

ARKANSAS LOTTERY COMMISSION

Responses to GTECH Questions for the ALC On-line Lottery Game Services and Lottery Gaming Systems and Services RFP

ALC Response to Page 1 Question 1 Please refer to the ALC website for the original Request for Proposal approved on June 19, 2009, the Addendum to the Request for Proposal approved on June 30, 2009, and the Second Addendum to the Request for Proposal approved on July 8, 2009, and the Official Online Lottery Game Services and Lottery Gaming System and Services Proposal Price Sheet Official to be used in relation to the Request for Proposal for Online Lottery Game Services And Lottery Gaming System And Services. The web address is <http://lotterycommission.arkansas.gov/index.html>

ALC Response to Page 1 Question 2 Please refer to the ALC website for the original Request for Proposal approved on June 19, 2009, the Addendum to the Request for Proposal approved on June 30, 2009, and the Second Addendum to the Request for Proposal approved on July 8, 2009, and the Official Online Lottery Game Services and Lottery Gaming System and Services Proposal Price Sheet Official to be used in relation to the Request for Proposal for Online Lottery Game Services And Lottery Gaming System And Services. The web address is <http://lotterycommission.arkansas.gov/index.html>

ALC Response to Page 1 Question 3 (parts 1 & 2) Please refer to the ALC website for the original Request for Proposal approved on June 19, 2009, the Addendum to the Request for Proposal approved on June 30, 2009, and the Second Addendum to the Request for Proposal approved on July 8, 2009, and the Official Online Lottery Game Services and Lottery Gaming System and Services Proposal Price Sheet Official to be used in relation to the Request for Proposal for Online Lottery Game Services And Lottery Gaming System And Services. The web address is <http://lotterycommission.arkansas.gov/index.html>

ALC Response to Page 2 Question 2.1 Please refer to the ALC website for the original Request for Proposal approved on June 19, 2009, the Addendum to the Request for Proposal approved on June 30, 2009, and the Second Addendum to the Request for Proposal approved on July 8, 2009, and the Official Online Lottery Game Services and Lottery Gaming System and Services Proposal Price Sheet Official to be used in relation to the Request for Proposal for Online Lottery Game Services And Lottery Gaming System And Services. The web address is <http://lotterycommission.arkansas.gov/index.html>

ALC Response to Page 2 Question 2.2 Please refer to the ALC website for the original Request for Proposal approved on June 19, 2009, the Addendum to the Request for Proposal approved on June 30, 2009, and the Second Addendum to the Request for Proposal approved on July 8, 2009, and the Official Online Lottery Game Services and Lottery Gaming System and Services Proposal Price Sheet Official to be used in relation to the Request for Proposal for Online Lottery Game Services And Lottery Gaming System And Services. The web address is <http://lotterycommission.arkansas.gov/index.html>

ALC Response to Page 2 Question 2.3 Please refer to the ALC website for the original Request for Proposal approved on June 19, 2009, the Addendum to the Request for Proposal approved on June 30, 2009, and the Second Addendum to the Request for Proposal approved on July 8, 2009, and the Official Online Lottery Game Services and Lottery Gaming System and Services Proposal Price Sheet Official to be used in relation to the Request for Proposal for Online Lottery Game Services And Lottery Gaming System And Services. The web address is <http://lotterycommission.arkansas.gov/index.html>

ALC Response to Page 2 Question 2.4 Please refer to the ALC website for the original Request for Proposal approved on June 19, 2009, the Addendum to the Request for Proposal approved on June 30, 2009, and the Second Addendum to the Request for Proposal approved on July 8, 2009, and the Official Online Lottery Game Services and Lottery Gaming System and Services Proposal Price Sheet Official to be used in relation to the Request for Proposal for Online Lottery Game Services And Lottery Gaming System And Services. The web address is <http://lotterycommission.arkansas.gov/index.html>

ALC Note: Page 2 does not contain a question 3

ALC Response to Page 2 Question 4 Please refer to the ALC website for the original Request for Proposal approved on June 19, 2009, the Addendum to the Request for Proposal approved on June 30, 2009, and the Second Addendum to the Request for Proposal approved on July 8, 2009, and the Official Online Lottery Game Services and Lottery Gaming System and Services Proposal Price Sheet Official to be used in relation to the Request for Proposal for Online Lottery Game Services And Lottery Gaming System And Services. The web address is <http://lotterycommission.arkansas.gov/index.html>

ALC Response to Page 3, 4 & 5, Question 1 and Question 2 Please refer to the ALC website for the Second Addendum to the Request for Proposal approved on July 8, 2009, and the Official Online Lottery Game Services and Lottery Gaming System and Services Proposal Price Sheet Official to be used in relation to the Request for Proposal for Online Lottery Game Services And Lottery Gaming System And Services. The web address is <http://lotterycommission.arkansas.gov/index.html>

ALC Response to Page 5 Question 3 Evaluation criteria categories are established and listed accordingly and are not duplicated. Please reference the original Request for Proposal approved on June 19, 2009, specifically Section 6.0 "Evaluation Criteria For Selection." Separate evaluation criteria categories exist in Section 6.0 which include "security plan and security track record," "online lottery gaming operations plan" and "lottery gaming system".

