

Letter of Transmittal...

LETTER OF TRANSMITTAL

April 5, 2011

Gail P. Thorpe, Contracting Officer
New York State Division of Lottery
Finance Office
One Broadway Center
Schenectady, NY 12301-7500
Tel: (518) 388-3329
E-mail: ContractingOfficer@lottery.ny.gov

RE: Request for Proposals for Instant Ticket Design, Development and Production Services (C11001)

Dear Ms. Thorpe:

The enclosed submission addresses all pricing-related requirements of the RFP. Following the instructions detailed within **1.15 Proposal Format** and **4.9 Pricing Proposal**, Pollard Banknote has submitted with our proposal package two (2) originals and two (2) copies— with one (1) compact disc (CD).

Don Sawatzky, Vice President, Sales & Marketing, has the authority to answer any questions pertaining to our Price Proposal. His contact information is as follows:

Telephone: (204) 474-2323, extension 210
Fax: (204) 453-1375
E-mail: dsawatzky@pbl.ca

Sincerely,
POLLARD BANKNOTE LIMITED



Per Gordon Pollard
Co-Chief Executive Officer

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**NEW YORK LOTTERY
INSTANT GAME PRICING**

Ticket Size: 2" High x 4" Wide

<u>Quantity</u>	<u>Base price for books of 250 tickets (Price per 1,000)</u>	<u>% + (-) of base price for books of 125 tickets</u>	<u>% + (-) of base price for books of 100 tickets</u>
Under 5,000,000	\$13.40	3.0%	4.5%
5,000,001	\$9.40	4.3%	6.4%
10,000,001	\$7.40	5.4%	8.1%
15,000,001	\$6.73	5.9%	8.9%
20,000,001	\$6.40	6.3%	9.4%
30,000,001	\$6.07	6.6%	9.9%
40,000,001	\$5.90	6.8%	10.2%
50,000,001	\$5.80	6.9%	10.3%
& Over			

**NEW YORK LOTTERY
INSTANT GAME PRICING**

Ticket Size: 2 1/2" High x 4" Wide

<u>Quantity</u>	<u>Base price for books of 250 tickets (Price per 1,000)</u>	<u>% + (-) of base price for books of 125 tickets</u>	<u>% + (-) of base price for books of 100 tickets</u>
Under 5,000,000	\$14.65	2.7%	4.1%
5,000,001	\$10.65	3.8%	5.6%
10,000,001	\$8.65	4.6%	6.9%
15,000,001	\$7.98	5.0%	7.5%
20,000,001	\$7.65	5.2%	7.8%
30,000,001	\$7.32	5.5%	8.2%
40,000,001	\$7.15	5.6%	8.4%
50,000,001	\$7.05	5.7%	8.5%
& Over			

**NEW YORK LOTTERY
INSTANT GAME PRICING**

Ticket Size: 3" High x 4" Wide

<u>Quantity</u>	<u>Base price for books of 250 tickets (Price per 1,000)</u>	<u>% + (-) of base price for books of 125 tickets</u>	<u>% + (-) of base price for books of 100 tickets</u>
Under 5,000,000	\$15.90	2.5%	3.8%
5,000,001	\$11.90	3.4%	5.0%
10,000,001	\$9.90	4.0%	6.1%
15,000,001	\$9.23	4.3%	6.5%
20,000,001	\$8.90	4.5%	6.7%
30,000,001	\$8.57	4.7%	7.0%
40,000,001	\$8.40	4.8%	7.1%
50,000,001 & Over	\$8.30	4.8%	7.2%

**NEW YORK LOTTERY
INSTANT GAME PRICING**

Ticket Size: 4" High x 4" Wide

<u>Quantity</u>	<u>Base price for books of 250 tickets (Price per 1,000)</u>	<u>% + (-) of base price for books of 125 tickets</u>	<u>% + (-) of base price for books of 100 tickets</u>
Under 5,000,000	\$18.40	2.2%	3.3%
5,000,001	\$14.40	2.8%	4.2%
10,000,001	\$12.40	3.2%	4.8%
15,000,001	\$11.73	3.4%	5.1%
20,000,001	\$11.40	3.5%	5.3%
30,000,001	\$11.07	3.6%	5.4%
40,000,001	\$10.90	3.7%	5.5%
50,000,001	\$10.80	3.7%	5.6%
& Over			

