



**STATE OF ARKANSAS
ARKANSAS LOTTERY COMMISSION**

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June 27, 2014

Rebeca Whorton, Legislative Committee Analyst
Arkansas Lottery Commission Legislative Oversight Committee
Bureau of Legislative Research
State Capitol, Room 315
Little Rock, AR 72201

RE: Request for Review of ALC Major Procurement Contract Extension

Dear Ms. Whorton:

Please find enclosed information related to the contract for the Advertising, Marketing and Media Request for Proposal. On June 27, 2014, The ALC approved a one-year extension of this contract and also approved execution of this contract subject to review by the Arkansas Lottery Commission Legislative Oversight Committee. As such, I am requesting that the ALCLOC place this contract on its agenda for review on June 30, 2014. The required information for review is as follows:

Commission Contact person:	Jean C. Block
Address:	P.O. Box 3238 Little Rock, AR 72203
Phone:	(501) 683-1893
Facsimile:	(501) 683-1878
Electronic Mail:	jean.block@arkansas.gov
Contract:	Advertising, Marketing and Media Services
Date RFP Issued:	July 15, 2009
Date Notice of Intent to Award Issued:	August 5, 2009

1. The following documents and information are provided below and in the form of an electronic copy of a Bid Proposal from Communications Group, to the Arkansas Lottery Commission:

- A. A copy of the final contract, Official Proposal Price Sheet along with Attachment B (Cost Schedule), proposed Term Contract Award and all exhibits, statements of work (including statement of services, goods, equipment, and costs), or other attachments to the contract. **(Note: with the exception of the Term Contract Award form, which is attached to this letter for your review, the original RFP and the vendor's Proposal constitute the final contract. All requested information is included in the electronic copy and hard copy provided);**
- B. A draft copy of the minutes of the meeting at which the Commission authorized the Intent to Award the final contract is attached hereto;
- C. An evaluation summary containing the following items is attached hereto:
 - i. Names and addresses of all bidders
 - ii. Evaluation points for all bidders
 - iii. Description of why the contract was awarded to this vendor.
- D. A copy of the successful vendor's bid proposal, which is the same as that provided under (A.) above is included in hard copy form and electronic copy;
- E. The ALC Intent to Award contract, which is attached hereto, was posted on the ALC webpage on August 5, 2009.
 - i. As this is a major procurement contract that has been competitively bid by the Commission, any protest must be filed within five (5) business days after the Commission's issuance of a notice of intent to award such major procurement contract is posted, published, or otherwise made publicly available;
 - ii. Gary Lay, on behalf of GWL Advertising, Inc., filed a protest on August 3, 2009, related to "exclusionary qualifiers" contained in the Advertising, Marketing and Media RFP. The protest was dismissed by letter from the Director on August 6, 2009. A copy of the protest letter and the dismissal are attached hereto as Exhibit "B."
- F. The Commission, based on the disclosures provided by the vendor, has not requested a state and federal background check be conducted on the corporation, its officers, directors or each stockholder of more than ten (10%) interest in the corporation. Further, the due diligence investigation conducted by the Commission under § 23-115-501 on the vendor reveals no information that disqualifies the vendor under any law or any rule of the Commission;
- G. Please see the description of the vendor's compliance with the Commission's minority-owned and female-owned business program under § 23-115-401 as attached hereto in the Vendor's proposal in both electronic form and hard copy;

H. The vendor's responses to the disclosures required under § 23-115-501 are attached hereto in electronic form and hard copy form under Section 5 of the vendor's bid proposal.

2. The Arkansas Lottery Commission agrees to notify the Legislative Oversight Committee if any of the conditions under § 23-115-503 arise during the thirty (30) days following the filing of this contract with the Legislative Oversight Committee.

If you have any questions, please do not hesitate to contact my office.

Sincerely,

A handwritten signature in black ink, appearing to be 'Bishop Woosley', with a large, stylized loop at the end.

Bishop Woosley
Director

enclosures

cc: John C. "Smokey" Campbell III, Chairman, Arkansas Lottery Commission

MINUTES
ARKANSAS LOTTERY COMMISSION
Wednesday, August 5, 2009
1:30 p.m.
Legends Room
Jack Stephens Center
University of Arkansas at Little Rock

Arkansas Lottery Commissioners present were Commissioners Ray Thornton, Chairman; Dianne Lamberth, Vice Chairman; George Hammons; Mike Malone; Ben Pickard; and Patty Shipp; with Commissioners Susan Ward-Jones; and Joe White present by telephone.

Arkansas Scholarship Lottery staff in attendance: Director Ernie Passailaigue; David Barden, Vice President Gaming Operations; Ernestine Middleton, Vice President Administration; Julie Baldridge, Bridgette Frazier, Bishop Woosley, Patricia Vick and Sarah Thomas.

Bureau of Legislative Research staff present: Marty Garrity, Assistant Director, Legal Division; Estella Smith, Administrative Analyst; Kendra Drone, Secretary; and Patrick Ralston, Legislative Oversight Committee staff.

The meeting was called to order by Chairman Thornton, who introduced UALR Chancellor Joel Anderson, praising him as one of the great academic leaders of Arkansas. Chancellor Anderson welcomed the Commission to the UALR campus, asking the members to spend time looking at the remarkable changes and growth of UALR and urging them to attend the Trojans basketball games played in the Stephens Center, where the meeting was taking place. He noted proudly that UALR is a comprehensive University with 35 master's programs and six doctoral degrees, along with the juris doctorate degree at the UALR Bowen School of Law. He said he was

looking forward to the Lottery Scholarships that would meet the educational needs of Arkansas citizens. He commended the Commissioners for their dedication and hard work and said the educational institutions of Arkansas and their students and prospective students look forward to the fruits of the Commission's labor.

Minutes, July 29, 2009

The minutes of the July 29, 2009, meeting were reviewed and approved unanimously after a motion by Commissioner Shipp and a second by Commissioner Malone.

Permanent Promulgation of Arkansas Scholarship Lottery Operational Rules

Commissioner Thornton pointed out that Commissioner Derrick Smith had worked tirelessly with ASL Attorney Bridgette Frazier to formulate and write both these rules and the rules to be discussed in the next order of business. Director Passailaigue recognized Ms. Frazier, who explained that every lottery has operational rules to regulate the conduct and operation of lottery games. They cover draw integrity, player error, how to determine ticket validity, whether a debt is owed to the state, consumer complaints and other such things. Given the ASL timeline, Ms. Frazier asked that the Commission authorize these rules be put into place, which allows a 30 day public comment period. Ms. Frazier further stated that she had spoken with Commissioner Smith, and following the 30 public comment day period, the Legal Committee would meet and report the permanent rules back before the Commission for review and approval. Upon a motion by Commissioner Malone, a second by Commissioner Hammons, the Commission approved the Permanent Promulgation of ASL Operational Rules unanimously.

Emergency Promulgation of Rules for Claims in Contract and in Torts and Authorization for Permanent Promulgation

Ms. Frazier said that an emergency exists because these rules cover the procedure to handle any dispute with any party that enters into a contract with the Commission. Ms. Frazier stated that Commissioner Smith feels very strongly that these rules be adopted

before the Commission enters into any contract with a vendor. The scope of the rules covers any dispute involving a contract, such as a misrepresentation, a mistake or any tortuous act, such as conversion of trade secrets or conspiracies. She said the rules also contain definitions and reaffirm that there is no waiver of sovereign immunity; and that they set forth procedures for prehearing negotiations, which include a detailed timetable for action. The rules include the procedures for conducting a negotiation and negotiating a settlement agreement. Further, the rules provide time for the Commission to delay the process if necessary, require all dispute hearings to be open to the public and press, and define the appeal process. Commissioner Malone asked if there is a difference between these rules and the procurement rules. Ms. Frazier replied that these rules require neither a bond nor subpoena power. After these rules are approved, the Commission would end up with four different sets of rules. By motion of Commissioner Malone, seconded by Commissioner Thornton, the emergency promulgation was approved unanimously. By motion of Commissioner Malone, seconded by Commissioner Lamberth, the permanent promulgation was approved unanimously.

Online Contract Execution Pending Legislative Oversight Committee Review

Director Passailaigue recognized Mr. Woosley to discuss the Execution of the Online Contract, pending Legislative Oversight Committee (LOC) review. Mr. Woosley stated reminded the Commission that last week they unanimously passed the Online Contract Intent to Award. The LOC informed the Commission that they would review the Online Contract when the Commission had formally passed a resolution to Execute and Award the Contract. Therefore, the Commission needed to proceed to adopt the motion of Execution before the LOC would conduct its review. Commissioner Pickard moved approval of the Execution of the Online Contract, pending LOC review, which was seconded by Commissioner Hammons. Commissioner Lamberth inquired whether this was simply a change of wordage to add "pending LOC review." Mr. Woosley responded that this would add Commission approval to execute the Contract, pending LOC review. Commissioner Malone asked what the LOC review entailed and whether

the Contract award could be executed by the Commission with this contingency attached. Mr. Woosley answered in the affirmative and stated this was the guidance provided by the LOC. Further, Mr., Woosley indicated the Oversight review process is defined in the statute, that a major procurement contract must be filed with the LOC, and the LOC would conduct a review, and then issue an opinion within 30 days, based upon its review of the documentation. Commission staff was provided guidance on the mechanics of this process on July 31st and supplemented on August 3rd, by the LOC. Commissioner Malone inquired that, if this resolution was passed as worded, whether this would be the Commission's final action necessary to award the Online Contract; and, Mr. Woosley answered affirmatively. Commissioner Shipp asked if this would preclude any further contractual negotiations between the Commission and the Successful Vendor; Mr. Woosley stated that there would be a signing of the contract, which would include a satisfaction of the bond requirement. Mr. Passailaigue stated that the Staff is satisfied with the major elements of the Successful Vendor's proposal. The motion was unanimously approved.

Instant Ticket RFP Intent to Award and Execution Pending LOC Review

Mr. Woosley was recognized to discuss a Staff proposal for the Commission to adopt a resolution of both Intent to Award and Execution of the Instant Ticket Contract, pending LOC review. Mr. Woosley directed the Commission's attention to the Executive Summary, the Evaluation Scoring Spreadsheet, and the Official Price Proposal Sheet submitted by the Vendor that achieved the highest number of points on the RFP's Evaluation Criteria, Scientific Games International (SGI). Mr. Woosley also noted that SGI's Official Price Proposal Sheet offered the Commission a percentage rate of 1.75, the lowest percentage rate proffered by the three vendors that bid on the Instant Ticket RFP. Mr. Woosley directed the Commission's attention to a comparison of Instant Ticket vendors and prices prepared by *LeFleur's* Magazine, which may be helpful in the deliberations of the Commission. Mr. Woosley stated that SGI was ranked number one of the three vendors submitting proposals on the Instant Ticket RFP, based upon the points awarded by the Evaluators selected to review the proposals. It was Staff's

recommendation that the Commission approve both the Intent to Award and also Execution of a Contract with SGI, based on its receiving the highest number of points. Commissioner Hammons asked about the evaluation process; Mr. Woosley conducted an in depth discussion of the mechanics of the evaluation criteria, the relationship to the RFP and the awarding of points, noting a scoring grid was utilized by the Evaluators that referenced back into the RFP. Commissioner Hammons then asked whether there was evidence of minority-owned business participation proposed by the vendors and Mr. Woosley stated that this element was specifically and thoroughly scored by the Evaluators in each proposal submitted. Commissioner Hammons further inquired whether the cost element was a driving factor in vendor ranking and Mr. Woosley pointed to the fact that cost was weighted at 50 percent of the Evaluation Criteria pursuant to the RFP; therefore, cost was a significant element of the scoring and ranking of each vendor. Mr. Woosley indicated that the Lottery Scholarship Act's intent was to maximize revenues and, therefore, cost was deemed a significant factor in the RFP approved by the Commission. The Director pointed out that three world recognized vendors bid on the contract, and that three experts (the Evaluators) – one with marketing skills, one with IT skills, and one with security skills – had combed through the bids and prepared a thorough, objective assessment of each proposal. He said that the process was thorough, fair and impartial and the rankings reflected the appropriate point totals awarded to the vendors. Mr. Passailaigue reminded the Commission that the RFP provided for a secondary Instant Ticket Vendor, noting that the Commission may select up to seven games annually from this source and therefore, it likely the ASL would actually be doing business with one of the two unsuccessful vendors. The Director further emphasized cost was significant and that there must be integrity of the process to assure that the Commission maintain high standards. Attention was called to the *LeFleur's* Instant Ticket statistics, reflecting that SGI was a recognized leader in the Instant Ticket business for lotteries across the United States. Mr. Passailaigue stated that one sentence in the RFP was modified to give the Arkansas Scholarship Lottery access to a vendor's online games royalty-free, and pointed to the absence of that one sentence in South Carolina's Instant Ticket RFP,

resulting in additional cost to the state of \$500,000 a year for seven years, for only two online games. The Director said the savings brought by this one sentence was a lesson learned from South Carolina that would potentially save the ASL significant money. He said that the early startup date provided by SGI (October 1) gave him confidence that SGI could be ready by September 28 and be a part of that early startup. He recommended that they move forward with the Motion discussed previously by Mr. Woosley.

Before the vote, the Director made an announcement that Jill Thayer, a Bureau of Legislative Research attorney who provided invaluable assistance to the Commission in drafting the Online and Instant Ticket RFPs, had this week given birth to a baby boy named Benjamin Grant Thayer. Mr. Passailaigue said he took flowers to the hospital on behalf of the Commission and gave her credit for the exemplary difference she had made in the process.

Commissioner Malone asked about the mechanics of the evaluation formula and Mr. Woosley explained the mathematical process of computing the cost and early start up date into a numeric score.

A motion was made by Commissioner Hammons and seconded by Commissioner Pickard for the approval of the Intent to Award of the Instant Ticket Contract and the Contract Execution, pending review by the LOC. The vote was unanimous to approve the Intent to Award and Execution.

Advertising RFP Intent to Award and Execution Pending LOC Review

Commissioner Thornton stated that although his participation in the Advertising and Marketing RFP would not be a violation of statutory law, he would recuse himself from any discussion or vote on this matter, because of prior relationships with the Vendors that were under consideration. He then relinquished the chair to Vice Chairman Lamberth, who assumed the Chairmanship temporarily.

Mr. Woosley called the Commission's attention to the evaluation scores and executive summary of the Communications Group, along with the Official Proposal Sheet.

Mr. Passailaigue elaborated that the RFP was published on July 15 by the Commission, with a number of criteria—both subjective, to be scored by evaluators and objective, scored by a mathematical formula. Prospective vendors were offered an opportunity to ask questions and receive answers. Under the Procurement Rules adopted by the Commission, a vendor has the opportunity to protest the RFP process up until the date of the bid opening. Once the bids are open, those rights of protest of the RFP process lapse. Mr. Woosley affirmed the Director's statement. The bid closing was July 31st at 4 p.m. and six firms submitted proposals. Mr. Woosley then reviewed all six bids for compliance with the criteria outlined in the RFP. There had been no protest filed of the process before the bid opening. There were two firms deemed responsive and four firms deemed nonresponsive, based upon the criteria outlined in the RFP. Further, the Director selected four evaluators, all Arkansas residents and ASL employees, who had demonstrated skills in the field of advertising and marketing. This fact was pointed out to the Commission because he heard that a firm from South Carolina may partner with a vendor submitting a proposal and the Director wanted to make it clear that no one employed by the Commission from South Carolina would have anything to do with the evaluation of the Advertising and Marketing RFP proceedings.

As was the case in the other RFPs covering the Online and Instant contracts, the Commission developed a plan to award points based on subjective criteria (Evaluators reviewing the documents submitted by the Vendor and relating that material to the RFP specifications) and objective criteria (points assigned by arithmetical calculation based upon the cost criteria outlined in the RFP). Commissioner White (by telephone) stated he was unable to understand Mr. Woosley's explanation of the reasons four bids were found nonresponsive. Mr. Woosley explained that the RFP required vendors to provide specific responses, including documentation, to the specifications approved by the Commission. Four vendors failed to provide the appropriate documentation required by the RFP; specifically, three years of financial statements audited by an independent accounting firm which resulted in vendor net income of at least \$300,000 or more in two of the three prior years. Also, one vendor failed to sign an addendum, which was a requirement. Director Passailaigue addressed the issue, saying that in the lottery

business, there must be a high standard of integrity in the procurement process, in order that the people of Arkansas can have confidence in the awarding of major contracts. Audited financial statements provide assurance to the Commission and the public that a respected, independent third party has formed an opinion as to the vendor's financial condition and results of operations. It addresses issues such as, is a vendor a viable entity able to administer a multi-million dollar, annual media campaign.

Commissioner Ward-Jones asked what date the four bidders were told that their proposals had been deemed nonresponsive. Mr. Woosley said they were told Sunday morning, after a review stretching from Friday at 4 p.m. to Sunday morning.

Commissioner Malone inquired about the organizational chart presented by one vendor submitted in the Executive Summary provided to the Commission. Mr. Barden discussed the relationship of the skill sets incorporated in the RFP criteria and the aforementioned organizational chart, and how the Staff would interact with the vendor to acquire the requisite level of services.

Mr. Gary Lay, Owner of GWL Advertising and a vendor deemed nonresponsive to the RFP bid requirements, asked to address the Commission. Mr. Lay stated that a formal protest had been filed by his firm and that he had visited with Mr. Woosley. He said that he had owned the business for 20 years and that he had sought a low net income because of taxation. He further stated that his business did not need an audit since he is the sole owner of his Company, has no debt and he had furnished his firm's unaudited financial statement prepared by a CPA. He said that his Company's proposal had been eliminated before it was reviewed, as were the proposals of the other three vendors who were deemed nonresponsive. Mr. Steve Jacuzzi, GWL President, noted that RFPs in other states did not use net income as a qualifier. Commissioner Malone asked whether the staff received questions prior to the bid opening. Mr. Woosley affirmed that there were questions submitted by vendors regarding specifications of the RF prior to opening the bids; however, the Procurement Rules clearly state that any dispute regarding the bid process must be filed before the bid opening. Mr. Passailaigue commented that he realized that the Arkansas RFP may be different from RFPs issued previously by other states, but in light of the current

financial crisis, the economic conditions have changed and the resultant expectations have also changed, in order to protect the public. The Director further stated that net income and working capital are important considerations in gauging the financial health of a business, as many companies generate substantial sales, but are not profitable. Commissioner Lamberth said that her personal corporation has audited financial statements every year as a requirement of their business and that the bank which she serves on as a board member also requires audited financial statements from borrowers. She said she wanted to go on the record that she thinks it is imperative that this half-billion dollar enterprise, such as the ASL, require audited financial statements. Commissioner Shipp moved and Commissioner Pickard seconded a motion to approve the Advertising and Marketing Intent to Award and Execution of a Contract with the Communications Group, pending LOC review. The motion received passed unanimously.

