and options, Licensed and Patented Games are available	Prices to be determined based on the final game specifications

If Applicable, sign and submit the attached Resident Vendor Preference Certificate with the quotation.

I certify that the quotation submitter meets or exceeds all the mandatory specifications of this RFQ. Additionally, I agree to provide an additional documentation deemed necessary by the State of West Virginia to demonstrate compliance with said mandatory specifications.

Pollard Banknote Limited

(Company)

John Pollard, Co-Chief Executive Officer

(Representative Name, Title)

(204) 474-2323 / (204) 453-1375

(Contact Phone / Fax Number)

08 November 2011

(Date)

Attachment 5: Mandatory Specifications – Section 2.4

Bidder attests that all specifications found in section 2.4 and all subsections of 2.4 of this RFQ can and will be met if awarded the bid.

The Successful Bidder shall provide the following items upon bid award.

1. 2.4.2 Describe process for instant ticket production
2. 2.4.14.1.2 Disclose method for quality control
3. 2.4.17.5.3 Current Organization Chart
4. 2.4.15.1 Security Plan
5. 2.4.25.3 Copy samples of Laboratory test reports and other certificates
6. 2.4.13 Disclose limitation with respect to standards
7. 2.4.8 Production schedule sample
8. 2.4.11.6 Incident Report sample
9. 2.4.16 Process for ticket destruction