**NEW YORK LOTTERY
INSTANT GAME PRICING**

Ticket Size: 5" High x 4" Wide

<u>Quantity</u>	<u>Base price for books of 250 tickets (Price per 1,000)</u>	<u>% + (-) of base price for books of 50 tickets</u>	<u>% + (-) of base price for books of 125 tickets</u>	<u>% + (-) of base price for books of 100 tickets</u>
Under 5,000,000	\$20.90	7.7%	1.9%	2.9%
5,000,001	\$16.90	9.5%	2.4%	3.6%
10,000,001	\$14.57	11.0%	2.7%	4.1%
15,000,001	\$14.23	11.2%	2.8%	4.2%
20,000,001	\$13.90	11.5%	2.9%	4.3%
30,000,001	\$13.57	11.8%	2.9%	4.4%
40,000,001	\$13.40	11.9%	3.0%	4.5%
50,000,001 & Over	\$13.30	12.0%	3.0%	4.5%

**NEW YORK LOTTERY
INSTANT GAME PRICING**

Ticket Size: 6" High x 4" Wide

<u>Quantity</u>	<u>Base price for books of 250 tickets (Price per 1,000)</u>	<u>% + (-) of base price for books of 50 tickets</u>	<u>% + (-) of base price for books of 125 tickets</u>	<u>% + (-) of base price for books of 100 tickets</u>
Under 5,000,000	\$23.40	6.8%	1.7%	2.6%
5,000,001	\$19.40	8.2%	2.1%	3.1%
10,000,001	\$17.07	9.4%	2.3%	3.5%
15,000,001	\$16.73	9.6%	2.4%	3.6%
20,000,001	\$16.40	9.8%	2.4%	3.7%
30,000,001	\$16.07	10.0%	2.5%	3.7%
40,000,001	\$15.90	10.1%	2.5%	3.8%
50,000,001 & Over	\$15.80	10.1%	2.5%	3.8%

**NEW YORK LOTTERY
INSTANT GAME PRICING**

Ticket Size: 8" High x 4" Wide

<u>Quantity</u>	<u>Base price for books of 250 tickets (Price per 1,000)</u>	<u>% + (-) of base price for books of 50 tickets</u>	<u>% + (-) of base price for books of 125 tickets</u>	<u>% + (-) of base price for books of 100 tickets</u>
Under 5,000,000	\$28.40	5.6%	1.4%	2.1%
5,000,001	\$24.40	6.6%	1.6%	2.5%
10,000,001	\$22.40	7.1%	1.8%	2.7%
15,000,001	\$21.73	7.4%	1.8%	2.8%
20,000,001	\$21.40	7.5%	1.9%	2.8%
30,000,001	\$21.07	7.6%	1.9%	2.8%
40,000,001	\$20.90	7.7%	1.9%	2.9%
50,000,001 & Over	\$20.80	7.7%	1.9%	2.9%

NEW YORK LOTTERY INSTANT GAME PRICING

Special Features (Pricing is per 1,000 unless otherwise specified)

Additional display color

Add \$0.04 per square inch of ticket per 1,000 tickets, per color

Additional overprint color

Add \$0.04 per square inch of ticket per 1,000 tickets, per color

Additional color on ticket back

Add \$0.04 per square inch of ticket per 1,000 tickets, per color

Specialty inks: metallic ink

Add \$0.25 per square inch of ticket per 1,000 tickets, per color

Specialty inks: fluorescent ink

Add \$0.12 per square inch of ticket per 1,000 tickets, per color

Specialty inks: neon ink colors

Add \$0.12 per square inch of ticket per 1,000 tickets, per color

Specialty inks: holographic effects (ink)

Prices to be determined based on final game specifications

Marking system: Pollard Banknotes Translucent Marking System

Add \$0.10 per square inch of ticket per 1,000 tickets

Latex on the back of tickets to facilitate additional game play

Add \$0.65 per square inch of ticket per 1,000 tickets (subject to limitations)