Other Business

Commissioner Thornton resumed the Chair at the request of Commissioner Lamberth. He then recognized Commissioner Lamberth, who said that the Arkansas Building Authority had completed work with Union Plaza for permanent space for ASL headquarters and had signed a contract. The contract could be delivered to the ASL office by Thursday morning. She said that Mr. Passailaigue was authorized to sign the contract. Commissioner Malone asked about the terms, and Commissioner Lamberth reported that the terms were the same with an early out, with three renewals of the six year contract. The only change involved the early startup, permitting the Staff to move forward. By motion of Commissioner Lamberth, second by Commissioner Ward-Jones, Mr. Passailaigue was asked to review and sign the headquarters lease contract.

Commissioner Lamberth stated that the Arkansas Scholarship Lottery Commission had worked diligently, meeting up to three times some weeks to move the process forward responsibly. Commissioner Lamberth stated she had received letters asking what she makes, and she responded 42 cents a mile and it was her view that Commissioners serve because of the desire to improve the quality of life for the people of Arkansas and

are excited at the opportunity to meet a September 28 startup goal. Commissioner Lamberth noted the compact timeframe of this early startup and strongly encouraged the LOC to be mindful of these date(s) as it schedules the review of the major procurement contracts, because time is of this essence. She further observed that a delay could push back the targeted startup date of September 28 and that may mean fewer scholarships available.

Top Lottery Talent Makes a Difference

Commissioners Thornton and Lamberth called to the Commission's attention to the current issue of *Arkansas Business*, published August 3, 2009, to a Letter to the Editor from Paul Jason, CEO of the Public Gaming Research Institute of Kirkland, Washington, and titled "Top Lottery Talent Makes a Difference," which read as follows:

"The question of salaries for the Employees of the Arkansas lottery has become a flash point for controversy.

"The right to challenge the decisions of our political leaders is one of our most cherished freedoms. Thus, the perfectly justifiable question: Why should employees of the state lottery be paid as much as they are?

"The answer is that the salaries are an investment that yields a higher Return on Investment than any other lottery expenditure, hands down. As Gordon Medenica, director of the New York lottery, puts it, 'The critical insight for understanding lottery economics is realizing that it is not, for the most part, a cost-driven business. Revenue growth trumps all.

"That is to say, a relatively small difference in top-line revenue produces a quite dramatic difference in the funds available to support good causes like education. For example: If 33 percent of the revenue goes to support education, and an effective

management team increases sales just 10 percent, from \$300 million to \$330 million, that's an additional \$10 million in net funds going toward education per year.

"How does a lottery get that extra 10 percent? Top management talent. The difference between top management talent and competent management adds up to many millions of dollars in net funds. It does cost more money to acquire this top talent, but it's worth it. Management makes all the difference.

"In Ernie Passailaigue, the Arkansas Lottery Commission has hired one of the most accomplished lottery executives in the United States. He started the South Carolina Education Lottery in 2001 and served as its executive director for the past eight years. He executed a large-scale conversion in lottery terminals and central system just last year, increasing the state's profits and making the lottery even more efficient. Financial performance metrics in South Carolina have been among the best in the nation (with the lottery's administration expensis held at 4.7 percent within a U.S. range of 2.6 percent to 19.1 percent for non-video lottery states).

"Ernie Passailaigue is as good as it gets, and the difference he will bring in lottery performance will result in many millions of additional dollars per year for Arkansas education programs."

Commissioner Lamberth and Commissioner Thornton asked that the letter be included in the minutes.

Commissioner Thornton said he believes that Arkansas should always aspire to be the best and has been dismayed by the criticism directed at some people because they are the best at what they do. He further stated he wants to see scholarships for the young people of Arkansas, many of whom in the past have not been able to attend college, which impacts their job prospects and potentially requiring them to move out of state to earn a livelihood.

Director Passailaigue thanked the Commissioners and noted that there is no "I" in team. He said that Arkansas people had been welcoming, had made the little group from South Carolina feel right at home, and he was happy to be Arkansan. The Director further stated that he was confident the Commission and Staff will be able to satisfy the requirements of the LOC in a timely manner to meet the September 28th startup date and that everyone has one common goal, to provide as much financial assistance to the young people of Arkansas, while at the same time maintaining the vision of running a world class lottery.

Next Commission Meeting

Commissioner Thornton thanked Chancellor Anderson for their hospitality today and noted that UALR would once again make available facilities for next week's August 12 all-day meeting at the UALR Bowen School of Law. He thanked Commissioner Pickard for planning the session with the Higher Education Department concerning the required scholarship application process at 10 a.m., followed by a box lunch and the afternoon session beginning at 1 p.m. Commissioner Malone said that he would need to call in, and Commissioner Thornton said that would be arranged. He thanked the Commissioners for their attendance and work.

There being no further business, the meeting was adjourned.

**AGREEMENT FOR CONTRACTUAL SERVICES FOR ADVERTISING,
MARKETING AND MEDIA SERVICES**

THIS AGREEMENT dated effective as of August 18, 2009, by and between the Arkansas Lottery Commission ("Lottery"), P.O. Box 3238, Little Rock, AR 72203 and The Communications Group, LLC. ("TCG"), 400 W. Capitol, Suite 1391, Little Rock, AR 72201, witnesses that the parties have made the agreements set forth below:

RECITALS

WHEREAS, the State of Arkansas has, pursuant to Arkansas law, established the Lottery, the Arkansas Lottery Commission ("ALC") and authorized the Executive Director of the ALC ("Director") to enter into contracts for the operation and promotion of the Lottery; and

WHEREAS, the Lottery issued a Request for Proposal for Advertising, Marketing and Media Services, Request for Proposal Number ALC-09-0004, dated July 15, 2009, with a proposal opening date of July 31, 2009 and a subsequent addendum dated July 22, 2009 ("RFP") for the procurement of Advertising, Marketing and Media Services ("Services"); and

WHEREAS, upon evaluation of the proposals submitted in response to the RFP, the Lottery determined that the TCG proposal dated July 31, 2009, ("Proposal") met or exceeded each of the requirements of the RFP and was the Successful Vendor pursuant to the Lottery's competitive proposal process; and

WHEREAS, based on in-depth evaluations of TCG, the Lottery desires to enter into a contractual services agreement with TCG to provide Advertising, Marketing and Media Services; and

WHEREAS, TCG desires to enter into such an agreement; then

NOW, THEREFORE, in consideration of the above premises, and the mutual promises set forth below, and subject to compliance with Arkansas Law, the Lottery and TCG, with this agreement (the "Agreement"), hereby make the following agreements:

AGREEMENTS

1. Contract Elements and Incorporations by Reference and Order of Priority

The contract elements ("Contract Elements"), which are incorporated by reference, and the order of priority shall be as follows;

- a. The RFP, (Exhibit A);

- b. The ALC's prior clarifications of and attachments and addenda to the RFP, (Exhibit B);
- c. TCG's proposal, (Exhibit C);
- d. Any Purchase Orders issued pursuant to this agreement, (Exhibit D);
- e. Any Certificates of Insurance or Performance Bonds required pursuant to this agreement, (Exhibit E);
- f. Official Proposal Price Sheet, Attachment B (Cost Schedule) and Attachment C (Supplemental Pricing Information) (Exhibit F);
- g. Any future addenda, modifications or amendments to the contract which may be agreed to in writing between the parties (Exhibit G); and
- h. Arkansas Lottery Commission Rules for Claims in Contract or Tort (Exhibit H).

2. Term of Contract: Five (5) years from date of award, with an option for renewal up to three (3) additional times in one (1) year increments or a portion thereof.

3. Terms of Compensation: Advertising, Marketing and Media Services pricing for TCG's proposal is located in TCG's Official Proposal Price Sheet, Attachment B (Cost Schedule) and Attachment C (Supplemental Pricing Information). The attached pricing information was offered by TCG in response to the RFP. Prior to providing or purchasing any goods or services contemplated under this Agreement, TCG must receive written authorization in the form of Purchase Order from the ALC's Vice-President of Gaming, or his or her designee as set forth in Section 3.2 of the RFP. The Purchase Order must contain the information set forth in that Section 3.2.

4. Specified, Invited and Offered Options and Pricing - The Lottery may choose, during the Term or any renewals thereof, to acquire some or all of the options contained in the Contract Elements. The parties agree that the pricing as set forth in the Exhibit F shall be applicable for the following items or other items contained in the Contract Elements.

Additionally, goods and services not specifically identified within Exhibits A, B and C and of a nature similar to those provided or identified with lottery games may also be procured or provided by the vendor at the Lottery's request and approval. The Lottery is solely responsible for all cost associated with such goods and services provided pursuant to this section. All cost will be provided as a pass through charge at net cost, without mark up.

Unless otherwise negotiated by the parties, the compensation to be paid for all options offered by TCG and chosen by the Lottery, which are not specifically identified herein, will be calculated based on the Official Proposal Price Sheet, Attachment B (Cost Schedule) and Attachment C (Supplemental Pricing Information) submitted by TCG in connection with its Proposal and addendums thereto.

5. Additional Covenants

a. It shall be a breach of ethical standards for a person to be retained, or to retain a person, to solicit or secure a state contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, except for retention of bona fide employees or bona fide established commercial selling agencies maintained by the contractor for the purpose of securing business. TCG hereby covenants and agrees that no person shall

(i) be excluded from participation in, or be denied benefits of, this Agreement, or
(ii) be excluded from employment, denied any of the benefits of employment or otherwise be subjected to discrimination on the grounds of handicap or disability, age, race, color, religion, sex, national origin or ancestry, or any other classification protected by federal, Arkansas state constitutional, or statutory law. TCG agrees, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

b. TCG further agrees to maintain documentation for all charges against the Commission under this Agreement or any modifications or amendments thereto. The books, documents, papers, accounting records, and other evidence pertaining to products and/or services to be provided or performed or money received under this Agreement:

(i) shall be maintained for a period of five (5) full years from the date of the final payment; and

(ii) shall be subject to audit or inspection at any reasonable time and upon reasonable notice by the Commission or its duly appointed representatives. TCG agrees to make such materials available at its offices, and copies thereof shall be furnished to the Commission or its duly appointed representative by TCG, at no cost to the Commission or its duly appointed representative, if requested by the Commission or its duly appointed representative. Such records shall be maintained in accordance with any applicable provisions of generally accepted accounting principles (or other applicable accounting principles or policies) and any other applicable procedures established by the Commission from time to time.

c. TCG and the Lottery shall be bound to confidentiality of any information that its employees may become aware of during the course of performance of contracted services. Consistent and/or uncorrected breaches of confidentiality may constitute grounds for cancellation of the Contract.

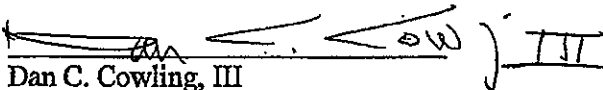
d. TCG represents and warrants that its performance under the Contract will not knowingly infringe any patent, copyright, trademark, service mark, or other intellectual property rights of any other person or entity and that it will not constitute the unauthorized use or disclosure of any trade secret of any other person or entity.

e. The parties further agree that any and all disputes which may arise from this Contract shall be governed and resolved under the Arkansas Lottery Commission Rules for Claims in Contracts or Torts.

IN WITNESS WHEREOF, the parties have executed this Contractual Services Agreement on this 18 day of August, 2009.



Ernie Passailaigue
Arkansas Lottery Commission
Executive Director



Dan C. Cowling, III
The Communications Group
President

Evaluation Summary

To: Arkansas Lottery Commission Legislative Oversight Committee
C/O Patrick L. Ralston, Legislative Committee Analyst
Arkansas Lottery Commission Legislative Oversight Committee
Bureau of Legislative Research
State Capitol, Room 315
Little Rock, AR 72201

From: Arkansas Scholarship Lottery
Bishop Woosley, Director of Procurement
500 President Clinton Avenue, #215
Post Office Box 3238
Little Rock, AR 72203-3238
(501) 683-1890

Contract: Advertising, Marketing and Media Services

Date RFP Issued: July 15, 2009

Date Notice of Intent to Award
Issued: August 5, 2009

Names and addresses of all bidders:

The Ramey Agency, LLC
425 W. Capitol
Suite 1530
Little Rock, AR 72201

Craig Douglass Communications
P.O. Box 7648
Little Rock, AR 72207

The Natural Brand Co.
1307 Barrow Road
Little Rock, AR 72205

Exclaim Media
806 S. Izard Street
Little Rock, AR 72201

GWL Advertising, Inc.
P.O. Box 21468
Little Rock, AR 72221

Communications Group
400 W. Capitol
Suite 1391

Little Rock, AR 72201

Evaluation points for all bidders:

Communications Group received 93.1 evaluation points

The Ramey Agency received 86.4 evaluation points.

All other bidders submitted proposals which were deemed as non-responsive and were not evaluated.

A spreadsheet of the scores is attached hereto as Attachment "A."

Description of why this contract was awarded to this Vendor:

The proposals of both bidders were reviewed by 4 evaluators on an individual basis and in a group setting over the course of several days. In addition, the bidders were both allowed to make a 40 minute presentation in front of the evaluation committee. At the conclusion of the individual evaluations, group discussions and the 40 minute presentations, the evaluators individually scored the proposals based on the criteria set forth in Section 6.0 of the Advertising, Marketing and Media Request for Proposal. The scores were the product of that intensive evaluation process and the cost proposals submitted by both bidders. Once the scores were tabulated, it was determined that Communications Group received the most evaluation points. As a result, the recommendation to the Arkansas Lottery Commission was to award the contract to the Communications Group. The Arkansas Lottery Commission concurred and voted to award the contract as recommended.

**AGREEMENT FOR CONTRACTUAL SERVICES FOR ADVERTISING,
MARKETING AND MEDIA SERVICES**

THIS AGREEMENT dated effective as of August 18, 2009, by and between the Arkansas Lottery Commission ("Lottery"), P.O. Box 3238, Little Rock, AR 72203 and The Communications Group, LLC. ("TCG"), 400 W. Capitol, Suite 1391, Little Rock, AR 72201, witnesses that the parties have made the agreements set forth below:

RECITALS

WHEREAS, the State of Arkansas has, pursuant to Arkansas law, established the Lottery, the Arkansas Lottery Commission ("ALC") and authorized the Executive Director of the ALC ("Director") to enter into contracts for the operation and promotion of the Lottery; and

WHEREAS, the Lottery issued a Request for Proposal for Advertising, Marketing and Media Services, Request for Proposal Number ALC-09-0004, dated July 15, 2009, with a proposal opening date of July 31, 2009 and a subsequent addendum dated July 22, 2009 ("RFP") for the procurement of Advertising, Marketing and Media Services ("Services"); and

WHEREAS, upon evaluation of the proposals submitted in response to the RFP, the Lottery determined that the TCG proposal dated July 31, 2009, ("Proposal") met or exceeded each of the requirements of the RFP and was the Successful Vendor pursuant to the Lottery's competitive proposal process; and

WHEREAS, based on in-depth evaluations of TCG, the Lottery desires to enter into a contractual services agreement with TCG to provide Advertising, Marketing and Media Services; and

WHEREAS, TCG desires to enter into such an agreement; then

NOW, THEREFORE, in consideration of the above premises, and the mutual promises set forth below, and subject to compliance with Arkansas Law, the Lottery and TCG, with this agreement (the "Agreement"), hereby make the following agreements:

AGREEMENTS

1. Contract Elements and Incorporations by Reference and Order of Priority

The contract elements ("Contract Elements"), which are incorporated by reference, and the order of priority shall be as follows;

- a. The RFP, (Exhibit A);

- b. The ALC's prior clarifications of and attachments and addenda to the RFP, (Exhibit B);
- c. TCG's proposal, (Exhibit C);
- d. Any Purchase Orders issued pursuant to this agreement, (Exhibit D);
- e. Any Certificates of Insurance or Performance Bonds required pursuant to this agreement, (Exhibit E);
- f. Official Proposal Price Sheet, Attachment B (Cost Schedule) and Attachment C (Supplemental Pricing Information) (Exhibit F);
- g. Any future addenda, modifications or amendments to the contract which may be agreed to in writing between the parties (Exhibit G); and
- h. Arkansas Lottery Commission Rules for Claims in Contract or Tort (Exhibit H).

2. Term of Contract: Five (5) years from date of award, with an option for renewal up to three (3) additional times in one (1) year increments or a portion thereof.

3. Terms of Compensation: Advertising, Marketing and Media Services pricing for TCG's proposal is located in TCG's Official Proposal Price Sheet, Attachment B (Cost Schedule) and Attachment C (Supplemental Pricing Information). The attached pricing information was offered by TCG in response to the RFP. Prior to providing or purchasing any goods or services contemplated under this Agreement, TCG must receive written authorization in the form of Purchase Order from the ALC's Vice-President of Gaming, or his or her designee as set forth in Section 3.2 of the RFP. The Purchase Order must contain the information set forth in that Section 3.2.

4. Specified, Invited and Offered Options and Pricing - The Lottery may choose, during the Term or any renewals thereof, to acquire some or all of the options contained in the Contract Elements. The parties agree that the pricing as set forth in the Exhibit F shall be applicable for the following items or other items contained in the Contract Elements.

