

**State of Arkansas
ARKANSAS LOTTERY COMMISSION**

Little Rock, Arkansas

SECOND ADDENDUM

TO: Vendors
FROM: Arkansas Lottery Commission
DATE: 06/30/09
SUBJECT: ALC-090002 Online Lottery Game Services and Lottery Gaming System and Services

The following change(s) to the above referenced Request for Proposal have been made as designated below:

- Change of specification(s)
 Additional specification(s)
 Change of bid opening time and date
 Other

CHANGE OF SPECIFICATIONS

- **PAGE 3, PAST PERFORMANCE:** Delete "In accordance with provisions of Arkansas Lottery Commission Major Procurement Rules Section (7)(C)(iii)(g)" and substitute "In accordance with provisions of Arkansas Lottery Commission Major Procurement Rules Section (7)(C)(x)(g)".
- **PAGE 4, SECTION 1.0, PARAGRAPH 3:** Delete "two thousand five hundred (2,500) and may be expanded up to five thousand (5,000)" and substitute "two thousand five hundred (2,500) and may be expanded up to three thousand two-hundred (3,200)".
- **PAGE 6, SECTION 1.6:** Delete "up to three (1) additional times" and substitute "up to three (3) additional times".
- **PAGE 7, SECTION 1.13, PARAGRAPH 1:** Delete "performance security in an amount of at least two percent (2%) of the total proposal price submitted by the Vendor" and substitute "performance security in an amount of Five million dollars (\$5,000,000.00)".
- **PAGE 8, SECTION 1.14, PARAGRAPH 4:** Delete "descriptive information concerning subcontractor's organizational activities" and substitute "descriptive information concerning subcontractor's business organization".
- **PAGE 9, SECTION 1.18, PARAGRAPH 2:** Delete "article, or appliance furnished or used in the performance of the Contract." and substitute "article, or appliance furnished by vendor or used in the performance of the Contract."
- **PAGE 9, SECTION 1.19, PARAGRAPH 3:** Delete "The Successful Vendor grants to the ALC a perpetual, royalty free license" and substitute "The Successful Vendor grants to the ALC an annual, royalty free license".

- **PAGE 9, SECTION 1.19, PARAGRAPH 4:** Delete “The Successful Vendor agrees to grant the ALC non-exclusive intellectual property usage rights for games and properties owned by the Vendor at no cost during the term of the Contract period of this Proposal.” and substitute “The Successful Vendor agrees to grant the ALC non-exclusive intellectual property usage rights for online games and properties owned by the Vendor at no cost during the term of the Contract period of this Proposal.”
- **PAGE 10, SECTION 1.24, PARAGRAPH 1:** Delete “The Vendor shall be bound to confidentiality of any information” and substitute “The Vendor shall be bound to confidentiality of any confidential information”.
- **PAGE 11, SECTION 1.28, PARAGRAPH 1:** Delete: “in the ALC’s sole judgment” and substitute “in the ALC’s reasonable judgment”.
- **PAGE 13, SECTION 2.0, PARAGRAPH 4:** Delete ” two thousand five hundred (2,500) and its retailer base may be expanded to up to five thousand (5,000)” and substitute “two thousand five hundred (2,500) and its retailer base may be expanded to up to three thousand two-hundred (3,200)”.
- **PAGE 15, SECTION 3.0.1.1, PARAGRAPH 1:** Delete “with growth capacity to support up to five thousand (5,000) full service online retailer terminals” and substitute “with growth capacity to support up to three thousand two-hundred (3,200) online retailer terminals”.
- **PAGE 22, SECTION 3.1.5, PARAGRAPH 1:** Delete “with growth capacity to support up to five thousand (5,000) full service online retailer terminals” and substitute “with growth capacity to support up to three thousand two-hundred (3,200) full service online retailer terminals”.
- **PAGE 22, SECTION 3.1.5, PARAGRAPH 2:** Delete “The Successful Vendor will also be responsible for providing all supplies to the ALC” and substitute “The Successful Vendor will also be responsible for providing all online gambling supplies to the ALC”.
- **ATTACHMENT B:** Delete “**Ticket Length:** 4.66” fixed length”.
- **ALC-090002 ONLINE LOTTERY GAME SERVICES AND LOTTERY GAMING SYSTEM AND SERVICES REQUEST FOR PROPOSAL DATED JUNE 19, 2009 AND ADDENDUM TO ALC-090002 ONLINE LOTTERY GAME SERVICES AND LOTTERY GAMING SYSTEM AND SERVICES REQUEST FOR PROPOSAL DATED JUNE 30, 2009:** Delete all references to “Official Price Proposal Sheet” and substitute “Official Online Lottery Game Services and Lottery Gaming System and Services Proposal Price Sheet”.