Holographic paper

\$20,000 per game lump sum plus \$2.00 per square inch of ticket per 1,000 tickets

FOIL paper

Add \$0.25 per square inch of ticket per 1,000 tickets

Scoring

Add \$1.95 per 1,000 tickets

NEW YORK LOTTERY INSTANT GAME PRICING

Stub features without imaging	Add \$0.25 per 1,000 tickets
Stub features with imaging	\$1,000 per game lump sum plus \$0.25 per 1,000 tickets
Multiple color imaging of play symbols	\$5,000 per game lump sum plus \$0.30 per square inch of ticket per 1,000 tickets, per additional color
Pulsing colors within a game (fixed price)	\$3,000 per game lump sum per additional color
Alternating scenes within a game (fixed price)	\$1,500 per game lump sum per scene
Die-cutting (fixed price)	\$5,000 per game lump sum plus \$0.30 per square inch of ticket per 1,000 tickets, per additional color
Printing on back of ticket (fixed price set-up fee): 25,000 live tickets with "FOR PROMOTIONAL USE ONLY, NOT FOR SALE" printed on back	\$3,000 per game lump sum plus the game price per 1,000 for each thousand tickets ordered
Alternate Ticket Sizes: (Pricing Extrapolation)	Add \$0.625 per square inch of ticket per 1,000 tickets
Ticket Reorders: (Expressed as a fixed discount of base)	\$5,000 per game reorder credit
Ticket Security Process/Feature: Pollard Banknote's SecureScan™ (Price per 1,000)	No Charge - Included in base ticket price

**NEW YORK LOTTERY
INSTANT GAME PRICING**

Barcoded Coupons Pricing Schedule
Coupon Size: 2 1/2" High by 6 1/8" Wide (Dollar Bill)
Books of 100 with Edge Glued and Cardboard Backing

<u>Quantity</u>	<u>(Price per 1,000)</u>	<u>(Flat Rate)</u>
100,000	\$136.90	
350,001	\$51.18	
600,001	\$36.90	
850,001	\$31.02	
1,100,001	\$27.81	
1,350,001	\$25.79	
1,600,001	\$24.40	
2,600,001	\$21.51	
3,600,001	\$20.23	
4,600,001	\$19.51	
& Over		

Electronic Files - Prices includes development of art, working papers, software, and plates. Prices do not include press set-up, printing, and or animated (ticket artwork ie) one dimensional artwork

Electronic Coupon Files (flat rate)

Electronic Instant Games (flat rate)

\$4,000.00

\$10,000.00

Activation Cards (price per 1,000) \$100.19 per 1,000 Activation Cards

NEW YORK LOTTERY INSTANT GAME PRICING

Invited Option(s)

Scratch FX® - Holographic Foil (price per 1,000)	<u>\$5,000 per game lump sum plus \$1.50 per square inch of ticket per 1,000 tickets</u>
Scratch FX® - Silver Foil (price per 1,000)	<u>\$3,000 per game lump sum plus \$1.25 per square inch of ticket per 1,000 tickets</u>
Scratch FX® - Colored Foil (price per 1,000)	<u>\$5,000 per game lump sum plus \$1.25 per square inch of ticket per 1,000 tickets</u>
Shine FX (price per 1,000)	<u>Prices to be determined based on final game specifications</u>
Spectrum Scratch FX™ (price per 1,000)	<u>Prices to be determined based on final game specifications</u>

**NEW YORK LOTTERY
INSTANT GAME PRICING**

Instant Game Management/Marketing Fee	0.0820%
Marketing Support, Research, Staff, and Development; included in Instant Game Management/Marketing Fee	
6 Retail Development Staff, stationed in the state of New York	No Charge - Included in Instant Game Management/Marketing Fee
Secondary Research	No Charge - Included in Instant Game Management/Marketing Fee
Retail Channel Survey	No Charge - Included in Instant Game Management/Marketing Fee
Geographic Retail Analysis	No Charge - Included in Instant Game Management/Marketing Fee
2 Web Based Studies	No Charge - Included in Instant Game Management/Marketing Fee
Consumer/Retailer Promo Concept Development - 4 Games/Year	No Charge - Included in Instant Game Management/Marketing Fee
Social Media Staff – One staff member to be located at Lottery Office	No Charge - Included in Instant Game Management/Marketing Fee
Retail Recruitment Strategy and Presentation Development to recruit four (4) retail corporate chains per year	No Charge - Included in Instant Game Management/Marketing Fee