Additionally, goods and services not specifically identified within Exhibits A, B and C and of a nature similar to those provided or identified with lottery games may also be procured or provided by the vendor at the Lottery's request and approval. The Lottery is solely responsible for all cost associated with such goods and services provided pursuant to this section. All cost will be provided as a pass through charge at net cost, without mark up.

Unless otherwise negotiated by the parties, the compensation to be paid for all options offered by TCG and chosen by the Lottery, which are not specifically identified herein, will be calculated based on the Official Proposal Price Sheet, Attachment B (Cost Schedule) and Attachment C (Supplemental Pricing Information) submitted by TCG in connection with its Proposal and addendums thereto.

5. Additional Covenants

a. It shall be a breach of ethical standards for a person to be retained, or to retain a person, to solicit or secure a state contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, except for retention of bona fide employees or bona fide established commercial selling agencies maintained by the contractor for the purpose of securing business. TCG hereby covenants and agrees that no person shall

(i) be excluded from participation in, or be denied benefits of, this Agreement, or
(ii) be excluded from employment, denied any of the benefits of employment or otherwise be subjected to discrimination on the grounds of handicap or disability, age, race, color, religion, sex, national origin or ancestry, or any other classification protected by federal, Arkansas state constitutional, or statutory law. TCG agrees, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

b. TCG further agrees to maintain documentation for all charges against the Commission under this Agreement or any modifications or amendments thereto. The books, documents, papers, accounting records, and other evidence pertaining to products and/or services to be provided or performed or money received under this Agreement:

(i) shall be maintained for a period of five (5) full years from the date of the final payment; and

(ii) shall be subject to audit or inspection at any reasonable time and upon reasonable notice by the Commission or its duly appointed representatives. TCG agrees to make such materials available at its offices, and copies thereof shall be furnished to the Commission or its duly appointed representative by TCG, at no cost to the Commission or its duly appointed representative, if requested by the Commission or its duly appointed representative. Such records shall be maintained in accordance with any applicable provisions of generally accepted accounting principles (or other applicable accounting principles or policies) and any other applicable procedures established by the Commission from time to time.

c. TCG and the Lottery shall be bound to confidentiality of any information that its employees may become aware of during the course of performance of contracted services. Consistent and/or uncorrected breaches of confidentiality may constitute grounds for cancellation of the Contract.

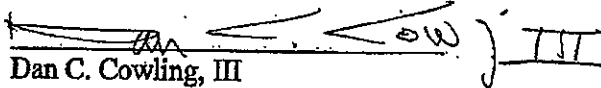
d. TCG represents and warrants that its performance under the Contract will not knowingly infringe any patent, copyright, trademark, service mark, or other intellectual property rights of any other person or entity and that it will not constitute the unauthorized use or disclosure of any trade secret of any other person or entity.

e. The parties further agree that any and all disputes which may arise from this Contract shall be governed and resolved under the Arkansas Lottery Commission Rules for Claims in Contracts or Torts.

IN WITNESS WHEREOF, the parties have executed this Contractual Services Agreement on this 18 day of August, 2009.



Ernie Passailaigue
Arkansas Lottery Commission
Executive Director



Dan C. Cowling, III
The Communications Group
President

State of Arkansas
ARKANSAS LOTTERY COMMISSION

REQUEST FOR PROPOSAL

RFP Number: ALC-090004	Buyer:
Commodity: Advertising, Marketing, and Media Services	Proposal Opening Date: August 5, 2009
Date: July 15, 2009	Proposal Opening Time: 2:30 P.M. CDT

PROPOSALS WILL BE ACCEPTED UNTIL THE TIME AND DATE SPECIFIED ABOVE. THE PROPOSAL ENVELOPE MUST BE SEALED AND SHOULD BE PROPERLY MARKED WITH THE PROPOSAL NUMBER, DATE AND HOUR OF PROPOSAL OPENING AND VENDOR'S RETURN ADDRESS. IT IS NOT NECESSARY TO RETURN "NO BIDS" TO THE ARKANSAS LOTTERY COMMISSION.

Vendors are responsible for delivery of their proposal documents to the Arkansas Lottery Commission prior to the scheduled time for opening of the particular proposal. When appropriate, Vendors should consult with delivery providers to determine whether the proposal documents will be delivered to the Arkansas Lottery Commission office street address prior to the scheduled time for proposal opening. Delivery providers, USPS, UPS, FedEx, and DHL deliver mail to our street address, 500 President Clinton Avenue #215, Little Rock, Arkansas 72201, on a schedule determined by each individual provider. These providers will deliver to our offices based solely on our street address.

MAILING ADDRESSES: 500 President Clinton Avenue #215 Little Rock, Arkansas 72201	PROPOSAL OPENING LOCATION: Arkansas Lottery Commission Offices
TELEPHONE NUMBER: (501) 683-2000	

Company Name: _____

Name (type or print): _____

Title: _____

Address: _____

Telephone Number: _____

Fax Number: _____

E-Mail Address: _____

Signature: _____

USE INK ONLY; UNSIGNED PROPOSALS WILL NOT BE CONSIDERED

Exhibit A

Identification:

*

*

Federal Employer ID Number

Social Security Number

FAILURE TO PROVIDE TAXPAYER IDENTIFICATION NUMBER MAY RESULT IN PROPOSAL REJECTION

Business Designation (check one):	Individual *	Sole Proprietorship *	Public Service Corp *
	Partnership *	Corporation *	Government/ Nonprofit *

GENERAL DESCRIPTION:	Comprehensive Advertising, Marketing, and Media Services
TYPE OF CONTRACT:	Term
BUYER:	
AGENCY P.R. NUMBER	

INVOICE TO:

F.O.B:

MINORITY-OWNED AND FEMALE-OWNED BUSINESS POLICY

Participation by minority-owned and female-owned businesses is encouraged in this and all other procurements by state agencies. "Member of a minority" is defined at Arkansas Code Annotated § 23-115-103(15) as "a lawful permanent resident of this state who is: (A) African American; (B) Hispanic American; (C) American Indian; (D) Asian American; or (E) Pacific Islander American". "Minority-owned business" is defined at Arkansas Code Annotated § 23-115-103(16) as "a business that is owned by: (A) An individual who is a member of a minority who reports as his or her personal income for Arkansas income tax purposes the income of the business; (B) A partnership in which a majority of the ownership interest is owned by one (1) or more members of a minority who report as their personal income for Arkansas income tax purposes more than fifty percent (50%) of the income of the partnership; or (C) A corporation organized under the laws of this state in which a majority of the common stock is owned by one (1) or more members of a minority who report as their personal income for Arkansas income tax purposes more than fifty percent (50%) of the distributed earnings of the corporation". The Arkansas Economic Development Commission conducts a certification process for minority businesses. Vendors unable to include minority-owned business as subcontractors "may explain the circumstances preventing minority inclusion".

"Female-owned business" is defined at Arkansas Code Annotated § 23-115-103(5) as "a business: (A) Whose management and daily business operations are under the control of one (1) or more females; and (B) Either: (i) Individually owned by a female who reports as her personal income for Arkansas income tax purposes the income of the business; (ii) Which is a partnership in which a majority of the ownership interest is owned by one (1) or more females who report as their personal income for Arkansas income tax purposes more than fifty percent (50%) of the income of the partnership; or (iii) Which is a corporation organized under the laws of this state in which a majority of the common stock is owned by one (1) or more females who report as their personal income for Arkansas income tax purposes more than fifty percent (50%) of the distributed earnings of the corporation".

The ALC strongly encourages utilization of small, minority-owned, and women-owned businesses to the greatest extent possible, including subcontractors. ALC will employ staff to assist prospective vendors and retailers with entering into and competing for contracts.

EQUAL EMPLOYMENT OPPORTUNITY POLICY:

In compliance with Section 5 of the Arkansas Lottery Commission Major Procurement Rules, the Office of State Procurement of the Department of Finance and Administration is required to have a copy of the Vendor's Equal Opportunity Policy prior to issuing a contract award. EO Policies may be submitted in electronic format to the following email address: camber.thompson@dfa.arkansas.gov or as a hard copy accompanying the solicitation response. The Office of State Procurement and the Arkansas Lottery Commission will maintain a file of all Vendor EO policies submitted in response to solicitations issued by this office. The submission is a one time requirement but Vendors are responsible for providing updates or changes to their respective policies and of supplying EO policies upon request to other state agencies that must also comply with this statute.

TECHNOLOGY ACCESS FOR THE BLIND

Please reference Section 508 of the federal Rehabilitation Act, 29 U.S.C. 794d and Arkansas Code Annotated § 25-26-201 et seq. The Vendor expressly acknowledges that State funds may not be expended in connection with the purchase of information technology unless that system meets certain statutory requirements, in accordance with the State of Arkansas technology policy standards, relating to accessibility by persons with visual impairments.

Accordingly, the Vendor represents and warrants to the Arkansas Lottery Commission that the technology provided to the Arkansas Lottery Commission for purchase is capable either by virtue of features included within the technology or because it is readily adaptable by use with other technology of:

- Providing equivalent access for effective use by both visual and non-visual means;
- Presenting information, including prompts used for interactive communications, in formats intended for non-visual use; and
- After being made accessible, it can be integrated into networks for obtaining, retrieving, and disseminating information used by individuals who are not blind or visually impaired.

For purposes of this paragraph, the phrase "equivalent access" means a substantially similar ability to communicate with or make use of the technology; either directly by features incorporated within technology or by other reasonable means such as assistive devices or services which would constitute reasonable accommodations under the Americans with Disabilities Act or similar state or federal laws. Examples of methods by which equivalent access may be provided include, but are not limited to, keyboard alternatives to mouse commands and other means of navigating graphical displays, and customizable display appearance.

ACT 157 of 2007 EMPLOYMENT OF ILLEGAL IMMIGRANTS

Pursuant to Act 157 of 2007 (Ark. Code Ann. § 19-11-105), all Vendors must certify prior to award of the contract that they do not employ or contract with any illegal immigrants in its contract with the State.

Vendors shall certify online at:

http://www.arkansas.gov/dfa/procurement/pro_index.html

Any subcontractors used by the Vendor at the time of the Vendor's certification shall also certify that they do not employ or contract with any illegal immigrant. Certification by the subcontractors shall be submitted within thirty (30) days after contract execution.

ARKANSAS LOTTERY COMMISSION MAJOR PROCUREMENT RULES

Vendors are subject to all requirements of the Arkansas Lottery Commission Major Procurement Rules (Attachment A), whether such requirements are specifically set forth in this RFP or not.

ALTERATION OF ORIGINAL RFP DOCUMENTS

The original written or electronic language of the RFP shall not be changed or altered except by approved written addendum issued by the Arkansas Lottery Commission. This does not eliminate a Vendor from taking exception(s) to these documents, but does clarify that the Vendor cannot change the original document's written or electronic language. If the Vendor wishes to make exception(s) to any of the original language, it must be submitted by the Vendor in separate written or electronic language in a manner that clearly explains the exception(s). If Vendor's/Contractor's submittal is discovered to contain

alterations/changes to the original written or electronic documents, the Vendor's response may be declared as "non-responsive" and the response shall not be considered.

REQUIREMENT OF AMENDMENT

THIS RFP MAY BE MODIFIED ONLY BY AMENDMENTS WRITTEN AND AUTHORIZED BY THE ARKANSAS LOTTERY COMMISSION. Vendors are cautioned to ensure that they have received or obtained and responded to any and all amendments to the RFP prior to submission.

DELIVERY OF RESPONSE DOCUMENTS

In accordance with the Arkansas Lottery Commission Major Procurement Rules, it is the responsibility of vendors to submit proposals at the place and on or before the date and time set in the RFP solicitation documents. Proposal documents received at the Arkansas Lottery Commission Offices after the date and time designated for proposal opening are considered late proposals and shall not be considered. Proposal documents that are to be returned may be opened to verify which RFP the submission is for.

INTENT TO AWARD

After complete evaluation of the proposal, the intent to award will be posted on the Arkansas Lottery Commission's website (www.lotterycommission.arkansas.gov/) and/or the legal section of a newspaper of statewide circulation. The purpose of the posting is to establish a specific time in which vendors and agencies are aware of the intent to award. The RFP results will be posted for a period of at least five (5) business days prior to the issuance of any award. Vendors and agencies are cautioned that these are preliminary results only, and no official award will be issued prior to the end of the five-day posting period. Accordingly, any reliance on these preliminary results is at the agency's/vendor's own risk.

The Arkansas Lottery Commission reserves the right to waive this policy. The Intent to Award, when it is in the best interest of the State. Vendors are responsible for viewing the Intent to Award section of the Arkansas Lottery Commission's web site at:
www.lotterycommission.arkansas.gov/.

PAST PERFORMANCE:

In accordance with provisions of the Arkansas Lottery Commission Major Procurement Rules Section (7)(C)(x)(g) a vendor's past performance with the State may be used in the evaluation of any offer made in response to this solicitation. The past performance should not be greater than three (3) years old and must be supported by written documentation on file in the Arkansas Lottery Commission at the time of the proposal opening. Documentation may be in the form of either a written or electronic report, VPR, memo, file or any other appropriate authenticated notation of performance to the vendor files.

EO-98-04 GOVERNOR'S EXECUTIVE ORDER:

Completion of Disclosure Forms located at www.state.ar.us/dfa/procurement/pro_eo9804.html is required by Governor's Executive Order EO-98-04 as a condition of obtaining, extending, amending, or renewing a contract, lease, purchase agreement, or grant award with any Arkansas state agency.

SECTION I. GENERAL INFORMATION

1.0 INTRODUCTION

The purpose of this Request For Proposal (RFP) is to invite responses (Proposals) from Vendors desiring to provide advertising, marketing, and media services for the Arkansas Lottery Commission (ALC). The ALC intends to execute one contract as a result of this procurement (the Contract), if any contract is issued at all, encompassing all of the products and services contemplated in this RFP, and Proposals shall be evaluated accordingly. All Vendors must fully acquaint themselves with the ALC's needs and requirements and obtain all necessary information to develop an appropriate solution and to submit responsive and effective Proposals. Vendors must also acquaint themselves with the ALC's Major Procurement Rules (Attachment A), and adhere to the requirements of those rules throughout this process.

The Arkansas Lottery Commission is an instrumentality of the State of Arkansas. It plans to employ approximately ninety (90) people statewide and plans to staff and operate four (4) prize payment centers, a headquarters located in Little Rock, Arkansas and three (3) district offices by the start-up of instant ticket sales in October 2009. The ALC is committed to maximizing revenues for specific scholarship education programs in Arkansas by providing entertaining lottery products and quality customer service to retailers and players, while maintaining its integrity and the integrity of its games.

1.1 ISSUING AGENCY

The Arkansas Lottery Commission (ALC) is the issuing agency of this RFP. The issuing agency is the sole point of contact in the State for the selection process. Vendor questions regarding RFP related matters should be made in writing through the Director of the ALC. Questions regarding technical information or clarification should be addressed to the Director of the ALC at the ALC Offices.

1.2 SCHEDULE OF EVENTS

Release RFP	July 15, 2009
Written vendor questions due	July 22, 2009
Answers to vendor questions	July 29, 2009
Evaluation of proposals	Approximately 7 days after proposal opening
Intent to Award	Approximately 1 day after evaluation
ASLLOC review	Approximately 7 days
Contract Execution	Approximately 1 day after ASLLOC review

Proposals are due no later than the date and time listed on Page 1 of the RFP.

1.3 CAUTION TO VENDORS

- During the time between the proposal opening and contract award, any contact concerning this RFP will be initiated by the issuing office or requesting entity and not the Vendor. Specifically, the person(s) named herein will initiate all contact.
- Vendors are requested to respond to each numbered paragraph of the RFP.
- Vendors must submit one (1) signed original proposal on or before the date specified on page one of this RFP. The Vendor should submit seven (7) complete copies (marked copy) of the signed RFP response, and two (2) electronic versions (one (1) redacted electronic version and one (1) unredacted electronic version), preferably in MS Word/Excel format, on CD. **Do NOT include any pricing from the Official Proposal Price Sheet on the copies, including the CD. Pricing from the Official Proposal Price Sheet must be separately sealed from the proposal response and clearly marked as pricing information. The electronic version of the Official Proposal Price Sheet must also be sealed separately from the electronic version of the proposal.** Failure to submit the required number of copies with the proposal may be cause for rejection. If the ALC requests additional copies of the proposal, they must be delivered within twenty-four (24) hours of request.
- For a proposal to be considered, an official authorized to bind the Vendor to a resultant contract must have signed the proposal and the Official Proposal Price Sheet.
- All official documents and correspondence shall be included as part of the resultant Contract.
- The ALC reserves the right to award a contract or reject a proposal for any or all line items of a proposal received as a result of this RFP, if it is in the best interest of the ALC to do so. Proposals will be rejected for one or more reasons not limited to the following:

- a. Failure of the Vendor to submit his or her proposal(s) on or before the deadline established by the issuing office;
 - b. Failure of the Vendor to respond to a requirement for oral/written clarification, presentation, or demonstration;
 - c. Failure to supply Vendor references;
 - d. Failure to sign an Official RFP Document;
 - e. **Failure to complete the Official Proposal Price Sheet(s) and include them sealed separately from the rest of the proposal;**
 - f. Any wording by the Vendor in their response to this RFP, or in subsequent correspondence, which conflicts with or takes exception to a requirement in the RFP; or
 - g. Failure of any proposed services to meet or exceed the specifications.
- The Official Price Proposal Sheet is posted and may be downloaded at www.lotterycommission.arkansas.gov/.

1.4 RFP FORMAT

Any statement in this document that contains the word "must" or "shall" means that compliance with the intent of the statement is mandatory, and failure by the Vendor to satisfy that intent will cause the proposal to be rejected. It is recommended that Vendors respond to each item or paragraph of the RFP in sequence. Items not needing a specific vendor statement may be responded to by concurrence or acknowledgement; no response will be interpreted as an affirmative response or agreement to the ALC conditions. Reference to handbooks or other technical materials as part of a response must not constitute the entire response and Vendor must identify the specific page and paragraph being referenced.

