



# Memo

<b>Date:</b>	May 12, 2023
<b>To:</b>	Oregon State Lottery Commission
<b>From:</b>	Kathy Stromberg, Chief Marketing Officer
<b>Subject:</b>	Major Procurement Recommendations – IGT Printing, Pollard Banknote and Scientific Games International, Inc.

## Summary

Next month, the Lottery Product team will be seeking the Commission's approval to enter into a major procurement with the following vendors: IGT Printing, Pollard Banknote and Scientific Games International, Inc., for the purpose of holding pricing firm for the purchase of Scratch-it<sup>SM</sup> ticket printing services and associated deliverables. The three vendors are the only ones in the Lottery industry who provide these Scratch-it printing services. OSL is requesting to award new agreements that will replace the current but outdated agreements. The current agreements have been active for over 13 years with multiple amendments to keep up with the updates and changes. Each vendor agreement term has an expiration date of June 30, 2023. To address needed updates for specifications and requirements more efficiently in these agreements, it makes sense to start with new agreements, in place of amending the existing agreements to address updates and term extensions. In an effort to ensure no lapses in the current service with our vendors while negotiating the new agreements, OSL will execute an amendment to extend the current term of June 30, 2023. The contract extension shall be limited to a term of 90 days or upon the execution date of the new agreements, whichever comes first.

This major procurement will support OSL's Scratch-it ticket vendor diversity for product development. To maintain a competitive vendor pool, each of the vendors mentioned above, will enter into a new printing agreement to support the product development of OSL scratch tickets. This will provide OSL with the flexibility to mitigate the impact of supply chain constraints and encourage competitive pricing between vendors.

## Contracting Details

Below is a high-level overview of the agreement structure that OSL will use for this major procurement:

### IGT Printing, Pollard Banknote and Scientific Games International, Inc.- Printing Agreement Structure

- The Printing Agreement is comprised of the following agreement components that each require the appropriate signature authority to execute:
  - Governing Printing Agreement
    - Working Papers- (\*means the ordering document in the Printing Agreement that defines product content)
    - Exhibit G-Client Standards

The Printing Agreement will provide a business-friendly contract structure that allows OSL to procure Scratch-it ticket products in accordance with OSL's desired look and feel, which is mutually agreed upon by both parties under working papers and client standards. The Printing Agreement is the governing body of terms and conditions over the working papers and client standards for Scratch it ticket purchases & associated deliverables. The approach provides an efficient contracting process to meet the timelines of our business.

- The initial term of the Printing Agreement is 5 years.
- Renewal terms will be renewed on an annual basis.