NEW YORK LOTTERY INSTANT GAME PRICING

Offered Options:

Additional Regular Ticket Samples	Same price per 1,000 additional samples as the per 1,000 game price
Additional ITVM cards	\$75 per 1,000 additional ITVM cards
Additional Oversize Samples	\$250 per 1,000 additional oversize samples
No Omit Games	\$10,000 per game lump sum plus \$0.30 per square inch of ticket per 1,000 tickets
Traditional Pouches	Prices to be determined based on final game specifications
Paper Pouches	Prices to be determined based on final game specifications
Split Game Balancing - Applicable to games that have split balancing requirements under one game number	Add \$2,500 per additional balancing requirement
Complicated Pulse Requirements - Applicable to games where several of the game ticket colors are pulsed	Prices to be determined based on final game specifications
Complicated Programming	Add \$150 per hour
Scored and Folded Tickets	\$3,500 per game lump sum plus \$0.12 per square inch of ticket per 1,000 tickets
Embossed Tickets	\$3,000 per game lump sum plus \$0.05 per square inch of ticket per 1,000 tickets
Additional UV Coating on Back of Ticket	Add \$0.15 per square inch of ticket per 1,000 tickets
Dual Color Imaging	\$5,000 per game lump sum plus \$0.30 per square inch of ticket per 1,000 tickets

NEW YORK LOTTERY INSTANT GAME PRICING

Offered Options:

Hybrid Games	Prices to be determined based on final game specifications
Retailer Games	Prices to be determined based on final game specifications
Passive (Traditional) Games	Prices to be determined based on final game specifications
Play 3D™	Prices to be determined based on final game specifications
Synchronized game play data to base or overprint graphics	Add \$0.25 per square inch of ticket per 1,000 tickets
Integrated Overprints / Continuous Image	Add \$0.25 per square inch of ticket per 1,000 tickets
Scented Tickets	\$5,000 per game lump sum plus \$0.10 per square inch of ticket per 1,000 tickets
Spectrum Overprints	No Charge - Included in base ticket price
Plate changes within a game resulting in press stoppage	Add \$1,500 per plate changed
Accelerated Delivery	Add \$2,000 per day
Savings for printing two or more games at the same time	Credit of \$3,500 per additional game (subject to limitations)
Thermochromic ink	Prices to be determined based on final game specifications
Photochromic ink	Prices to be determined based on final game specifications
Color shifting inks	Prices to be determined based on final game specifications

NEW YORK LOTTERY INSTANT GAME PRICING

Offered Options:

Glow in the dark inks

Prices to be determined based on final game specifications

Textured varnish

Prices to be determined based on final game specifications

Pearlescence inks

Prices to be determined based on final game specifications

Puff inks

Prices to be determined based on final game specifications

Glitter inks

Prices to be determined based on final game specifications

Multiple play areas

No Charge - Included in base ticket price

WebPlay™ (eg Word Slots™)

Prices to be determined based on final game specifications

Multiple games in same book

Prices to be determined based on final game specifications

Continuous scene over successive tickets within the same book

Prices to be determined based on final game specifications

Managed risk games

Prices to be determined based on final game specifications

PlayAround™ - WrapAround and Fold Over Games

Prices to be determined based on final game specifications

NEW YORK LOTTERY INSTANT GAME PRICING

Offered Options:

Pollard Banknotes Patented Printing Process

Fusion® : Double Play®

Prices to be determined based on final game specifications

Fusion® : Action Pack®

Prices to be determined based on final game specifications

Fusion® : Pull Tab Plus®

Prices to be determined based on final game specifications

Fusion® : PlayBook®

Prices to be determined based on final game specifications

Fusion® : Scratch Tab™

Prices to be determined based on final game specifications

Interactive scratch-off (Battery Power Lottery Ticket)