1.5 SEALED PRICES

The Official Proposal Price Sheet submitted in response to this RFP must be submitted separately sealed from the proposal response. **Vendors must include all pricing information on the Official Price Proposal Sheet** and must clearly mark said page(s) as pricing information. The electronic version of the Official Proposal Price Sheet must also be sealed separately from the electronic version of the proposal.

1.6 TYPE OF CONTRACT

This will be a term contract for a term of five (5) years from date of award, with an option for renewal up to three (3) additional times in one (1) year increments or a portion thereof.

The ALC will have the option to renegotiate at time of renewal.

1.7 PAYMENT AND INVOICE PROVISIONS

All invoices shall be delivered to the ALC.

The Invoice, Invoice Remit, and Summary must be delivered via paper at no cost to the ALC.

The ALC shall have no responsibility whatsoever for the payment of any federal, state, or local taxes which become payable by the Successful Vendor or its subcontractors, agents, officers, or employees. The Successful Vendor shall pay and discharge all such taxes when due.

Payment will be made in accordance with applicable State of Arkansas accounting procedures upon acceptance by the Agency. The ALC may not be invoiced in advance of delivery and acceptance of any services. Payment will be made only after the Successful Vendor has successfully satisfied the requesting agency as to the reliability and effectiveness of the services as a whole. Purchase Order Number and/or Contract Number should be referenced on each invoice.

The Successful Vendor shall be required to maintain all pertinent financial and accounting records and evidence pertaining to the Contract in accordance with generally accepted principles of accounting and other procedures specified by the ALC. Access will be granted upon request, to State or Federal Government entities or any of their duly authorized representatives.

Financial and accounting records shall be made available, upon request, to the ALC's designee(s) at any time during the contract period and any extension thereof, and for five (5) years from expiration date and final payment on the Contract or extension thereof.

1.8 PROPRIETARY INFORMATION

Proprietary information submitted in response to this RFP will be processed in accordance with the ALC's Major Procurement Rules and all applicable State of Arkansas procurement procedures. Proposals and documents pertaining to the RFP become the property of the State and after proposal opening shall be open to public inspection pursuant to the Arkansas Freedom of Information Act, § 25-19-101 et seq. It is the responsibility of the Vendor to identify all proprietary information and to seal such information in a separate envelope marked as confidential and proprietary.

The Vendor must submit one (1) complete copy of the proposal from which any proprietary information has been removed, i.e., a redacted copy. The redacted copy should reflect the same pagination as the original, show the empty space from which information was redacted, and be submitted on a CD. Except for the redacted information, the CD must be identical to the original hard copy. The Vendor is responsible for ensuring the redacted copy on CD is protected against restoration of redacted data.

1.9 CLARIFICATION OF RFP AND QUESTIONS

If additional information is necessary to enable Vendors to better interpret the information contained in the RFP, written questions will be accepted until the close of business (5:00 PM CDT) on July 22, 2009. Vendor questions submitted in writing will be consolidated and responded to by the ALC. The consolidated written ALC response will be posted on the ALC website on or before the close of business (5:00 PM CDT) on July 29, 2009. Written questions should be sent to the attention of the ALC Director at the ALC Offices.

1.10 BID EVALUATION

The ALC RFP evaluation committee will evaluate all proposals to ensure all requirements are met. The Contract will be awarded on the basis of the proposal that receives the highest cumulative point total as defined in the evaluation criteria.

1.11 ORAL AND/OR WRITTEN PRESENTATIONS/DEMONSTRATIONS

The Vendor may be required to make oral and/or written presentations to comply with the requirement.

The RFP evaluation committee chairperson will schedule the time and location for each demonstration or presentation. All presentations are subject to be recorded.

All expenses associated with the initial demonstration except travel, meals, and lodging for ALC personnel, will be borne by the Vendor.

1.12 PERFORMANCE SECURITY

In order to assure full performance of all obligations imposed on a Vendor by contracting with the ALC, the Vendor will be required to provide a performance security in an amount of at least .05% of the total proposal price submitted by the Vendor within ten (10) working days from date of receipt of the ALC's written notification by mail of its intent to award a proposal. The form of security required shall be a performance bond such as is usually and customarily written and issued by surety companies licensed and authorized to do business in Arkansas or a cashier's/certified check. An irrevocable letter of credit

from an Arkansas bank is also acceptable. The ALC shall award the Contract upon acceptance of the performance security. The performance security should be made out to the ALC and will be on file at the ALC office.

If a Vendor fails to deliver the required performance security, the proposal shall be rejected and the contract shall be awarded to the provider of the next ranked proposal. In the event of a breach of contract, either through quality problems, late delivery, substitutions, non-performance, or other areas within the control of the Vendor, the ALC will notify the Vendor in writing of the default and may assess reasonable charges against the Vendor's performance security. If, after notification of default, the Vendor fails to remedy the ALC's damages within ten (10) working days, the ALC may initiate procedures for collection against the Vendor's performance security.

In the event of default, and in order to achieve the greatest economy for the State, the ALC may choose the next highest ranked Vendor, re-advertise for proposals, negotiate a purchase, or complete any other action consistent with the major procurement rules. The performance security will be released at the end of the contract period.

1.13 PRIME CONTRACTOR RESPONSIBILITY

The Successful Vendor will be required to assume prime contractor responsibility for the Contract and will be the sole point of contact.

The ALC reserves the right to interview the key personnel assigned by the Successful Vendor to this project and to recommend or require reassignment of personnel deemed unsatisfactory by the ALC.

The ALC reserves the right to approve subcontractors for this project and require primary contractors to replace subcontractors that are found to be unacceptable.

If any part of the work is to be subcontracted the Vendor is subject to the provisions of Arkansas Code Annotated § 23-115-501(c), in that the Vendor must disclose the same information for the subcontractor as for itself. Responses to this RFP must include a list of subcontractors, including: firm name and address, contact person, complete description of work to be subcontracted, and descriptive information concerning subcontractor's business organization.

1.14 DELEGATION AND/OR ASSIGNMENT

The Vendor shall not assign the Contract in whole or in part or any payment arising there from without the prior written consent of the ALC. The Vendor shall not delegate any duties under the Contract to a subcontractor unless the ALC has given written consent to the delegation.

1.15 CONDITIONS OF CONTRACT

The Successful Vendor shall at all times observe and comply with federal and State laws, local laws, ordinances, orders, and regulations existing at the time of or enacted subsequent to the execution of this contract which in any manner affect the completion of the work. The Successful Vendor shall indemnify and save harmless the agency and all its officers, representatives, agents, and employees against any claim or liability arising from or based upon the violation of any such law, ordinance, regulation, order, or decree by an employee, representative, or subcontractor of the Successful Vendor.

Vendors may obtain a copy of the ALC's Rules and Procedures at: <http://lotterycommission.arkansas.gov>.

1.16 CANCELLATION

In the event the ALC no longer needs the service or commodity specified in the Contract or purchase order due to program changes, changes in laws, rules, or regulations, relocation of offices, or lack of appropriated funding, the ALC may cancel the Contract or purchase order by giving the Vendor written notice of such cancellation thirty (30) days prior to the date of cancellation and a right to a hearing before the Commission.

1.17 STATEMENT OF LIABILITY

The ALC will demonstrate reasonable care but shall not be liable in the event of loss, destruction, or theft of contractor-owned technical literature to be delivered or to be used in the installation of deliverables. The Vendor is required to retain total liability for technical literature until the deliverables have been accepted by the "authorized agency official." At no time will the ALC be responsible for or accept liability for any Vendor-owned items.

The Successful Vendor shall indemnify and hold harmless the ALC, its officers, directors, agents, retailers, and employees and the State of Arkansas, from and against any and all suits, damages, expenses, losses, liabilities, claims of any kind, costs or expenses of any nature or kind, including, with limitation, court costs, attorneys' fees, and other damages, arising out of, in connection with or resulting from the development, possession, license, modification, disclosure or use of any copyrighted or non-copyrighted materials, trademark, service mark, secure process, invention, process or idea (whether patented or not), trade secret, confidential information, article, or appliance furnished or used by a vendor in the performance of the Contract.

1.18 AWARD RESPONSIBILITY

The ALC will be responsible for award and administration of any resulting contract(s).

1.19 INDEPENDENT PRICE DETERMINATION

By submission of this proposal, the Vendor certifies, and in the case of a joint proposal, each party thereto certifies as to its own organization, that in connection with this proposal:

- The prices in the proposal have been arrived at independently, without collusion and that no prior information concerning these prices has been received from or given to a competitive company; and
- If there is sufficient evidence of collusion to warrant consideration of this proposal by the Office of the Attorney General, all Vendors shall understand that this paragraph may be used as a basis for litigation.

1.20 PUBLICITY

News release(s), media interviews or other publicity by a Vendor pertaining to this RFP or any portion of the project shall not be made without prior written approval of the ALC. Failure to comply with this requirement is deemed to be a valid reason for disqualification of the Vendor's proposal.

The Successful Vendor agrees not to use the ALC's names, trademarks, service marks, logos, images, or any data arising or resulting from this RFP or the Contract as part of any commercial advertising or proposal without the express prior written consent of the ALC in each instance.

1.21 CONFIDENTIALITY

The Successful Vendor shall be bound to confidentiality of any confidential information that its employees may become aware of during the course of performance of contracted services. Consistent and/or uncorrected breaches of confidentiality may constitute grounds for cancellation of the Contract.

The Successful Vendor shall represent and warrant that its performance under the Contract will not infringe any patent, copyright, trademark, service mark, or other intellectual property rights of any other person or entity and that it will not constitute the unauthorized use or disclosure of any trade secret of any other person or entity.

1.22 PROPOSAL TENURE

All Proposals shall remain valid for one hundred eighty (180) calendar days from the Proposal due date referenced on Page 1 of the RFP.

1.23 COST

All charges must be included on the Official Proposal Price Sheets, must be valid for one hundred eighty (180) days following proposal opening, and shall be included in the costing evaluation. The pricing must include all associated cost for the service being bid. **Pricing from the Official Proposal Price Sheet must be separately sealed from the proposal response and clearly marked as**

pricing information. Do not include any pricing from the Official Proposal Price Sheet on the copies, including the CD. The electronic version of the Official Proposal Price Sheet must also be sealed separately from the electronic version of the proposal.

NOTE:

1. The ALC will not be obligated to pay any costs not identified on the Official Proposal Price Sheet.
2. Any cost not identified by the Vendor but subsequently incurred in order to achieve successful operation will be borne by the Vendor.
3. Official Proposal Price Sheets may be reproduced as needed.
4. Vendors may expand items to identify all proposed services. A separate listing, which must include pricing, may be submitted with summary pricing.

1.24 WARRANTIES

- The Successful Vendor shall warrant that it currently is, and will at all times remain, lawfully organized and constituted under all federal, state and local law, ordinances and other authorities of its domicile and that it currently is, and will at all times remain in full compliance with all legal requirements of its domicile and the State of Arkansas.
- The Successful Vendor shall warrant and agree that all services provided pursuant to this RFP and the Contract have been and shall be prepared or done in a workman-like manner consistent with the highest standards of the industry in which the services are normally performed. The Successful Vendor further represents and warrants that all computer programs implemented for performance under the Contract shall meet the performance standards required there under and shall correctly and accurately perform their intended functions on the equipment supplied by the ALC or the Successful Vendor.
- The Successful Vendor shall warrant that it is qualified to do business in this state and shall file appropriate tax returns as provided by the laws of this state.

1.25 ONGOING PERFORMANCE REQUIREMENTS

The ALC may terminate the Contract by the Successful Vendor or its subcontractors under the terms of the Contract if, within ten (10) days after the ALC gives the Successful Vendor written notice specifying a default, the Contractor has not, in the ALC's sole judgment, either cured the default or given adequate assurance that assures the default will not adversely affect the timely implementation of the lottery or its continued operation.

Moreover, the ALC may cancel and terminate the Contract on less than ten (10) days written notice in cases of fraud, failure to disclose information required under this RFP, submission of work product in contravention of the terms of the Contract, refusal to permit inspections authorized by the Contract, and failure to adhere to all security requirements established from time to time by the ALC.

1.26 VENDOR QUALIFICATIONS

The Successful Vendor must, upon request of the ALC, furnish satisfactory evidence of its ability to furnish products or services in accordance with the terms and conditions of this proposal. The ALC reserves the right to make the final determination as to the Vendor's ability to provide the services requested herein.

The Vendor must demonstrate that it possesses the capabilities and qualifications described in Sections 3 and 5, including without limitation the following:

- Be capable of providing the services required by the ALC;
- Be authorized to do business in this state; and
- Complete the cost schedule exactly as shown under Section 4 and Attachment B.

1.27 NEGOTIATIONS

As provided in this RFP and under the ALC's Major Procurement Rules, discussions may be conducted with responsible Vendor who submits proposals determined to be reasonably susceptible of being selected for award for the purpose of obtaining clarification of proposal response and negotiation for best and final offers.

1.28 INDEMNIFICATION – THIRD PARTY CLAIMS

Third party claims are governed by Arkansas Code Ann. § 23-115-208.

1.29 INTELLECTUAL PROPERTY INFRINGEMENT

Intellectual property claims are governed by Arkansas Code Ann. § 23-115-208.

1.30 LICENSES AND PERMITS

During the term of the Contract, the Vendor shall be responsible for obtaining, and maintaining in good standing, all licenses (including professional licenses, if any), permits, inspections and related fees for each or any such licenses, permits and /or inspections required by the State, county, city or other government entity or unit to accomplish the work specified in this solicitation and the contract.

1.31 OWNERSHIP OF DATA & MATERIALS

All data, material and documentation prepared for the ALC pursuant to the Contract shall belong exclusively to the ALC.

SECTION 2. OVERVIEW

2.0 ALC OVERVIEW

Legislation creating the Arkansas Lottery, also referred to as the Arkansas Scholarship Lottery (ASL), and the Arkansas Lottery Commission (ALC), was signed into law on March 26, 2009 (the Arkansas Scholarship Lottery Act, Ark. Code Ann. § 23-115-101 et seq. and § 6-85-201 et seq.). In accordance with that legislation the ALC, for the benefit of the people of Arkansas, issues this Request For Proposals with the clear intent to operate a lottery that provides continuing entertainment to the public, maximizes the revenue generated for the support of higher education scholarships, preserves the integrity and dignity of the process, and accounts to the public and the General Assembly through reports and audits.

The Arkansas Lottery Commission is an independent agency of the State of Arkansas. It plans to employ approximately ninety (90) people statewide and plans to staff and operate four (4) prize payment centers, a headquarters located in the Little Rock and three (3) district offices by the start-up of instant ticket sales on or before October 29, 2009. The ALC is committed to maximizing revenues for the Arkansas Academic Challenge Scholarship Program (AACSP) and other non-lottery education programs in furtherance of the findings and declarations set forth in the Act creating the Arkansas Scholarship Lottery.

The ALC's retailer base at start-up is expected to be approximately two thousand five hundred (2,500) and its retailer base may be expanded to up to three thousand two hundred (3,200) during the term of the Contract. Thereafter, based on subsequent developments and sales, the retailer base may be expanded. The ALC anticipates that convenience store retailers will be the strongest retailer segment, but the ALC will build and expand its retailer base throughout the state, including grocery and chain stores

Additionally, the ALC plans to staff and operate three (3) prize payment centers in addition to the Little Rock headquarters throughout the State of Arkansas.

2.1 ALC OBJECTIVES

The integrity of the Arkansas Scholarship Lottery is essential. The ALC must maintain control over all functions and be assured that they are performed to provide the greatest long-term benefit to the State of

Arkansas, the greatest integrity for the ALC, and the best service and products for the public, all in a manner consistent with the dignity of the State of Arkansas.

This Request for Proposal is designed to obtain a Contract to provide advertising, marketing, and media services to the ALC. The ALC's advertising, marketing, and media goal is to provide players with: (1) new and creative games; (2) the knowledge and information to play lottery games in a responsible manner; and (3) advertising that maintain the integrity of the lottery. All responses to this RFP shall reflect these overall goals and objectives of the ALC.

The ALC's product mix will be composed of instant tickets and online numbers games.

- Instant Ticket Games: Instant ticket games are where a portion of the ticket face is scratched to indicate if the ticket is a winner. The ALC estimates that instant scratch tickets will represent approximately sixty percent (60%) of the ALC's sales, and between forty (40) and seventy (70) instant scratch games will be introduced per year after the first full year of operation. Online games will represent approximately forty percent (40%) of the ALC's sales.

- Online Games:

(1) 3 Digit Game – A three-digit numbers game with drawings held every afternoon and evening at a time to be determined by the ALC. The ALC will develop a strategic plan that provides launch schedules over the Contract period. The Game has four (4) different play types providing numerous ways to win on the numbers selected. Players may play a straight ticket to match the numbers in the exact order drawn or to play a box ticket to match numbers drawn in any order. Also, a straight/box choice may be selected and played to cover both possibilities. Players may purchase a combination or "combo" ticket which allows a purchase of three (3) or six (6) straight plays;

(2) 4 Digit Game – A four-digit numbers game with drawings held every afternoon and evening at a time to be determined by the ALC. The ALC will develop a strategic plan that provides launch schedules over the Contract period. Drawings will be live and aired on local television stations at a time to be determined by the ALC. The Game has four (4) different pay types providing numerous ways to win on the numbers selected. Players may play a straight ticket to match the numbers in the exact order drawn or to play a box ticket to match numbers drawn in any order. Also, a straight/box choice may be selected and played to cover both possibilities. Players may purchase a combination or "combo" ticket which allows a purchase of four (4), six (6), twelve (12), or twenty four (24) straight plays;

(3) 5 Digit Game – A five-number game with drawings to be held live and aired on local television stations at a time to be determined by the ALC. The ALC will develop a strategic play that provides a launch schedule over the Contract period; and

(4) POWERBALL®/Other Lotto Game – A multi-state jackpot game or another lotto game; the Powerball® Games drawings are held live and aired on television stations on Wednesday and Saturday evenings beginning at 9:59 p.m. Central Standard Time. During the Powerball® drawing, six (6) numbers are drawn: five (5) white ball numbers and one (1) red Powerball® number. Matching all five (5) white ball numbers and the one (1) red Powerball® number wins the jackpot. There are eight (8) other ways to match and win prizes in the Powerball® game. Players may choose a multiplier number which is determined in a separate draw made during the Powerball® drawing. With the purchase of the multiplier named PowerPlay®, all non-jackpot winnings will be multiplied by the PowerPlay® number (2, 3, 4, or 5) selected.

