

**ALC Response to Questions Submitted by Mangan Holcomb Partners  
Related to ALC RFQ-140001**

4. Regarding requirement of including “a disclosure of the Vendor’s most recent financial report, including any reports on internal control over financial reporting, and the most recent audit report of the Vendor’s operation as a service organization”: Is there a preferred format or report-type for this?

**ALC Response: Please clarify this question.**

5. Regarding requirement of “A Vendor must provide evidence of financial responsibility and stability for performance of a Contract of this magnitude. A Vendor must demonstrate the ability to finance the project described by the Vendor’s submission and must also disclose any outside financial resources that will be utilized”: What is the preferred format for this disclosure?

**ALC Response: Vendor’s complete and satisfactory response to Section 5.2 of the RFQ will suffice to evidence Vendor’s financial responsibility and stability for performance of this contract.**

6. Regarding the required \$500,000 letter of credit:

May the Vendor provide proof of a \$500,000 Line of Credit versus a Letter of Credit?

**ALC Response: The Vendor may provide proof of a \$500,000 Line of Credit, \$500,000 Letter of Credit or a Certificate of Deposit in the amount of \$500,000. The full amount of the Certificate of Deposit should be fully insured by the Federal Deposit Insurance Corporation issued by a solvent bank organized and existing under the laws of this state or under the laws of the United States.**

What stipulates the demand feature in the Letter of Credit?

**ALC Response: ALC has no intention of ever demanding payment of the letter of credit or presenting the letter of credit to a bank for payment of all or part of the \$500,000. The requirement in Section 5.2 of the RFQ, as more fully outlined in ALC’s response to your question 5, is meant to provide proof and assurance to ALC that a Vendor has the financial responsibility and stability to perform this contract.**

Who is responsible for the Letter of Credit 2% fee?

**ALC Response: The vendor, alone, is responsible for payment of any fee(s) associated with procuring a letter of credit, line of credit or Certificate of Deposit.**

7. Please confirm that the letter of credit will be for one-year maturity, commensurate with the one-year contract; if contract renewed, the letter of credit will be renewed as well.

**ALC Response: The Letter of Credit will be for one-year maturity, commensurate with the one-year contract. If the contract is renewed, the letter of credit will need to be renewed as well.**

8. Confirming the “Plan of Action” requested in section 5.11 should include recommendations for how TCG’s \$500,000 media budget should be spent as a part of the strategy (i.e., media mix, negotiation process, etc.)?

**ALC Response: To clarify, TCG’s media budget is not \$500,000. The ALC anticipates that the majority of media placements will be executed by TCG, but their current contract does not grant them exclusive rights to media buying functions (i.e. the ALC is not limited to solely using TCG for media placement services) . Respondents may wish to include media placement strategies, in which the successful vendor will also execute and place directly, as part of responses for section 5.11 Plan for Anniversary Promotion and section 5.11 Plan for Market Specific Strategies; please refer to sections 3.1 B and 3.1. C. Respondents may wish to include recommendations for TCG’s media budget (in relation to media mix, negotiation process, etc) in responses for section 5.11 Plan for Creative, Production & Branding Campaign.**

**Throughout one-year term, the ALC may request that the successful vendor procure media on behalf of the ALC and/or consult the ALC or TCG in the area of media placement as defined in section 3.5 of the RFQ.**

**Correspondence between ALC & Mangan Holcomb Partners Related to Questions  
Submitted by Mangan Holcomb Partners in reference to ALC RFQ-140001**

**From:** David Rainwater [mailto:david@manganholcomb.com]  
**Sent:** Wednesday, May 28, 2014 11:29 AM  
**To:** Jean Block  
**Subject:** Re: LC-RFQ-140001 RFQ Questions

OK. Thank you.

**David Rainwater**  
Principal/Chief Executive Officer

**Mangan Holcomb Partners**  
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On May 28, 2014, at 11:23 AM, Jean Block <[Jean.Block@arkansas.gov](mailto:Jean.Block@arkansas.gov)> wrote:

This is all we need. Thanks.

**From:** David Rainwater [mailto:david@manganholcomb.com]  
**Sent:** Wednesday, May 28, 2014 11:02 AM  
**To:** Jean Block  
**Subject:** Re: LC-RFQ-140001 RFQ Questions

Jean,

I went back to the bank's original note on the question and this was a part of their line of thought. Maybe this will help in the interim while I am waiting to hear back from them.

What stipulates the demand feature in the Letter of Credit? On other words, at what point can ALC demand payment of the Letter of Credit? They will have the sole ability to present the Letter of Credit to the bank, at which time the bank will have to pay ALC \$500M and Mangan will be responsible for the debt.

**From:** David Rainwater [mailto:david@manganholcomb.com]  
**Sent:** Wednesday, May 28, 2014 10:51 AM  
**To:** Jean Block  
**Cc:** Chip Culpepper; Sharon Tallach Vogelphol; Jon Holcomb  
**Subject:** Re: LC-RFQ-140001 RFQ Questions

I have forwarded the question to our banker and asked that the clarification to the question be expedited.

**David Rainwater**

Principal/Chief Executive Officer

**Mangan Holcomb Partners**

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On May 28, 2014, at 10:46 AM, Jean Block <[Jean.Block@arkansas.gov](mailto:Jean.Block@arkansas.gov)> wrote:

Ok. We intend today to post to our website responses to your Letter of Credit questions.

**From:** David Rainwater [mailto:[david@manganholcomb.com](mailto:david@manganholcomb.com)]

**Sent:** Wednesday, May 28, 2014 10:31 AM

**To:** Jean Block

**Cc:** Chip Culpepper; Sharon Tallach Vogelphol; Jon Holcomb

**Subject:** Re: LC-RFQ-140001 RFQ Questions

That question was submitted by our bank for clarification on the parameters of the Letter of Credit requirement. I will need to ask them to better define what information they are looking for and I will get back with you asap.

**David Rainwater**

Principal/Chief Executive Officer

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On May 28, 2014, at 10:16 AM, Jean Block <[Jean.Block@arkansas.gov](mailto:Jean.Block@arkansas.gov)> wrote:

Mr. Rainwater:

At your earliest convenience, please clarify the following question: Regarding the required \$500,000 letter of credit: What stipulates the demand feature in the Letter of Credit?

Jean C. Block

Chief Legal Counsel

Arkansas Scholarship Lottery

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