



Maryland Lottery and Gaming Control Commission

STAFF AGENDA MEMORANDUM

DATE OF MEETING: April 24, 2025

AGENDA ITEM: **Exercise of 3-year Contract Renewal Option for Instant Ticket Games and Related Services contracts (#2019-05P / 2019-05A1 / 2019-05A2)**

PRESENTER: James Nielsen, Deputy Director / COO

ISSUE SUMMARY: There are 3-year options to renew the current Instant Ticket Games & Related Services contracts. There are three contracts in place: the primary contract with Pollard Banknote (#2019-05P) and two alternate contracts with Scientific Games, Inc. (#2019-05A1) and IGT Global Solutions Corporation (#2019-05A2) (collectively, the “Contracts”). The services under the Contracts include instant ticket design, planning, production, security, marketing and sales support, and delivery to the Maryland Lottery warehouse for instant games. Pollard is the primary vendor and is responsible for the costs above a fixed price provided in the Contract for delivery of instant tickets to retailers.

The contracted vendors are the only companies that have the production capabilities, proven game design teams, and technology to create secure instant ticket games. Instant ticket games account for over \$1 billion in annual lottery sales, which represents 38.3% of the Maryland Lottery’s total sales.

MLGCA’s exercise of its option to renew the Contracts is in the best interest of the State. The RFP was issued prior to the COVID19 pandemic and the proposals include the lower pricing from that time period. Shipping costs, in particular, have increased since that time. A new RFP would almost certainly result in contracts with the same vendors, but would come with potentially significantly higher costs for the same goods and services. These expected higher costs would result in lower contributions to the State General Fund.

The Contracts are being submitted to the Commission for review and approval. If Commission approval is obtained, the Contracts will then be submitted to DGS for inclusion on the next available BPW Agenda.

COMMISSION ACTION REQUIRED/REQUESTED: Discussion, consideration, and possible action.

STAFF RECOMMENDATION: Staff recommends approval.