The ALC may launch additional Online games during the Contract period, such as a raffle game or other lotto games.

2.2 SUCCESSFUL VENDOR/ALC RELATIONSHIP

The nature of this RFP and the Contract that will result from this procurement will result in a relationship between the Successful Vendor and the ALC, which relationship must be founded in mutual trust and respect. The Successful Vendor must adopt the same attitudes and concerns towards integrity, security and quality of the Arkansas lottery's games, financial performance, and minority participation and commitment to nondiscrimination as are held by the ALC.

The Vendor will be responsible for providing marketing and advertising support for all lottery games (instant scratch tickets and online), all seasonal and special promotions, and other activities that may be requested during the Contract period, and any extensions to the sales and marketing staff including regional sales managers and marketing sales representatives

SECTION 3. ADVERTISING AND MARKETING, PROCUREMENT OF GOODS AND SERVICES AND, MEDIA PLACEMENT SERVICES

3.0 SCOPE OF WORK/SPECIFICATIONS

1. The ALC's marketing department will be supported by an in-house, advertising group with staff experienced in broadcast production and graphic design. This group will act as a full-service advertising agency. Each year, this group will produce over two hundred (200) jobs that include television commercials, radio spots, promotional material, and much more. The ALC will also out-source television and radio commercials. Print is outsourced based on quantity and material of typically anything over ten thousand (10,000) copies. It will be the responsibility of the Vendor to provide supplemental services, billed on an hourly basis, that enhance the efficient and effective operation of the department while enhancing the overall advertising and marketing message deployed by the ALC. The ALC has the following in-house staff, with the following responsibilities:
 - **Advertising Manager:** (One Full-time Position):
 1. Manages advertising staff and oversees all advertising from creative development to delivery of Point of Sale, Print, TV and Radio commercials, Traffic, Extended Cable "Infomercials", Outdoor Signage, Promotion, Sponsorships, etc.
 2. Acts as liaison to the externally contracted media buyer in regards to procurement and consulting.
 3. Performs the functions of:
 - Concepting by steering creative direction, script writing, storyboarding and plans level of execution;
 - Broadcast Production by coordinating and scheduling shoot locations, purchasing props, talent, and music for broadcast production; developing specifications for quoting outsourced jobs. Internally printed jobs are based on quantity and medium needed. ACL will print in-house, materials on a high performance printer/copyler. It is anticipated that materials will be printed on card stock (up to 11"x17") with cutting/folding and laminating capabilities.
 - **Graphic Artists:** (Two Full-time Positions)
 1. Graphic Artists must be experienced in creating concepts, script writing, storyboarding, layout and design using predominately Adobe Creative Suite.
 2. Providing in-house print production, which includes: cutting, sorting, folding, laminating, designing instant ticket designs, POS material, brochures, annual reports, flyers, newsprint, magazine, outdoor signage, graphics for TV, props, photography and assisting in production of commercial shoots.
 - **Production Manager:** (One Full-time Position)
 1. The Production Manager will be experienced in:
 - Providing concepts, script writing, shooting and editing using predominately Adobe Premiere, Audition, and After Effects for in-house broadcast production.

- Production personnel provide graphics for TV, props, photography and directing, and assist in scheduling production.

3.1 ADVERTISING AND MARKETING

The advertising and marketing services provided by the Successful Vendor pursuant to this Request for Proposal must address the stated specifications and requirements. These services will be provided to the ALC, under the direction of the Vice President of Gaming or his or her designee.

The Vendor will play a significant role in its supplementation of the ALC's marketing program relating to the advertising it will help the ALC produce and place. The Vendor will provide ongoing assistance in the marketing of lottery products including, but not limited to, advertising that may be associated with a specific instant or online game, a group of instant or online games, or promotion(s) or item(s) intended to enhance the ALC's exposure or corporate brand.

The Vendor will assist the ALC in providing advertising and marketing services to include, but not be limited to, the following:

- Creative Concepts and Design;
- Television and Radio Production;
- Web-based Promotional Opportunities;
- Promotions and Promotional Materials;
- Public Awareness Campaigns;
- Beneficiary Awareness Efforts;
- Support campaigns to improve and enhance the games of the ALC;
- Analysis and recommendation of plans, negotiation of agreements, development and implementation of corporate partnerships and tie-ins, and "trade for mention" agreements as requested;
- Research services as requested by the ALC, including marketing planning;
- Attendance during focus group sessions as requested;
- Procurement of authorized items, goods, or services, including production services; and
- Maintenance of financial and accounting records and logs for services provided as directed by the ALC in accordance with generally accepted accounting principles.

As requested by the ALC, the Vendor must attend various meetings at the ALC headquarters. After launch, weekly marketing staff meetings are held, but it is anticipated that the Vendor's personnel will need to attend, on average, two (2) meetings per month. Teleconference attendance may be available or acceptable but physical attendance is preferred. Hourly compensation will be paid for meeting time. The Vendor shall explain any anticipated limitations.

Services listed above may also include the the physical creation of advertising materials, including:

- Print Ads: layout, type specification, paste up, finished artwork or photography, type composition, phototype, photostats, printing plates and mats or negatives and proofs;
- Point-of-Sale Materials: layout, type specifications, paste up, finished artwork or photography, type composition, permanent signage, photostats, and printing;
- Radio: script writing and direction, talent, studio costs, tape stock, reel and boxes supplied by subcontractors;
- Television Production: script writing and direction, storyboards, talent, props, sets or location expenses, studios, photography or videotaping costs, release prints or videotapes, except that television may also be procured pursuant to Section 3.2, when for creative purposes it is in the best interest of the ALC; and
- For Web-based advertising: design, layout, and copy.

All services listed above will be paid on a monthly basis. All projects shall be paid pursuant to the fee schedule. The ALC will determine if the provision of the advertising and marketing services is to be

pursued, sign the form, and return it to the Vendor. The signed form will serve as the only authorization for the Vendor to proceed. Billing for advertising and marketing services may be submitted in progress. Each project or job shall be billed on a separate invoice. Invoices must reference a tracking number and include the amount approved, vendor, and description of the goods and services received from each, quantity and unit cost by item if appropriate, total cost by item, a summary total, and amount previously billed, if any. These reporting requirements may be modified and/or additional information may be required.

The ALC does not grant the Vendor exclusive rights to all advertising and marketing services contemplated under this RFP. In the event the ALC decides that the acquisition of these services by another Contractor is in the ALC's best interest, the ALC reserves the right to contract and purchase advertising and marketing services from a different source outside of the contract resulting from this RFP, and the ALC's action to procure services outside of the contract does not infringe upon, nor terminate, the contract resulting from this Request For Proposal.

3.2 PROCUREMENT OF GOODS AND SERVICES

The Vendor shall purchase goods and services associated with advertising programs and marketing services in order to take advantage of the Vendor's expertise and knowledge and/or to maintain creative executions. The ALC must maintain integrity and creative execution by having the flexibility to respond to market driven factors. This may require the ALC to use vendors for specific services that are not available through other means to ensure timeliness and efficiency in these efforts. Examples of goods or services that may be provided or acquired by the Contractor on behalf of the ALC include:

- All forms of advertising;
- Production services and materials for all media;
- Sponsorships or partnerships and goods and services associated with such sponsorships or partnerships, including "trade for mention" agreements;
- Vehicle and travel packages, discounts associated with promotions or promotional games; partnerships; sponsorships; and games, including "trade for mention" discounts;
- Printed materials;
- Merchandising equipment and materials;
- Promotion equipment, materials, and services, i.e., banners, transportation, storage, assembly and disassembly of items, including materials needed to sell lottery products at special events and promotions;
- Signage, including permanent or semi-permanent items used to provide brand visibility, information, and/or designation of ticket-selling locations;
- Premium items, i.e., clothing, hats, water bottles, sporting goods and equipment, and other similar items or merchandise used in marketing lottery products;
- Promotional prizes, i.e., gift certificates, event tickets, travel packages, vehicles, and other items used as prizes for marketing promotions; and
- Items not specifically identified but within the Scope of Work and of a nature similar to those identified may also be procured or provided by the Vendor at the Lottery's request and approval. The services include, but are not limited to, training programs, studio management and production assistance, consultative services for public affairs, crisis affairs, or public relations. If any of these are provided by a subcontractor(s), the services will be provided as a pass through charge at net cost, without mark up. The amount paid as a pass through will not be charged against the budget limitations established for the scope of services in this Request for Proposal.

Research projects may be requested by the ALC as needed or suggested by the Successful Vendor. If done through a subcontractor(s), the written contract for each research project, the scope of the project, and the cost must be approved, in writing, by the ALC before any work is begun. The ALC shall pay the actual costs for each research project as a pass through cost to the ALC without mark-up. If a research project is to be done with the Vendor's personnel, the scope of the project and the cost must be approved by the ALC in writing, before any work is begun. Research projects may include, but are not limited to, research on advertising within Arkansas and research on advertising for multi-state cooperative games.

Research projects will not be charged against the budget limitation established for the scope of services established in this Request for Proposal.

The Vendor must receive written authorization from the Vice President of Gaming, or his or her designee, before providing or purchasing any goods or services provided in this Request for Proposal. The ALC shall develop a form which must be used by the Vendor for initiating, reviewing, and approving procurements. The form shall include:

- The Vendor as buyer and the ALC as receiver of the goods or services to be procured or provided;
- A unique tracking number;
- The name of the vendor(s) from whom the goods or services are to be procured;
- An itemized list/description of the goods or services to be procured;
- The costs of the goods or services;
- A description of services and goods to be purchased or provided, including unit pricing and quantity information; and
- A recommendation from the Vendor regarding the proposed services or goods to be purchased or provided, including the competitive vendors obtained from prospective vendors, if applicable.

The ALC will determine if the provision of the goods or services is to be pursued. A signed form will serve as the authorization for the Vendor to proceed. Billing for goods and services may be submitted in progress. Each project or job shall be billed on a separate invoice. Invoices must reference a tracking number and include the amount approved, vendor, and description of the goods and services received from each, quantity and unit cost by item if appropriate, total cost by item, a summary total, and amount previously billed, if any. These reporting requirements may be modified and/or additional information may be required.

For certain goods and services, when it is in the best interest of the ALC, the Vendor may make purchases from a specific vendor for reasons of integrity and consistency of creative concept and product, brand recognition, timeliness, efficiency and/or superior qualifications, if the pricing is within the approved budget and it is recommended by the Vendor.

The Vendor shall bill all goods and services purchased by the ALC net cost, without markup and shall pass on to the ALC any discounts earned in conjunction with such purchases. If any non-cash incentives or rewards are offered for the purchase, the Vendor shall attempt to negotiate a cash alternative to be passed on to the ALC in the form of discounted pricing.

A Vendor does not need to restate each item listed in this Section 3.1, but will be bound by all applicable specifications. Information relating to these matters should be incorporated into the Proposal. A Vendor must provide in detail any limitations in meeting the requirements Section 3.

3.3 MEDIA PLACEMENT SERVICES

In addition to the advertising and marketing services, this Request for Proposal is also designed to obtain media advertising placement or related services as described herein. The Contract resulting from this Request for Proposal will require the company selected to meet the needs of the ALC for media placement during the period of the Contract. The Vendor will be required to develop advertisement placement services and strategies following the direction provided by the ALC or its designee. The Vendor will work closely with the ALC in all phases of planning and implementation of these programs. The Vendor's management representative will make presentations to, and consult with, the ALC in the areas of advertisement placement.

The Vendor must procure media, such as radio, print, outdoor advertising, sports sponsorships, internet, and television advertising in a manner consistent with media industry practices. The Vendor is responsible for conducting competitive solicitations for media procurements, obtaining and analyzing bids

from media outlets, and negotiating rates, including leveraging the value of media against "Bonus Spots" and added value opportunities, and recommending media choices to the Vice President of Gaming. The Vendor shall place orders on behalf of the agency after receiving requisite authorization. The Vendor shall be responsible for negotiating "bonus" space or time and recommending the most efficient and effective choice of placing media based on the appropriated budget.

The Vendor shall assist the ALC in obtaining or contracting with television draw partners for the telecast of lottery programming and the scheduling of strategic planning, including quarterly meetings with draw partners. The Vendor shall contact stations, receive avails, negotiate pricing, renew or cancel media based on performance, and ensure the media purchased for an advertising campaign is placed. All media commissions and rebates related to media placement received by the Vendor will net to the ALC. The Vendor shall be responsible for maintaining all documentation relating to media buys and proof of performance. This information may be maintained and located at the ALC, if requested by the Vendor and agreed to by the ALC. All related media information shall be open to inspection by the ALC or other governmental entities during regular office hours.

3.3.1 PLACEMENT SPECIFICATIONS

The media services provided by the Successful Vendor pursuant to this Request for Proposal must address the stated specifications and requirements within the constraints and parameters defined herein. Under the direction of the ALC, the Vendor must provide those media services necessary to provide advertising services.

3.3.2 PLACEMENT SERVICES REQUIREMENTS

The Vendor shall:

- Assist the ALC in the development of comprehensive media plans to launch and support planned lottery games and the overall image of the ALC;
- In conjunction with the ALC, develop and adhere to a budget for media, strategic alliances and sales promotions;
- As authorized by the ALC, develop and track specific plans to maximize awareness of the ALC and its games and recommend budgetary savings where appropriate;
- Develop a specific media plan to maximize impact within the proposed budget and recommend savings where appropriate;
- Negotiate special value-added media opportunities with media buys for all advertising mediums, as appropriate;
- As authorized, implement and satisfy all requirements of the media placement plans, including the following:
 - (a) Negotiation, purchase and instruction for the placement of all time, space and other media;
 - (b) Verification of the broadcast, display, or publication of all requested media according to contracts and placement instructions;
 - (c) Evaluation of performance of broadcast schedules as compared with estimates;
 - (d) Preparation of a quarterly, detailed post-buy evaluation for all purchased media; and
 - (e) As appropriate, media buys should reflect sales trends and research, and be placed with stations and networks consistent with the ALC goals and objectives;
- Estimate all media expenditures in advance for approval by the ALC;
- Provide written assurance that the Vendor will make no financial commitment on behalf of the ALC without prior written approval of the ALC;
- Include the ALC reference name and job number in all correspondence including invoices and authorization forms.
- When requested, assist the ALC in negotiation for the telecast of lottery drawings and other lottery broadcasts;

- Initiate and implement a systematic approach to gathering data which will be utilized to evaluate the effectiveness of the ALC's advertising. Establish an on-going effort to determine what type of communications, including media and messages, are most effective in communicating the ALC's message and apply this information to the development of future media plans. Prepare detailed post-buy evaluations and report same to the ALC;
- From time to time attend, either physically or telephonically, weekly marketing staff meetings and provide weekly Status Reports with updates on all planned, open, and pending jobs to the ALC staff as designated by the Vice President of Gaming;
- As may be required, prepare Meeting Minutes or Vendor Reports for all discussions and meetings with the ALC staff and Contractor within five (5) business days of occurrence;
- Upon request by the ALC, the Vendor must attend the ALC Commission meetings to keep abreast of the ALC's issues, plans, and board directions. The Vendor may be required to provide a briefing or present information as requested by the Commission;
- As requested, assist the Marketing Department in the development and execution of statewide media and player promotions, incorporating television, radio, Internet, print and/or other advertising media;
- The Vendor must become and stay involved with the ALC's account and its marketing management. Vendor must have knowledge of internal and external ALC information. The Vendor must become intimately familiar with the ALC products and marketplace and be committed to the account. In addition, Vendor must stay abreast and be knowledgeable of the cutting edge of web-based media and other state of the art media opportunities;
- Stay abreast of developments in lottery industry by participating in lottery conferences and workshops;
- Review and evaluate all media proposals and make recommendations including the rationale for the recommendations to the ALC;
- The Vendor must bill all services purchased for the ALC at the net cost without markup and shall pass on to the ALC any discounts earned in conjunction with the media or other purchases. The Vendor will attempt to negotiate a cash alternative to be passed on to the ALC for any non-cash incentives or rewards offered for the purchase of media or other services pursuant to the Contract. The Vendor shall not accept non-cash incentives or rewards for the Vendor's own use or on behalf of the ALC;
- Outdoor Media Signage: The Vendor will oversee and directly manage a contract for Powerball® and other Lotto Game signage. Signage must be up dated by via a wireless interface to display the current Powerball® or other Lotto Game jackpot amount. The ALC anticipates signs to be placed at strategic locations throughout Arkansas. The Vendor is responsible for recommending and negotiating placement of all outdoor signage as authorized by the ALC. The Vendor's compensation rate will be applied to the value of the Signage contract. Unless prior written approval is granted by the ALC, no fee or charge may be imposed by the Vendor (other than the Vendor's compensation rate) for placing or managing outdoor advertising, except charges relating to the movement of signage and similar expenses which will be reimbursed by the ALC for the actual cost of the goods or services provided, without mark-up; and
- The Vendor will be required to assist the ALC with strategic alliances, sports sponsorships and other projects on an as-needed basis, including the preparation of media evaluations for such events. Costs of such services shall be separate from, and in addition to, the compensation paid to Vendor for media placement.

3.3.3 TYPES OF MEDIA TO BE PURCHASED

The Vendor will be directly responsible for procuring the following types of media:

- Television
- Radio
- Cable Television
- Outdoor Billboards

- Newspaper
- Magazine
- Regional Promotions
- Professional Sports
- Festivals
- Grocery Store
- College Sports
- Internet/Wireless

Any other media format developed during the term of the award of this RFP and for which ALC requests procurement. The purchase of media, in all its forms, must be efficient, economical, and flexible as required by ALC.

