

COMMISSION AGENDA ITEM

Item 8(d) – IGT Global Solutions Corporation Instant Ticket Printing Contract Extension



Date: September 26, 2024

To: California State Lottery Commission

From: Harjinder K. Shergill Chima *HKC*
Director

Prepared By: Sharon Allen, Deputy Director
Sales & Marketing Division

Subject: **Item 8(d) – IGT Global Solutions Corporation Instant Ticket Printing Contract Extension**

ISSUE

The California State Lottery (Lottery) contracts with IGT Global Solutions Corporation (IGT) as a secondary vendor for instant tickets (Scratchers®) production. A contract extension is requested to extend the contract to November 30, 2025, as the current contract is set to expire on November 30, 2024.

BACKGROUND

The Lottery currently contracts with IGT as one of its three Scratchers printing vendors. The original contract term was December 1, 2013, through November 30, 2019, with an initial expenditure authority of \$25 million.

In 2019, the Commission exercised the option to extend the contract by a term of three years to November 30, 2022. In 2022, the Commission exercised the first of the three options to extend the contract by a term of one year to November 30, 2023. In 2023, the Commission exercised the second of the three options to extend the contract by a term of one year to November 30, 2024.

DISCUSSION

As a secondary printing vendor, IGT plays a key role in the Lottery's overall success with Scratchers sales and in turn, its contribution to education. During the term of this contract, IGT has helped the Lottery increase Scratchers sales from approximately \$3.3 billion in fiscal year (FY) 2013-14, to over \$6.65 billion in FY 2023-24.

The Lottery has contracts with each of the only three instant ticket printing vendors within the industry that can meet the Lottery's needs, volume, and security requirements. The

Lottery seeks to exercise the third and final one-year contract extension option to help

COMMISSION AGENDA ITEM

Item 8(d) – IGT Global Solutions Corporation Instant Ticket Printing Contract Extension

ensure uninterrupted product sales and update the price sheet with pricing for new innovations and price points. In 2025, the Lottery will release a Request for Proposal for new printing contracts.

The IGT contract has approximately \$13 million of funding available for the remainder of the current contract term. Staff estimates that this is sufficient to cover the proposed one-year extension period.

RECOMMENDATION

Lottery staff recommends that the Commission approve the final one-year extension of IGT's instant ticket printing contract and updated price sheet, making the new contract expiration date November 30, 2025. The maximum authorized contract expenditure amount will remain at \$25 million.