ADDITIONAL SPECIFICATIONS

- **PAGE 21 & 22, SECTION 3.1.4.:** Insert the following sentence at the end of this section:

“The ALC will consider allowing Vendors to provide Hotline Services at a consolidated call center outside the State of Arkansas. As requested above: Vendors should describe their approach to this alternative function.”
- **PAGE 22, SECTION 3.1.8:** Delete the sentence “Tickets will be a fixed length of

4.66 inches.” and substitute “The ALC will accept proposals which propose tickets having a uniform size or variable length as determined by the Lottery. Each ticket, regardless of length, must contain a preprinted stock number on the back.”

- **PAGE 23, SECTION 3.2:** At the end of Section 3.2, add the following two (2) sentences:

“Two (2) SAS-70 audits are required during the seven year term of the contract. The first SAS-70 AUDIT should be completed on or before the second year anniversary of the contract award date.”

- **SECTION 6. EVALUATION CRITERIA FOR SELECTION:** Add the following after paragraph five (5):

EVALUATION CRITERIA: Lowest Overall Cost Proposal(s) and Earliest Start Date Proposal(s):

The Lowest Overall Cost Proposal will receive the maximum allocated points (Fifty – 50 points). All other proposals will receive a percentage (%) of the points available based on the following formula: The base cost relationship to the lowest overall costs proposal submitted will be allocated according to the following formula: $\text{Lowest Overall Costs Proposed} / \text{Other Overall Proposed Costs Response(s)} \times \text{Fifty (50) Evaluation Criteria Points} = \text{Points Awarded}$.

The Earliest Start Date Proposal asks the Vendor to place such a proposed start date on which they will offer a fully functional system in the appropriate column and comply with all other aspects of the Request for Proposal. The formula will be as follows: $\text{Other Proposed Instant Game Start Date Response(s)} / \text{Earliest Proposed Instant Games Start Date Response(s)} \times 5 \text{ Evaluation Criteria Points} = \text{Points Awarded}$.

A start date of 10/29/09 or beyond will receive zero (0) evaluation criteria points for the Instant Ticket Lottery Game Services Contract.

A start date of 12/14/09 or beyond will receive zero (0) evaluation criteria points for the Online Lottery Game Services And Lottery Gaming System And Services Contract.

Bid opening date and time will remain the same.

The specifications by virtue of this addendum become a permanent addition to the above-referenced Request for Proposal. FAILURE TO RETURN THIS SIGNED ADDENDUM MAY RESULT IN REJECTION OF YOUR BID. BIDS WILL BE ACCEPTED UNTIL THE TIME AND DATE SPECIFIED. THE BID ENVELOPE MUST BE SEALED AND SHOULD BE PROPERLY MARKED WITH THE BID NUMBER, DATE, AND HOUR OF BID OPENING AND BIDDER'S RETURN ADDRESS. IT IS NOT NECESSARY TO RETURN "NO BIDS" TO THE ARKANSAS LOTTERY COMMISSION.

Company: _____

Signature: _____

Date: _____