3.3.4 INDUSTRY TOLERANCE

All of the media purchased is subject to normal media purchase tolerances and practices.

3.3.5 MEDIA INVENTORY CONTROL AND MANAGEMENT

The Vendor must work closely with the ALC to ensure that adequate media is available. The Vendor must monitor media inventory quantities and advertisement and promotions movement in order to assure that the potential lack of media for advertisement placement or oversupply conditions can be quickly identified and managed. To ensure that ALC is able to effectively manage media buys for advertising purposes, ALC must receive reports and briefings, either in person or telephonically, on a weekly basis.

3.3.6 ADVERTISEMENT MEDIA PLACEMENT CONTROL AND MANAGEMENT

The Vendor is responsible for and must maintain an inventory control system for ALC advertisement media available for use and advertisement placement. Media status reports must be provided to ALC, either in person or telephonically, on a monthly or quarterly basis, as directed.

3.3.7 RELATED SERVICES

Upon request, procure goods and services for ALC's studio-related programming, productions and equipment. Costs of such services and equipment shall be separate from, and in addition to, the compensation (the percentage commission) paid to Vendor for media placement services. Equipment purchases or third party services shall be billed at the net cost without markup. However, as mutually agreed to in writing prior to any purchase, the Vendor will be paid an hourly fee for its time directly related to the services the Vendor provides for acquisition of the goods and services. The hourly rate shall be based on the nature of the service provided and may vary as to the skill set(s) required to accomplish the project.

SECTION 4. COST PROPOSAL

4.0 ADVERTISING COMPENSATION

Advertising and Marketing compensation for advertising and marketing shall be paid based upon the work performed for goods, services, and projects approved as specified in this RFP. The budget is subject to approval by the ALC Commission.

A Vendor seeking consideration shall submit a compensation proposal as required below for advertising and marketing services as provided throughout the RFP. It is ALC's expectation that the following skill sets or needed tasks described below will or may be assigned to the ALC account to

perform the services required under this RFP. This schedule is a "not to exceed" amount ALC will pay for tasks described. Each Vendor agrees to perform the services specified for the amount stated unless, in its proposal, the Vendor indicates it will provide a specific task(s) at a lower rate. The cost proposal must clearly state that the Vendor agrees to each of the "not to exceed" amounts or the Vendor must clearly state a lower rate for a given category of tasks. The actual name(s) and appropriate title(s) for the individuals who will be performing work within these categories pursuant to this contract must be identified in response to this Section. Vendors may provide additional categories and titles for client service positions that do not exceed the highest hourly rate of two hundred dollars (\$200).

Creative Director:

- Responsible for interpreting the communication goals and objectives of the ALC's assignment and delivering creative concepts to finished products as approved by the client. CD is responsible for creation and execution to finished product of client approved work on approved deadline and delivery schedules. CD directs all copy and art team members within the agency team. CD should also collaborate with ALC's Marketing Staff.

"Not To Exceed" Hourly Rate: \$225

Art Director:

- Responsible for layout and design and other tasks as required by approved work assignments to include print, collateral, electronic, web and other forms of advertising.
- As part of the creative team, Art Director should collaborate with ALC's Marketing Staff as assigned as well as other members of the agency team members.

"Not To Exceed" Hourly Rate: \$175

Copy Writer:

- Responsible for writing all forms of copy as ALC's work assignments dictate, including required revisions, until client approves final copy.
- As part of the creative team, Copy Writer should collaborate with ALC's Marketing Staff as assigned as well as other members of the agency team members.

"Not To Exceed" Hourly Rate: \$105

Account Supervisor:

- Responsible for all client communications and contact reports, origination of jobs, dissemination of all information to other agency account team members, including creative, public relations and financial services, assignment of tasks within the agency and deadlines, both internal and external.
- Responsible for gaining ALC approval on all work to be produced, client approval for deadlines and delivery of that work, and the approval of all costs associated with approved work assignments.

"Not To Exceed" Hourly Rate: \$125 per hour

Account Manager/Coordinator:

- Assists Account Supervisor with all aspects of account supervision as assigned.

"Not To Exceed" Hourly Rate: \$75 per hour

Staff Accountant:

- Responsible for issuing purchase orders for authorized expenditures to vendors for goods and services related to client's approved assignments.
- Billing client for purchased items and agency team members' hours as approved expenditures of client's assignments.

- Billing to meet client's specifications, including all reference or account numbers requested by client.
- Responsible for paying vendors in a timely fashion with procedures for providing proof of performance and verification of receipt of all contracted goods and services

"Not To Exceed" Hourly Rate: \$50

Promotional Specialist

- Assist in the development of promotional opportunities and sponsorships.
- Assist ALC with strengthening educational awareness programs and the ALC "beneficiary message".
- Assist in the development of existing and future promotional partners.

"Not To Exceed" Hourly Rate: \$100

Promotional Staff

- Assist in working, staffing and facilitating of all promotional events.

"Not To Exceed" Hourly Rate: \$25

The fee schedule will cover the time spent in the completion of the requested task or project, as well as other administrative costs (including, but not limited to, secretarial, bookkeeping, budget preparation, including monitoring and auditing services, etc.) The fee schedule will cover the time expended inclusive of all overhead or any other cost associated with the particular individuals who may be performing the services.

4.1 MEDIA COMPENSATION

Media compensation must not exceed five percent (5%) of the gross dollar value of advertising media placement. The rate quoted must apply to all types of media advertisement placement within the scope of this RFP except for those matters expressly allowing an hourly rate. If the Vendor evaluates a proposed media purchase or promotional opportunity at the request of ALC, including special events proposals and ALC does not procure the media, ALC will pay the Vendor a flat fee of one hundred dollars (\$100.00) for the evaluation, unless otherwise agreed to in writing by the ALC. The Vendor is not entitled to a media evaluation fee if the ALC procures the advertising or undertakes the promotional activity or special event as a media placement which was the subject of the evaluation.

4.2 PAYMENT SCHEDULE

The ALC shall pay the Vendor based on the hours expended for approved projects on a monthly basis or as otherwise may be agreed to in writing by the parties. The ALC may request and the Vendor shall provide timesheets or other documentation as may be directed by the ALC prior to the payment for any services rendered. Failure to provide appropriate and satisfactory documentation will be sufficient grounds to withhold payment for the disputed amount, but other nondisputed amounts must be paid in a timely manner. Project costs for which the "pass-through" provisions apply shall be billed and paid for as directed by the ALC.

The ALC shall estimate the annual media placement expenditures in advance of the fiscal year (which begins on July 1st) based on the media budget approved by the Commission. The Vendor's compensation rate will be applied to the estimated annual media placement expenditures and the Contractor will be paid in twelve (12) in equal monthly installments. The ALC will adjust the payment if the actual value of the media placed is increased or decreased during the fiscal year.

4.3 TRAVEL, LODGING, AND MEALS

Travel requests for meetings and conferences other than those held at ALC's headquarters must be pre-approved in writing by ALC and are subject to the same reimbursement levels and requirements imposed on ALC and other state employees. Payment for travel time to and from a lottery conference and time spent at lottery conferences must be agreed to and reduced to writing prior to the travel. Travel requests and requests for payment which are not pre-approved shall not be reimbursed.

Hourly rates for travel time and mileage to and from routine weekly meetings with Marketing and/or Sales staff held at ALC headquarters will not be paid. Hourly rates, mileage and other expenses for other ALC meetings that are not subject to the provisions of this paragraph will be paid as directed and approved in advance.

4.4 PRICE ADJUSTMENTS

Method of Adjustment. Any adjustment in the contract price made pursuant to a clause in the Contract shall be consistent with this Request for Proposal and shall be arrived at through whichever one of the following ways is the most valid approximation of the actual cost to the Vendor (including profit, if otherwise allowed):

- By agreement on a fixed price adjustment before commencement of the pertinent performance or as soon thereafter as practicable;
- By unit prices specified in the Contract or subsequently agreed upon;
- By the costs attributable to the event or situation covered by the relevant clause, including profit if otherwise allowed, all as specified in the Contract; or subsequently agreed upon; or,
- In such other manner as the parties may mutually agree.

Submission of Price or Cost Data. Upon request of the ALC, the Vendor shall provide reasonably available factual information to substantiate that the price or cost offered, for any price adjustments is reasonable.

4.4.1 PRICE ADJUSTMENTS – LIMITED BY CPI

"All Items": Upon request and adequate justification, the ALC may in its discretion grant a price increase up to, but not to exceed, the unadjusted percent change for the most recent 12 months for which data is available, that is not subject to revision, in the Consumer Price Index (CPI) for all urban consumers (CPI-U), "all items" for services, as determined by the ALC. The Bureau of Labor and Statistics publishes this information on the web at www.bls.gov.

SECTION 5. ADDITIONAL VENDOR REQUIREMENTS

5.0 COMPREHENSIVE VENDOR INFORMATION

All proposals should be complete and carefully worded and should convey all of the information requested by the ALC. If significant errors are found in the Vendor's proposal, or if the proposal fails to conform to the essential requirements of the RFP, the ALC will be the sole judge as to whether that variance is significant enough to reject the proposal. Proposals should be prepared simply and economically, providing a straightforward, concise description of the Vendor's capabilities to satisfy the requirements of the RFP. Emphasis should be on completeness and clarity of the content. Proposals which include either modifications to any of the contractual requirements of the RFP or a Vendor's standard terms and conditions may be deemed non-responsive and therefore not considered for award.

5.1 VENDOR PROFILE

Vendor must submit the following:

- Business Name;
- Business Address;
- Alternate Business Address;
- Primary Contact Name, Title, Telephone, Fax, and E-mail address;
- How many years this company has been in this type of business;

- Proof that the Vendor is qualified to do business in the State of Arkansas;
- A disclosure of the Vendor's name and address and, as applicable, the names and addresses of the following: If the Vendor is a corporation, the officers, directors, and each stockholder of more than a ten percent (10%) interest in the corporation. However, in the case of owners of equity securities of a publicly traded corporation, only the names and addresses of those known to the corporation to own beneficially five percent (5%) or more of the securities need be disclosed; if the Vendor is a trust, the trustee and all persons entitled to receive income or benefits from the trust; if the Vendor is an association, the members, officers, and directors; and if the Vendor is a partnership or joint venture, all of the general partners, limited partners, or joint venturers;
- A disclosure of all the states and jurisdictions in which the Vendor does business and the nature of the business for each state or jurisdiction;
- A disclosure of all the states and jurisdictions in which the Vendor has contracts to supply gaming goods or services, including without limitation lottery goods and services, and the nature of the goods or services involved for each state or jurisdiction;
- A disclosure of all the states and jurisdictions in which the Vendor has applied for, has sought renewal of, has received, has been denied, has pending, or has had revoked a lottery or gaming license of any kind or had fines or penalties assessed to the vendor's license, contract, or operation and the disposition of each instance in each state or jurisdiction. If any lottery or gaming license or contract has been revoked or has not been renewed or any lottery or gaming license or application has been either denied or is pending and has remained pending for more than six (6) months, all of the facts and circumstances underlying the failure to receive a license shall be disclosed;
- A disclosure of the details of any finding or plea, conviction, or adjudication of guilt in a state or federal court of the vendor for any felony or any other criminal offense other than a traffic violation committed by the persons identified under Arkansas Code Annotated § 23-115-501 (b)(1). The ALC may request that any or all of the persons identified under § 23-115-501 (b) (1) undergo a state and federal criminal background check. If requested, a state and federal criminal background check shall be conducted in the manner under § 23-115-601(e);
- A disclosure of the details of any bankruptcy, insolvency, reorganization, or corporate or individual purchase or takeover of another corporation, including without limitation bonded indebtedness, and any pending litigation of the Vendor;
- 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; and
- Additional disclosures and information that the ALC may determine to be appropriate for the procurement involved.

5.2 VENDOR QUALIFICATIONS AND MANDATORY REQUIREMENTS

The Vendor must have been in existence as an agency offering advertising and marketing services for at least three (3) years.

The Vendor must have earned net income of at least three hundred thousand dollars (\$300,000) for two (2) of the the last three (3) years and have been responsible for creating and managing a statewide or regional advertising and marketing campaign.

The Vendor must provide documentation supporting compliance with these requirements.

The Vendor who does not meet these minimum qualifications will be considered non-responsive and will not be evaluated. The ALC reserves the right to make a determination regarding a non-responsive submission.

5.3 GENERAL INFORMATION

Vendor shall submit any additional information for consideration such as specialized services, staffs available, or other pertinent information the Vendor may wish to include.

5.4 BACKGROUND INVESTIGATION

The ALC may conduct background investigations, as required by law. The Successful Vendor shall be required to conduct background investigations with the approval of the ALC on all subcontractors.

5.5 DISCLOSURE OF LITIGATION

A Vendor must include in its Proposal a complete disclosure of any civil or criminal litigation or indictment involving such Vendor. A Vendor must also disclose any civil or criminal litigation or indictment involving any of its joint ventures, strategic partners, prime contractor team members, and subcontractors. This disclosure requirement is a continuing obligation, and any litigation commenced after a Vendor has submitted a Proposal under this RFP must be disclosed to the ALC in writing within five (5) days after the litigation is commenced.

5.6 IMPLEMENTATION ROLLOUT

A Vendor must provide a summary overview and an implementation plan for the entire project being proposed. The intent of this requirement is to provide the ALC with a concise but functional summary of (the "Executive Summary") discussion of each phase of the Vendor's plan in the order of progression. While the ALC expects a Vendor to provide full details in each of the sections in other areas of the RFP relating to its plan, the Executive Summary will provide a "map" for the ALC to use while reviewing the Proposal.

Each area summarized must be listed in chronological order, beginning with the date of Contract execution, to provide a clear indication of the flow and duration of the project. A Vendor may use graphics, charts, pre-printed marketing pieces, or other enhancements as a part of this section to support the chronology or add to the presentation. Any such materials must be included in the original and each copy of the Proposal.

5.7 BACKGROUND AND FINANCIAL VIABILITY

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.

In addition, a Vendor must submit a copy of its last three (3) years financial statements that have been audited by an independent public accounting firm.

5.8 VENDOR'S ADVERTISING QUALIFICATIONS

A Vendor shall provide resumes or short biographies and qualifications of all management, supervisory, and key personnel to be involved in performing the services contemplated under this RFP. The resumes shall present the personnel in sufficient detail to provide ALC with evidence that the personnel involved can perform the work specified in the RFP. A Vendor shall provide a brief history of its company, to include the name and location of the company and any parent/subsidiary affiliation with other entities. If a Vendor is utilizing the services of a subcontractor(s) for any of the service components listed, the Vendor shall include in its proposal response a brief history of the subcontractor's company to include the information requested herein.

A Vendor shall provide:

- A brief professional history, including the number of years of experience in advertising and marketing, and any professional affiliations and trade affiliations.

- A listing of current accounts and the longevity of those accounts.
- An organizational chart highlighting the names/positions that will be involved in the contract, including the individual who will be primarily responsible for managing the account on a day-to-day basis.
- An outline of the Vendor's or employees' experience in each of the following areas:
 - (a) Advertising and marketing;
 - (b) Quick turn-around responses to changes in market conditions; and
 - (c) Market research.
- A full explanation of staffing, functions, and methodology to be used in areas of advertising and marketing and account management, identifying specifically the personnel that will be assigned to the account. All such personnel are subject to ALC approval. Describe any staff functions that are considered unique to the account. Provide contingency plans for departure of key staff.
- An indication of how soon after the contract award the personnel named would be available, and indicate any possible scheduling conflicts that might exist during the period of the contract. Any other limitations on the availability to perform under this RFP or to attend meetings must be fully explained.
- Create an advertising and marketing launch campaign which may be used by the ALC during launch, including proposed logos. The initial launch campaign should include a statewide talent search for draw talent. Individuals selected as draw talent will be used for live online game drawings to be televised statewide on lottery draw partner television stations. The ALC does not use advertising focused on winning a dream and seeks, through this exercise, the type of creative assistance a Vendor may suggest in advertising and marketing lottery products in a socially responsible manner.
- Provide an outline or other information relating to why the Vendor's experience qualifies in meeting the Comprehensive Advertising and Marketing, Procurement of Goods and Services and Media Placement Services specified in Section 3 of this RFP.

The Vendor should demonstrate the work the Vendor has done for clients during the past three (3) years and indicate what individual on its staff was responsible for the work. Referenced work should provide a clear indication of the types of advertising and marketing services that can be obtained for ALC.

A Vendor shall provide information on any conflict of interest with the products and goals of ALC that could result from other projects in which the Vendor is involved. Failure to disclose any such conflict may be cause for Contract termination or disqualification of the response. Additionally, a Vendor must include in its response a complete disclosure of any civil or criminal litigation or indictment involving the Vendor. A Vendor must also disclose any pending litigation for any of its subcontractors. This disclosure requirement is a continuing obligation, and any litigation commencing after a Vendor has submitted a response under this RFP must be disclosed to ALC in writing within fifteen (15) days after it is filed.

A Vendor or its subcontractor(s) must list all clients that were lost between January 2007 and the present and the reason for the loss. ALC reserves the right to contact any accounts listed in this section. A Vendor must describe any contract disputes involving an amount of thirty-five thousand dollars (\$35,000.00) or more the Vendor, or its subcontractor(s), has been involved in within the past two (2) years. Please indicate if the dispute(s) have been successfully resolved.

5.8.1 BACKGROUND INVESTIGATION

Vendors must allow agents ALC to perform an investigation of the financial responsibility, security, and integrity of an Offeror submitting a bid, if required by ALC.

5.9 VENDOR'S MEDIA QUALIFICATIONS

In order to evaluate Vendor's responsibility, the Vendor shall submit the following information or documentation for the Vendor and any subcontractor, if the value of subcontractor's portion of the work exceeds ten percent (10%) of your price (if in doubt, provide the information):

- Include a history of the Vendor's experience in providing work of similar size and scope.