ALC Response to Page 5 Question 4 The Evaluation Criteria requested are as follows:

- | | |
|--|---------------------------------------|
| Section 3.01.1 | Online lottery gaming operations plan |
| Section 3.0.1.2, 3.0.1.4, 3.0.1.5 | Proposed technical solution |
| Section 3.0.2.2, | Online lottery gaming operations plan |
| Section 3.0.5, | Proposed technical solution |

Section 3.0.5.2, Lottery gaming system

Section 3.0.5.4, 3.1.9, 3.1.10, 3.1.11 Proposed technical solution

ALC Response to Page 6 Question 5 These provisions will be scored. Please refer to the evaluation criterion cited above in the answer to the previous question.

ALC Response to Page 6 Question 6

Section 5.6 "Project Staff" will be evaluated in "Experience..." in evaluation criteria line one(1) listed in the Request for Proposal Section 6.0 on page 29.

Section 5.7 "Computation of liquidated damages" will be evaluated in "financial..." in evaluation criteria line eight (8) listed in the Request for Proposal Section 6.0 on page 29.

ALC Response to Page 7 Question 1 Please refer to the Second Addendum, approved on July 8, 2009.

ALC Response to Page 7 Question 2 Please refer to the Second Addendum, approved on July 8, 2009.

ALC Response to Page 7 Question 3 Please refer to Section 6 "Evaluation Criteria for Selection" of the original Request for Proposal approved on June 19, 2009.

ALC Response to Page 8 Question 1 Please refer to Section 6 "Evaluation Criteria for Selection" of the original Request for Proposal approved on June 19, 2009.

ALC Response to Page 8 Question 2 Please refer to Section 3.0 "Technical Specifications" of the original Request for Proposal approved on June 19, 2009. A Successful Vendor has the option to propose state-of-the-art technology or cost-effective technology. The ALC is interested in procuring a solid, proven technology for both the retailer network and data center sites.

ALC Response to Page 9 Question 1 Please refer to the criteria listed in Section 6 "Evaluation Criteria for Selection" of the original Request for Proposal approved on June 19, 2009 and the Second Addendum, approved on July 8, 2009.

ALC Response to Page 10 Question 1, 2 & 3 Please refer to the Arkansas Lottery Commission Major Procurement Rules. A copy of said rules can be found at the website address of the Arkansas Lottery Commission. The website address is as follows: <http://lotterycommission.arkansas.gov/index.html> In addition, the code section cited for Arkansas procurement Laws is not applicable to the Arkansas Lottery Commission.

ALC Response to Page 11 Question 1 The ALC responds that the term "new" is not used in the Request for proposal. Please refer back to Section 5.6 "Project Staff" of the Request for Proposal approved on June 19, 2009.

ALC Response to Page 11 Question 2 Please refer to Section 5.6 "Project Staff" of the Request for Proposal approved on June 19, 2009, wherein states that "each person's responsibilities and duties must be outlined and detailed resumes must be provided."

ALC Response to Page 11 Question 3 Please refer to Section 5.8 "Experience" of the Request for Proposal approved on June 19, 2009.

ALC Response to Page 11 Question 4 Please refer to Section 2.0 "ALC Overview" of the Request for Proposal approved on June 19, 2009, and the Second Addendum, approved on July 8, 2009.

ALC Response to Page 12 Question 1 Please refer to the Request for Proposal Section 3.0 "Technical Specifications." A the successful vendor has the option to propose state-of-the-art technology or cost-effective technology the ALC in interested in procuring a solid, proven technology for both the retailer network and data center sites.

ALC Response to Page 12 Question 2 Please refer to the Request for Proposal Section 3.0 "Technical Specifications." A the successful vendor has the option to propose state-of-the-art technology or cost-effective technology the ALC in interested in procuring a solid, proven technology for both the retailer network and data center sites.

ALC Response to Page 12 Question 4.1 Sub question 1 Please refer to Request for Proposal Section 4.1 "Pricing Formula" which outlines the single costs quotation.

ALC Response to Page 13 Question 1 & 2 These two questions ask for a legal opinion which the Arkansas Lottery Commission is not statutorily empowered to issue. Please refer to the Request for Proposal section 1.28 "Ongoing Performance Requirements."

ALC Response to Page 13 Question 3 Please refer to the second Addendum approved on July 8, 2009.

ALC Response to Page 13 Question 4 Please refer to the second Addendum approved on July 8, 2009.

ALC Response to Page 14 Question 1 & 2 1. Please refer to the Second Addendum approved on July 8, 2009, specifically to the new language as follows: "The Successful Vendor grants to the ALC an **annual**, royalty-free license." (emphasis added).

2. (i) Please refer to the Second Addendum approved on July 8, 2009, specifically with regard to the following language: "The Successful Vendor agrees to grant the ALC non-exclusive intellectual property rights for online games and properties owned by the Vendor at no cost during the term of the Contract **period** of this Proposal."