Prices to be determined based on final game specifications

Spectrum Translucent™

Prices to be determined based on final game specifications

RefleXions Foil Stock

Add \$0.75 per square inch of ticket per 1,000 tickets

Coin Rub Marking System (Erasable Scratch Off Lottery Ticket)

Prices to be determined based on final game specifications

Instant Poker Game Card

Prices to be determined based on final game specifications

Ticket Dispensers and Ticket Dispensing Units

Prices to be determined based on the scope of the project

NEW YORK LOTTERY INSTANT GAME PRICING

Offered Options:

Additional Marketing Support, Research, and Development

PlayOn™ - Player's club

Prices to be determined based on the scope of the project

QuickLink™ web based barcode promotions

Prices to be determined based on the scope of the project

Street Teams

Prices to be determined based on the scope of the project

Lottery applications development for website links

Prices to be determined based on the scope of the project

Internet Games

Prices to be determined based on the scope of the project

Consumer/Retailer. Promo concept development to full detail - 4 games / year

Prices to be determined based on the scope of the project

Consumer/Retailer. Promo full detail concept to full execution - 4 games / year

Prices to be determined based on the scope of the project

Corporate Chain Retailer Recruitment

As described in our response (as a part of the base price) Pollard/Integer team will develop strategy and related pitch to recruit four (4) corporate chain retailers per year. Should the Lottery decide to move forward with recruitment any additional costs required would be based on the scope of work mutually agreed upon by the Lottery and Pollard Banknote and would be extra.

NEW YORK LOTTERY INSTANT GAME PRICING

Offered Options:

Licensed Games - Group A

Tetris	1.0% - 1.5% of Sales or 4.0% - 6.0% merchandise allocation as a % of prize fund
Frogger	1.0% - 1.5% of Sales
Star Trek	1.0% - 1.5% of Sales or 4.0% - 6.0% merchandise allocation as a % of prize fund
Atari	1.0% - 1.5% of Sales or 4.0% - 6.0% merchandise allocation as a % of prize fund
EMI	6.0% - 8.0% merchandise allocation as a % of prize fund
John Wayne	1.0% - 1.5% of Sales or 4.0% - 6.0% merchandise allocation as a % of prize fund
Yogi Berra	1.0% - 1.5% of Sales or 4.0% - 6.0% merchandise allocation as a % of prize fund
Grease	1.0% - 1.5% of Sales
Dean Martin	1.0% - 1.5% of Sales or 4.0% - 6.0% merchandise allocation as a % of prize fund
Dubble Bubble	1.0% - 1.5% of Sales
Mr. Bean™	1.0% - 1.5% of Sales or 4.0% - 6.0% merchandise allocation as a % of prize fund
It's a Wonderful Life	1.0% - 1.5% of Sales
Laurel & Hardy	1.0% - 1.5% of Sales or 4.0% - 6.0% merchandise allocation as a % of prize fund
Cadillac Vehicles	1.0% - 1.5% of Sales or 4.0% - 6.0% merchandise allocation as a % of prize fund; plus vehicles
Cadillac Escalade	1.0% - 1.5% of Sales or 4.0% - 6.0% merchandise allocation as a % of prize fund; plus vehicles

NEW YORK LOTTERY INSTANT GAME PRICING

Offered Options:

Licensed Games - Group B

R.J. McDonald

Ultimate Getaway Games

Word Jong

Keith Kimberlin - Artist

Single, Double, Triple Play Bingo™

Hold'em Poker

Sudoku

1.0% - 1.5% of Sales

4.0% - 6.0% merchandise allocation as a % of prize fund

0.5% - 1.0% of Sales

0.5% - 1.0% of Sales

0.5% - 1.0% of Sales

0.5% - 1.0% of Sales

0.5% - 1.0% of Sales

Buy one (1) Group A licensed game at the listed price above, and receive a second licensed game at 25% - 50% off the listed price. To qualify for the rebate program, both licensed games must be purchased, printed and delivered to Lottery's warehouse within a 12 month contractual period.

New Properties

Pollard Banknote continually acquires new licensed properties for its portfolio, we will be pleased to update the NY contract annually with our most recent and newest properties.