- Vendor's most current financial statement, financial statements for the last two (2) fiscal years, and information reflecting Vendor's current financial position. If Vendor has audited financial statements meeting these requirements, Vendor must provide those statements.
- A detailed, narrative statement listing the three most recent, comparable contracts (including contact information) which Vendor has performed and the general history and experience of its organization.
- A list of every business for which Vendor has performed, at any time during the past three (3) year(s), services substantially similar to those sought with this solicitation. Err on the side of inclusion; by submitting an offer, Vendor represents that the list is complete.
- List of failed projects, suspensions, debarments, and significant litigation.

5.10 SUBCONTRACTOR IDENTIFICATION

If Vendor intends to subcontract with another business for any portion of the work and that portion exceeds ten percent (10%) of the Proposal price, Vendor's offer must identify that business and the portion of work which they are to perform. Identify potential subcontractors by providing the business' name, address, phone, taxpayer identification number, and point of contact. In determining Vendor's responsibility, the ALC may evaluate Vendor's proposed subcontractors.

SECTION 6. EVALUATION CRITERIA FOR SELECTION

The Vendor should address each item listed in this RFP to be guaranteed a complete evaluation. After initial qualification of proposals, selection of the Successful Vendor will be determined in Committee by evaluation of several factors.

In order to ensure the maximization of revenue for higher education scholarships and grants during start-up, the ALC has developed evaluation criteria that will be used by the ALC evaluation committee which is incorporated in Section 6.0 of this RFP. Other agencies and consultants of the ALC may also examine documents.

The ALC requires that the comprehensive Advertising, Marketing and Media Services requested under this RFP be available for use by the ALC the day after the Contract Execution Date. Submission of a proposal implies Vendor acceptance of the evaluation technique and Vendor recognition that subjective judgments must be made by the ALC evaluation committee during the assignment of rating points.

The Vendor shall be aware of the provisions for an "Early Start Up Date" detailed in both the Instant Ticket Lottery Game Services and the Online Lottery Game Services and Lottery Gaming System and Services RFPs' dated June 19, 2009 and any addendums thereto.

The ALC reserves, and a Vendor by submitting a Proposal grants to the ALC, the right to obtain any information from any lawful source regarding the past business history, practices, and abilities of Vendor, its officers, directors, employees, owners, team members, partners, and/or subcontractors.

The Lowest Overall Cost Proposal for Advertising Compensation will receive the maximum allocated points (Twenty – 20 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. $\text{Lowest Overall Costs Proposed} / \text{Other Overall Proposed Costs Response(s)} \times \text{Twenty (20) Evaluation Criteria Points} = \text{Points Awarded}$.

The Lowest Overall Cost Proposal for Media Compensation will receive the maximum allocated points (Twenty – 20 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. $\text{Lowest Overall Costs Proposed} / \text{Other Overall Proposed Costs Response(s)} \times \text{Twenty (20) Evaluation Criteria Points} = \text{Points Awarded}$. Any Media

Compensation percentage which exceeds five (5) percent of the gross dollar value of advertising media placement will automatically receive zero (0) points (Refer to Section 4.1 Media Compensation).

6.0 EVALUATION POINTS

Criteria	Points
Section 5 Additional Vendor Requirements, Excluding Section 5.8 Related to the Launch Campaign and Section 5.9 Related to Vendor's Media Qualifications	20
Section 5.9 Vendor's Media Qualifications:	
• Television	10
• Radio	8
• Outdoor Billboards	4
• Print and Other Media	3
RFP Section 3.0, Section 5.8, and Section 6 Related to the Marketing and Advertising Launch Campaign and Early Start Up Date for both Instant Games and Online Games	10
Minority-Owned and Female-Owned Business Participation	5
Subtotal	60
Cost	
• Section 4.0 Advertising Compensation	20
• Section 4.1 Media Compensation	20
Total Points	100

State of Arkansas Lottery
ARKANSAS LOTTERY COMMISSION

ADDENDUM

To: Vendors
From: ARKANSAS LOTTERY COMMISSION
Date: 7/22/2009
Subject: ALC-090004

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

- **1.2 SCHEDULE OF EVENTS:** Delete "Answers to vendor questions July 29, 2009" and substitute "Answers to vendor questions July 24, 2009" and delete "Evaluation of proposals Approximately 7 days after proposal opening" and substitute "Evaluation of proposals Approximately 7 days after proposal opening by 4:00 p.m. C.D.T (Central Daylight Time)."
- **1.3 CAUTION TO VENDORS:** Delete the sentence "The Official Price Proposal Sheet is posted and may be downloaded at www.lotterycommission.arkansas.gov/ " and substitute "The Official Advertising, Marketing and Media Services Proposal Price Sheet is now posted and can be downloaded at www.lotterycommission.arkansas.gov/ "
- **1.11 ORAL AND/OR WRITTEN PRESENTATIONS/DEMONSTRATIONS:** Delete the sentence "The RFP evaluation committee chairperson will schedule the time and location for each demonstration or presentation." and substitute "The RFP evaluation committee chairperson may schedule the time and location for each demonstration or presentation."
- **1.12 PERFORMANCE SECURITY:** Delete "In order to assure full performance of all obligations imposed on a Vendor by contracting with the ALC, the Vendor will be required to provide a performance security in an amount of at least .05% of the total proposal price submitted by the Vendor within ten (10) working days from date of receipt of the ALC's written notification by mail of its intent to award a proposal." and substitute "In order to assure full performance of all obligations imposed on a Vendor by contracting with the ALC, the Vendor will be required to provide a performance security in an amount One Hundred Thousand Dollars (\$100,000.00) within ten (10) working days from date of receipt of the ALC's written notification by mail of its intent to award a proposal."
- **1.26 VENDOR QUALIFICATIONS:** Delete " Complete the cost schedule exactly as shown under Section 4 and Attachment B" and substitute "Complete the cost schedule exactly as shown under Section 4 and Attachment B and the Supplemental Pricing Information as shown under Attachment C."

CHANGE IF BID OPENING TIME AND DATE

Exhibit B

- The Proposal Opening Date and Time as listed in the columned section at the top of page one (1) of ALC-090004 shall be deleted and the following Date and Time for Proposal Opening shall be substituted: July 31, 2009, at 4:00 p.m. CDT (Central Daylight Time).

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: _____

EXHIBIT C

THE COMMUNICATIONS GROUP PROPOSAL

EXHIBIT D

PURCHASE ORDERS



International Fidelity
INSURANCE COMPANY

Bond No. LRFSU0418530

PERFORMANCE BOND

Form to be Used When Bonding Only One Year
of a Multi-Year Contract
(Page 1 of 2)

KNOW ALL MEN BY THESE PRESENTS: That,The Communications Group, Inc.....
..... (hereinafter called Principal), as Principal, and
.....International Fidelity Insurance Company..... a corporation duly organized
under the laws of theState..... ofNew Jersey..... and duly authorized and
licensed to do business in theState..... ofArkansas.....
(hereinafter called Surety), as Surety, are held and firmly bound unto
.....Arkansas Lottery Commission.....
(hereinafter called the Obligee), as Obligee, in the full and just sum of
.....One Hundred Thousand and No/100..... DOLLARS,
(\$.....100,000.....) to the payment of which sum, well and truly to be made, the said
Principal and Surety bind themselves, their and each of their heirs, administrators, executors, successors
and assigns, jointly and severally, firmly by these presents.

WHEREAS, the above bounden Principal has entered into a certain written contract with the above
mentioned Obligee datedAugust 14th, 2009..... for
.....Comprehensive Advertising, Marketing, and Media Services.....
for a period ofFive (5)..... years which contract is hereby referred to and made a part
hereof as fully and to the same extent as if copied at length herein, and

WHEREAS, the Obligee has agreed to accept a bond guaranteeing the performance of said contract for
a period of only one year.

NOW, THEREFORE, if Principal shall faithfully perform such contract or shall indemnify and save
harmless the Obligee from all cost and damage by reason of Principal's failure so to do, then this obligation
shall be null and void; otherwise it shall remain in full force and effect.

Exhibit E

PERFORMANCE BOND

(Page 2 of 2)

PROVIDED, HOWEVER, that this bond is subject to the following conditions and provisions:

1. This bond is for the term beginning and ending
..... June 30, 2010.....
2. In the event of default by the Principal in performance of the contract during the term of this bond the Surety shall be liable only for the loss to the Obligee for actual excess costs of performance of the contract up to the expiration of the term of this bond and in no event shall the liability of the Surety exceed the penal sum stated in this bond.
3. No claim, action, suit or proceeding, except as hereinafter set forth, shall be instituted or maintained against the Surety under this instrument unless same be brought or instituted and process served upon the Surety within one year after the expiration of the term of this bond.
4. Neither non-renewal by the Surety, nor failure, nor inability of the Principal to file a performance bond for subsequent terms under said contract shall constitute loss to the Obligee recoverable under this bond.
5. The bond may be extended for additional terms at the option of the Surety, by continuation certificate executed by the Surety and the Principal but regardless of the number of extensions for additional terms and the number of premiums which shall be payable or paid, the liability of the Surety hereunder shall not be cumulative from year to year nor period to period.
6. No right of action shall accrue on this bond to or for the use of any person or corporation other than the Obligee named herein or the heirs, executors, administrators or successors of the Obligee.

Signed and sealed this 14th day of August....., 2009.....

.....The Communications Group, Inc.....
(Principal)

.....International Fidelity Insurance Company.....
(Surety)

By: 

By: 

William G. Cobb, Jr. Attorney-in-Fact

POWER OF ATTORNEY INTERNATIONAL FIDELITY INSURANCE COMPANY

HOME OFFICE, ONE NEWARK CENTER, 20TH FLOOR
NEWARK, NEW JERSEY 07102-5207

KNOW ALL MEN BY THESE PRESENTS: That INTERNATIONAL FIDELITY INSURANCE COMPANY, a corporation organized and existing under the laws of the State of New Jersey, and having its principal office in the City of Newark, New Jersey, does hereby designate and appoint:

SCOTT L. FANN, JAN WEIDEMAN, MELISSA O. GRIFFIN, MARTIN M. RHODES, WILLIAM G. COBB, JR.,
JOHN M. HARBOUR, JR.

Little Rock, AR

as true and lawful attorneys-in-fact to execute, seal and deliver for and on its behalf as surely, any and all bonds and undertakings, contracts of indemnity and other writings obligatory in the nature thereof, which are or may be allowed, required or permitted by law, statute, rule, regulation, contract or otherwise, and the execution of such instrument(s) in pursuance of these presents, shall be as binding upon the said INTERNATIONAL FIDELITY INSURANCE COMPANY, as fully and amply, to all intents and purposes, as if the same had been duly executed and acknowledged by its regularly elected officers at its principal office.

This Power of Attorney is executed, and may be invoked, pursuant to and by authority of Article 3, Section 3, of the By-Laws adopted by the Board of Directors of INTERNATIONAL FIDELITY INSURANCE COMPANY at a meeting called and held on the 7th day of February, 1974.

The President or any Vice President, Executive Vice President, Secretary or Assistant Secretary, shall have power and authority

(1) To appoint Attorneys-in-fact, and to authorize them to execute on behalf of the Company, and attach the Seal of the Company thereto, bonds and undertakings, contracts of indemnity and other writings obligatory in the nature thereof; and

(2) To remove, at any time, any such attorney-in-fact and revoke the authority given.

Further, this Power of Attorney is signed and sealed by facsimile pursuant to resolution of the Board of Directors of said Company adopted at a meeting duly called and held on the 29th day of April, 1982 of which the following is a true excerpt:

Now, therefore, the signatures of such officers and the seal of the Company may be affixed to any such power of attorney or any certificate relating thereto by facsimile, and any such power of attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.



IN TESTIMONY WHEREOF, INTERNATIONAL FIDELITY INSURANCE COMPANY has caused this instrument to be signed and its corporate seal to be affixed by its authorized officer, this 16th day of October, A.D. 2007.

INTERNATIONAL FIDELITY INSURANCE COMPANY

STATE OF NEW JERSEY
County of Essex

Secretary

On this 16th day of October 2007, before me came the individual who executed the preceding instrument to me personally known and being by me duly sworn, said the he is the therein described and authorized officer of the INTERNATIONAL FIDELITY INSURANCE COMPANY, that the seal affixed to said instrument is the Corporate Seal of said Company, that the said Corporate Seal and his signature were duly affixed by order of the Board of Directors of said Company.



IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal at the City of Newark, New Jersey, the day and year first above written.

A NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Nov. 21, 2010

CERTIFICATION

I, the undersigned official of INTERNATIONAL FIDELITY INSURANCE COMPANY do hereby certify that I have compared the foregoing copy of the Power of Attorney and affidavit, and the copy of the Section of the By-Laws of said Company as set forth in said Power of Attorney, with the ORIGINALS ON FILE IN THE HOME OFFICE OF SAID COMPANY, and that the same are correct transcripts thereof, and of the whole of the said originals, and that the said Power of Attorney has not been revoked and is now in full force and effect.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal, this 17th day of August 2009.

Assistant Secretary

COST PROPOSAL**4.0 ADVERTISING COMPENSATION**

TCG has read and will comply with the provisions of the Section 4 cost proposal and has created under separate cover an official cost proposal including confidential financial statements, the official proposal price sheet, and cost schedule. Attachments B and C. An electronic copy of this document is also included in the sealed financial package.

4.1 MEDIA COMPENSATION

TCG understands the limitations on the media compensation plan, and limitations and conditions as outlined in Section 4.1, and has included the response to this under separate cover in the official price proposal, Attachment B.

4.2 PAYMENT SCHEDULE

TCG has read and agrees to the payment schedule as outlined in section 4.2.

4.3 TRAVEL, LODGING AND MEALS

TCG will comply with all terms and provisions of Section 4.3 with regard to reimbursement for travel, lodging and meals.

4.4 PRICE ADJUSTMENTS

TCG has read and understands the provisions of Section 4.4 with regard to price adjustments, methods of adjustments and submission of Price or Cost Data.

4.4.1 PRICE ADJUSTMENTS - LIMITED BY CPI

TCG has read and understands the all price adjustments when applicable, will be subject to the provisions of Section 4.4.1.



Exhibit F

OFFICIAL ADVERTISING, MARKETING AND MEDIA SERVICES PROPOSAL PRICE SHEET

The undersigned agrees to provide Advertising, Marketing and Media Services to the Arkansas Lottery Commission in accordance with the Request for Proposal, and any amendments or addendums thereto for proposal no. ALC - 090004. *Proposer is required to provide the percentage, in the format shown below, as well as to attach hereto an itemized listing of the pricing for each of the component parts and services that comprise the percentage.*

DESCRIPTION (Written in Words and Number)	PERCENTAGE
Media Placement Services See Attachments B & C for detailed listing of hourly services and rates.	5%

1. BY SUBMISSION OF A PROPOSAL, THE PROPOSER CERTIFIES:

- 1.1 Prices in this proposal have been arrived at independently, without consultation, communication or agreement for the purpose of restricting competition.
- 1.2 No attempt has been made nor will be by the proposer to induce any other person or firm to submit a proposal for the purpose of restricting competition.
- 1.3 The person signing this proposal certifies that he/she is authorized to represent the company and is legally responsible for the decision as to the price and supporting documentation provided as a result of this advertisement.
- 1.4 Proposer will comply with all Federal regulations, policies, guidelines, and requirements.
- 1.5 Prices in this proposal have not been knowingly disclosed by the proposer and will not be prior to award to any other proposer.

2. GENERAL INFORMATION:

Proposer Name Dan C. Cowling III Phone (501) 376-8722
Fax (501) 376-9405
Mailing Address 400 W. Capitol, Suite 1391
City Little Rock State AR Zip 72201
SSN/Employer Identification Number 71-0655519

3. OWNERSHIP AND CONTROL:

Proposers Legal Structure:

☐ Sole Proprietorship ☐ General Partnership
☒ Corporation ☐ Limited Partnership
☐ Limited Liability ☐ Other

If Proposer is a sole proprietorship, list: N/A

Owner Name _____ Phone () _____

Mailing Address _____

City _____ State _____ Zip _____

SSN/Employer Identification Number _____

Beginning date as owner of sole proprietorship _____

Provide the names of all individuals authorized to sign for the Proposer:

NAME (printed or typed)

TITLE

Dan C Cowling III_____

Agency President & Principal

Neal Moore

Creative Director & Principal

Dane Cowling

Director of Production Services & Principal

VERIFICATION

I certify under penalty of perjury, that I am a responsible official (as identified above) for the business entity described above as Proposer, that I have personally examined and am familiar with the information submitted in this disclosure and all attachments, and that the information is true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including criminal sanctions, which can lead to imposition of a fine and/or imprisonment.

(Signature)

Dan C. Cowling III Agency President & Principal

(Name and Title) (Typed or Printed)

(Date)

ATTACHMENT B COST SCHEDULE

DO NOT modify this format.

Vendors shall provide a credit, charge a fee, provide without charge (\$0), or does not offer (N/A) the following services:

Service	Charge for Services	Maximum Rating Points	Total Evaluation Points Awarded
Media Placement	5% of Charge for Service (Must not exceed 5%)	20	_____
Advertising & Marketing Services		20	
Creative Director	\$220 hourly charge (Not to exceed \$225.00)	3	_____
Art Director	\$170 hourly charge (Not to exceed \$175.00)	3	_____
Copy Writer	\$100 hourly charge (Not to exceed \$105.00)	3	_____
Account Supervisor	\$120 hourly charge (Not to exceed \$125.00)	3	_____
Account Manager/Coordinator	\$70 hourly charge (Not to exceed \$75.00)	2	_____
Staff Accountant	\$50 hourly charge (Not to exceed \$50.00)	2	_____
Promotional Specialist	\$100 hourly charge (Not to exceed \$100.00)	2	_____
Promotional Staff	\$25 hourly charge (Not to exceed \$25.00)	2	_____

ATTACHMENT C

Supplemental Pricing Information (Additional Vendor Categories)

DO NOT modify this format.

Vendor's information provided on this page will NOT BE USED FOR SCORING and NO EVALUATION POINTS will be awarded for ATTACHMENT C. The additional pricing information will be used to set a cap for any supplemental services offered, if the vendor is ultimately selected as the contractor. ALC will negotiate all supplemental pricing prior to the RFP being awarded to the successful contractor.