(ii) Please refer to the ALC response to Question 2(i) above.

(iii) Please refer to the Online Lottery Game Services and Gaming System and Services RFP as amended by the Second Addendum approved on July 8, 2009, particularly to the following language: "The

Successful Vendor grants to the ALC an annual, royalty-free license to use and **sublicense** the use of any and all proprietary materials owned by it . . .". (emphasis added)

(iv) Please refer to Section 1.19 of the Online Lottery Game Services and Lottery Gaming System and Services RFP, specifically to the following language: ". . . and the Successful Vendor irrevocably grants to the ALC the necessary rights and authority to modify such proprietary materials **and to create the derivative works in any manner the ALC deems necessary**. It is the intent of the ALC that it have control over such proprietary materials in a manner consistent with ownership thereof." (emphasis added).

ALC Response to Page 15 Question 1, 2 & 3 1. Please refer to Section 1.19 of the Online Lottery Game Services and Lottery Gaming System and Services Request for Proposal approved on June 19, 2009. With regard to that section, specifically refer to the following language: "A necessary component of such operations is for the ALC to have access to the source code, operational diagrams, and other proprietary materials so that the ALC, or contractors engaged by the ALC, if the Successful Vendor is unable or unwilling to supply upgrades, modifications, or other necessary support, can perform such functions so as not to jeopardize the operation of the Lottery. The Contract will require that the Successful Vendor deposit the source code and other proprietary materials with an independent third party to be accessed by the ALC in the event of expiration or termination of the Contract."

2. Please refer to the ALC response to question 1 above.

3. Please refer to the Arkansas Freedom of Information Act, Ark. Code Ann. § 25-19-101 *et seq.* The ALC will abide by the laws of the State of Arkansas.

ALC Response to Page 16 Questions 1 & 2 Please refer to the Arkansas Lottery Commission Major Procurement Rules and Section 6 "Evaluation Criteria for Selection" of the original Request for Proposal approved on June 19, 2009.

ALC Response to Page 17 Question 1 Please refer to Section 1.2 "Schedule of Events" of the original Request for Proposal approved on June 19, 2009. That section references applicable dates.

ALC Response to Page 18 Question 1, 2 & 3 The ALC has no authority to exempt any potential vendor from compliance with any requirement found in Governor's Executive Order EO-98-04. Please refer to EO-98-04 for clarification of its requirements.

ALC Response to Page 18 Question 4 Please refer to the Arkansas Lottery Commission Major Procurement Rules. A copy of said rules can be found at the website address of the Arkansas Lottery Commission. The website address is as follows: <http://lotterycommission.arkansas.gov/index.html>

ALC Response to Page 19 Question 1, 2 & 3 Please refer to the Arkansas Lottery Commission Major Procurement Rules. Specifically, please refer to Section 5, Subsection J of the rules. A copy of said rules can be found at the website address of the Arkansas Lottery Commission. The website address is as follows: <http://lotterycommission.arkansas.gov/index.html>

ALC Response to Page 19 Question 4 Please refer to Section 3.0 "Technical Specifications" of the original Request for Proposal approved on June 19, 2009, for stated technical specifications.

ALC Response to Page 20 Question 1 Please refer to Section 3.0 “Technical Specifications” and Section 3.4 “Other Requirements” of the original Request for Proposal approved on June 19, 2009. Vendors are required to list significant services, procedures, materials, supplies, programs, policies, equipment, facilities, etc. necessary for the successful daily operational aspects of the system.

ALC Response to Page 20 Question 2 Please refer to Section 5.0 “Vendor Profile” of the original Request for Proposal approved on June 19, 2009.

ALC Response to Page 21 Question 1 & 2 Please refer to Section 5.4 “Disclosure of Litigation” of the original Request for Proposal approved on June 19, 2009.

ALC Response to Page 21 Question 3 The ALC response to this question is ‘yes.’

ALC Response to Page 21 Question 4 Please refer to the Second Addendum approved on July 9, 2009.

ALC Response to Page 21 Question 5 The requested information will provided once it becomes available.

ALC Response to Page 22 Question 1 The ALC response to this question is “no.”

ALC Response to Page 23 Question 1 & 2 The ALC response to these question is “no.” The ALC notes that nothing contained in the original Request for Proposal approved on June 19, 2009, the Addendum to the Request for Proposal approved on June 30, 2009, and the Second Addendum to the Request for Proposal approved on July 8, 2009, shall be construed as a waiver or other limitation of its sovereign immunity as described in Ark. Code Ann. §23-115-208. Any claims or in contract or tort shall be against the ALC shall be presented in accordance with that subchapter of the Arkansas Scholarship Lottery Act.

ALC Response to Page 24 Question 1 Please refer to the Arkansas Lottery Commission Major Procurement Rules and the Arkansas Scholarship Lottery Act as codified in Ark. Code Ann. §23-115-101 and §6-85-201.

ALC Response to Page 24 Question 2 The ALC will act pursuant to the laws of the State of Arkansas, specifically the Arkansas Freedom of Information Act codified as Ark. Code Ann. §25-19-101 et seq.