Type of Advertising & Marketing Services (Job Title)	Hourly Charge	Description of Service Offered (You may attach additional page if needed for explanation.)
Print Production Artist	\$105 hourly charge	See attached
Public Relations Director	\$195 hourly charge	See attached
Public Relations Coordinator	\$150 hourly charge	See attached
Production Director	\$195 hourly charge	See attached
Traffic/Production Supervision	\$135 hourly charge	See attached
Senior Account Planner & Strategist	\$195 hourly charge	See attached

Description of Services Offered

Print Production Artist – Responsible for translating ad concepts into finished, produced art, production of media-ready art files for delivery to media buyer, development of print ads, files for web, outdoor art, display and banner art, promotional signage graphics and art, production of logos, graphics and illustrations.

Public Relations Director – Responsible for supervising the public relations and promotional staff, will provide crisis communications, media training and issues management services as needed; will manage any crisis or rapid response communication efforts.

Public Relations Coordinator – Responsible for media relations, public relations functions, event planning, coordination and management, news releases, news conferences, media events, media statements, newsletter copy, news writing, social media content development, media monitoring, analysis and reporting; assist with web content writing and retailer relations supervisor.

Production Director – Responsible for procurement of produced items, obtaining competitive bids, obtain ALC supervision on bids, issuing purchase orders, ensuring delivery deadlines are met, rectifying production problems; supervises traffic/production supervisor.

Traffic/Production Supervision – Assists production director with production functions including procurement of produced items, opening jobs, trafficking and monitoring delivery dates, issuing purchase orders, ensuring proper documentation is obtained for all production items, ensuring delivery on deadline, packaging, shipping and delivery of items.

Senior Account Planner and Strategist – Works with agency president and ALC leadership to ensure account is properly managed. Provides supervision of entire account team. Works with ALC leadership to review quarterly plans and budgets. Ensures all account deliverables and performance measures are met. Works with staff accountant to monitor budget. Reports at ALC meetings as needed.

GENERAL INFORMATION**1.0 INTRODUCTION**

The Communications Group (TCG) has reviewed the Arkansas Lottery Commission's background, and accepts and is capable of providing each of the services covered in Section 1.0. Furthermore, we have read and accept all details covered in Attachment A as stated by ALC.

1.1 ISSUING AGENCY

TCG acknowledges the contact procedures outlined in Section 1.1.

1.2 SCHEDULE OF EVENTS

TCG acknowledges the schedule of the events outlined in Section 1.2, and amended on July 22, 2009.

1.3 CAUTION TO VENDORS

TCG has read and accepts all information and precautions covered in Section 1.3.

1.4 RFP FORMAT

TCG has read and accepts all directions covered in Section 1.4.

1.5 SEALED PRICES

TCG has read and accepts all information and direction concerning pricing materials on both the printed and electronic versions of our proposal covered in Section 1.5.

1.6 TYPE OF CONTRACT

TCG has read and accepts the term of the contract as outlined in Section 1.6.

1.7 PAYMENT AND INVOICE PROVISIONS

TCG has read and accepts all provisions of invoicing and payment as outlined in Section 1.7.

1.8 PROPRIETARY INFORMATION

TCG has read and accepts all provisions regarding proprietary information as outlined in Section 1.8.

1.9 CLARIFICATION OF RFP AND QUESTIONS

TCG has read and accepts all provisions regarding clarification and questions of this RFP as outlined in Section 1.9.

1.10 BID EVALUATION

TCG has read and accepts the evaluation criteria covered in Section 1.10.

1.11 ORAL AND/OR WRITTEN PRESENTATIONS/ DEMONSTRATIONS

TCG has read and is prepared to comply with all directions from the RFP evaluation committee as outlined in Section 1.11.

1.12 PERFORMANCE SECURITY

TCG has read and is prepared to comply with all provisions for a performance security as outlined in Section 1.12.

1.13 PRIME CONTRACTOR RESPONSIBILITY

TCG has read and is prepared to comply with all provisions as outlined in Section 1.13.

1.14 DELEGATION AND/OR ASSIGNMENT

TCG has read and is prepared to comply with all provisions as outlined in Section 1.14.

1.15 CONDITIONS OF CONTRACT

TCG has read and is prepared to comply with all provisions as outlined in Section 1.15.

1.16 CANCELLATION

TCG has read and is prepared to comply with all provisions as outlined in Section 1.16.

1.17 STATEMENT OF LIABILITY

TCG has read and is prepared to comply with all provisions as outlined in Section 1.17.

1.18 AWARD RESPONSIBILITY

TCG has read and is prepared to comply with all provisions as outlined in Section 1.18.

1.19 INDEPENDENT PRICE DETERMINATION

TCG certifies that the Cost Proposal (price) has been arrived at independently without collusion, consultation, communication or agreement with any other respondent or with any competitor in accordance with the provisions of Section 1.19.

1.20 PUBLICITY

TCG has read and is prepared to comply with all provisions as outlined in Section 1.20.

1.21 CONFIDENTIALITY

TCG has read and is prepared to comply with all provisions as outlined in Section 1.21.

1.22 PROPOSAL TENURE

TCG has read and is prepared to comply with all provisions as outlined in Section 1.22.

1.23 COST

TCG has prepared a separate Cost Proposal using the Official Price Proposal Sheets and enclosed this under separate cover as outlined in Section 1.23.

1.24 WARRANTIES

TCG has read and is prepared to comply with all provisions as outlined in Section 1.24.

1.25 ONGOING PERFORMANCE REQUIREMENTS

TCG has read and is prepared to comply with all provisions as outlined in Section 1.25.

1.26 VENDOR QUALIFICATIONS

TCG has read and is prepared to comply with all provisions as outlined in Section 1.26.

1.27 NEGOTIATIONS

TCG has read and is prepared to comply with all provisions as outlined in Section 1.27.

1.28 INDEMNIFICATION – THIRD PARTY CLAIMS

TCG has read and is prepared to comply with all provisions as outlined in Section 1.28.

1.29 INTELLECTUAL PROPERTY INFRINGEMENT

TCG has read and is prepared to comply with all provisions as outlined in Section 1.29.

1.30 LICENSES AND PERMITS

TCG has read and is prepared to comply with all provisions as outlined in Section 1.30.

1.31 OWNERSHIP OF DATA AND MATERIALS

TCG has read and is prepared to comply with all provisions as outlined in Section 1.31.



Request for Taxpayer Identification Number and Certification

Give form to the
requester. Do not
send to the IRS.

Print or type. See Specific Instructions on page 2.	Name (as shown on your income tax return) The Communications Group, Inc	
	Business name, if different from above	
	Check appropriate box: <input type="checkbox"/> Individual/Sole proprietor <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Limited liability company. Enter the tax classification (D=disregarded entity; C=corporation; P=partnership): <input type="checkbox"/> Other (see instructions)	
	<input type="checkbox"/> Exempt payee	
	Address (number, street, and apt. or suite no.) 400 West Capitol Suite 1391 City, state, and ZIP code Little Rock, AR 72201 List account number(s) here (optional)	
Requester's name and address (optional)		

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note: If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number	
OR	
Employer identification number	
71	0655519

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. See the instructions on page 4.

Sign Here: Signature of U.S. person [Signature] Date: [Date]

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued);
- Certify that you are not subject to backup withholding; or
- Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partner's share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien;
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States;
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partner's share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity.

EXHIBIT G

ADDENDA MODIFICATION OR AMENDMENTS TO CONTRACT

Arkansas Lottery Commission Rules for Claims in Contract or Tort

Section 1. Purpose.

The Purpose of these Rules is to proscribe the process concerning the consideration of claims in contract or in tort against the Arkansas Lottery Commission (ALC).

Section 2. Authority.

These Rules are issued pursuant to the authority vested in the ALC under Ark. Code Ann. §§ 23-115-207 and 23-115-208.

Section 3. Scope.

These Rules apply to all contracts entered into with the ALC. In any decision made under these Rules, the Commission shall take into account the particularly sensitive nature of the state lottery and shall act to promote and ensure security, honesty, fairness, and integrity in the operation and administration of the lottery and the objectives of raising net lottery proceeds for the benefit of educational programs and purposes.

Section 4. Definitions.

- A. "Act" means the Arkansas Scholarship Lottery Act.
- B. "Contract" means all types of state agreements, regardless of what they may be called, for the purchase of commodities and services and for the disposal of surplus commodities and services not otherwise exempt.
 - i. "Contract" includes awards and notices of award, contracts of a fixed-price, cost, cost-plus-a-fixed-fee, or incentive type, contracts providing for the issuance of job or task orders, leases, letter contracts, and purchase orders.
 - ii. "Contract" also includes supplemental agreements with respect to any of these items.
- C. "Contractor" means any person having a contract with the ALC.
- D. "Commissioners" means the Members appointed to the Arkansas Lottery Commission by virtue of Arkansas Code Ann. § 23-115-202.
- E. "Director" means the Director of the Arkansas Lottery Commission.
- F. "Person" means any individual, corporation, partnership, unincorporated association, or other legal entity.
- G. "Negotiation" means a consensual bargaining process in which the parties attempt to resolve a claim.
- H. "Tort" means a claim arising in tort with respect to which:
 - i. the claimant is an organization; or
 - ii. the claimant is an individual and the claim:
 - a. arose in the course of the claimant's business or profession; and
 - b. does not include damages arising out of personal injury to or the death of an individual.

Section 5. Policies.

- A. These Rules do not waive the ALC's sovereign immunity to suit or liability.

Exhibit H

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- B. These Rules apply to controversies between the ALC and a Contractor which arise under or by virtue of a contract between them. This includes, without limitation, controversies based upon breach of contract, mistake, misrepresentation, or other cause for contract modifications or rescission.

Section 6. Pre-Hearing Negotiations.

A. Procedure

- i. A Contractor (hereinafter "Claimant") asserting a claim of breach of contract or an action in tort against the ALC must file notice of the claim as provided by this section.
- ii. The notice of claim shall:
 - a. be in writing and signed by the aggrieved party or the aggrieved party's authorized representative;
 - b. be delivered by hand, certified mail return receipt requested, or other verifiable delivery service, to the Director of the ALC, and
 - c. state in detail:
 1. the nature of the alleged breach of contract or tortious conduct, including the date of the event that the aggrieved party asserts as the basis of the claim and if applicable, each contractual provision allegedly breached;
 2. a description of damages that resulted from the breach or conduct, including the amount and method used to calculate those damages;
 3. the legal theory of recovery, i.e., breach of contract, including the causal relationship between the alleged breach and the damages claimed.
 4. If the claimant is represented by an attorney, each notice of claim, pleading or paper of such claimant shall be signed by such attorney whose address and phone number shall be stated. The signature of an attorney constitutes a certificate by the attorney that he or she has read the pleading, document or paper; that he or she is authorized to file it; and that to the best of his or her knowledge, information and belief there is good ground for it; and that, with respect to a notice of claim, he or she files it with the distinct knowledge and specific consent of the claimant.
 5. A notice of claim, pleading or paper not signed by an attorney must be signed by the claimant with the address and phone number stated. Any pleading, notice of claim or claim filed on behalf of a corporation or other organization must be verified by an executive officer of such corporation or organization.
 6. In any notice of claim when, upon inspection, the Director is of the opinion that the notice of claim, document or pleading tendered for filing does not comply with these rules, does not sufficiently set forth required information or is otherwise insufficient, the Director may decline to accept the notice of claim, document or paper and may return it unfiled, or the Director may accept it for filing and advise the person tendering it of the deficiency and require the deficiency be corrected. Simple "receipt" in the Commission office in no way implies an attempted claim has been "filed" with the Commission. The decision to accept or decline for filing an attempted, but deficient, claim is solely that of the Director.
- iii. In addition to the mandatory contents of the notice of claim as required by subsection (c) of this section, the aggrieved party may submit supporting documentation or other tangible evidence to facilitate the ALC's evaluation of the aggrieved party's claim.
- iv. If the claimant is an executor, administrator, guardian, or other representative acting under judicial appointment, a duly certified copy of the record of appointment shall be filed with the notice of claim.

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- v. The notice of claim shall be delivered no later than one hundred and eighty (180) days after the date of the event that the aggrieved party asserts as the basis of the claim.
- vi. Failure to assert a claim in a timely manner will result in a waiver of those issues.

B. Timetable

- i. Following receipt of a notice of claim, the Director shall review the claim(s) and initiate negotiations with the Claimant to attempt to resolve the claim(s).
- ii. The parties shall begin negotiations within a reasonable period of time, not to exceed sixty (60) days following the later of:
 - a. the date of termination of the contract;
 - b. the completion date; or substantial completion date in the case of construction projects, in the original contract; or
 - c. the date the ALC receives the Claimant's notice of claim.
- iii. The ALC may delay negotiations until after the 60th day after the date of the event giving rise to the claim of breach of contract by:
 - a. delivering written notice to the Claimant that the commencement of negotiations will be delayed; and
 - b. delivering written notice to the Claimant when the ALC is ready to begin negotiations.
- iv. The parties may conduct negotiations according to an agreed schedule as long as they begin negotiations no later than the deadlines set forth in subsections (ii) or (iii) of this section, whichever is applicable.
- v. The parties shall complete the negotiations that are required by this Section as a prerequisite to a Claimant's request for a dispute hearing no later than ninety (90) days after the ALC receives notice of a claim.
- vi. The parties may agree in writing to extend the time for negotiations on or before the 60th day after the ALC receives notice of the claim. The agreement shall be signed by representatives of the parties with authority to bind each respective party and shall provide for the extension of the statutory negotiation period until a date certain. The parties may enter into a series of written extension agreements that comply with the requirements of this section.

C. Conduct of Negotiation

- i. A negotiation under this Section may be conducted by any method, technique, or procedure authorized under the contract or agreed upon by the parties, including, without limitation, negotiation in person, by telephone, by correspondence, by video conference, or by any other method that permits the parties to identify their respective positions, discuss their respective differences, confer with their respective advisers, exchange offers of settlement, and settle.
- ii. The parties may, if the ALC agrees, conduct negotiations with the assistance of one or more neutral third parties.
- iii. To facilitate the meaningful evaluation and negotiation of the claim(s) the parties may exchange relevant documents that support their respective claims, defenses, counterclaims or positions.
- iv. Unless the parties agree otherwise, each party shall be responsible for its own costs incurred in connection with a negotiation, including, without limitation, the costs of attorney's fees, consultant's fees and expert's fees.

D. Settlement Agreement

- i. A settlement agreement may resolve an entire claim or any designated and severable portion of a claim.
- ii. To be enforceable, a settlement agreement must be in writing and signed by representatives of the aggrieved party and the ALC who have authority to bind each respective party.
- iii. A partial settlement does not waive a party's rights as to the parts of the claims or counterclaims that are not resolved.

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- iv. The Claimant and the Director must certify in writing if they do not reach a settlement. Such a certification will serve as an automatic request to the Director for a decision on the merits of the Claim.

E. Prerequisites to Any Other Remedy

The procedures contained in Section 6 are exclusive and required prerequisites any other remedy.

Section 7. Dispute Hearing.

- A. If the Director receives an automatic request for a decision pursuant to Section 6 of these Rules, the Director shall issue a written decision within ten (10) business days.
 - i. The decision shall state the reasons for the action taken.
 - ii. A copy of the decision shall be mailed by overnight mail or otherwise furnished immediately to the aggrieved party.
- B. A Claimant aggrieved by a decision of the Director may request a hearing before the Commissioners within fifteen (15) days after the written decision is issued by the Director. The Claimant must be granted a hearing before the Commissioners or their designee as soon as practicable but not later than sixty (60) days after the decision of the Director.
 - i. The Commissioners, pursuant to the power granted to them in Arkansas Code Ann. §23-115-205, may authorize its Legal Committee to hear and dispose of administrative appeals from the Director as the Committee deems appropriate, including, but not limited to, designating one of its Members to consider an act on an appeal on behalf of the Commissioners. Therefore, references herein to "Commissioners" shall be read to take this delegation of authority into account.
- C. All dispute hearings shall be open to the public and the press.
- D. The hearing need not be conducted or controlled by either the Arkansas Rules of Evidence or the Arkansas Rules of Civil Procedure. The hearing will be conducted to the extent and fashion deemed appropriate by the Commissioners.
- E. All hearings will be recorded by a certified court reporter. If a claimant desires the testimony be transcribed into a transcript or files an appeal, the claimant shall order directly from the reporter an original and one copy, both of which are the financial responsibility of the complainant ordering the transcript. The original transcript shall be filed by the reporter directly with the ALC.
- F. Based upon the evidence presented at the dispute hearing, the Commissioners may reverse a decision of the Director if the appellant proves the decision to be:
 - i. in violation of Constitutional or statutory provisions;
 - ii. in excess of the statutory authority of the Director;
 - iii. in excess of the authority granted to the Director by the Commissioners;
 - iv. made upon unlawful procedure;
 - v. affected by other error of law;
 - vi. clearly erroneous in view of the reliable, probative, and substantial evidence of the whole record; or
 - vii. arbitrary or capricious or characterized by abuse of discretion or clearly unwarranted exercise of discretion.
- G. The Commissioners may remand an appeal to the Director for further consideration or investigation. This decision of the Director shall be considered final and appealable only to the Arkansas Claims Commission.
- H. The Commissioners' determination must be in writing and must:

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- i. be sent by United States Postal Service certified mail, a commercial overnight delivery service or hand delivered to the appellant; and
- ii. explain the basis for the Commissioners' determination.

Section 8. Appeals.

- A. A claimant may appeal the decision of the Commissioners of the ALC to the Arkansas Claims Commission, pursuant to Arkansas Code. Ann. §§ 23-115-208 and 19-10-201. The claimant may:
 - i. Within forty (40) days after the decision is rendered, file with the Arkansas State Claims Commission a notice of appeal of the decision of the ALC;
 - ii. Within forty (40) days after the decision is rendered, file with the ALC a motion for reconsideration requesting the ALC to reconsider its decision; and
 - iii. Within twenty (20) days after the ALC's reconsideration or denial of the motion for reconsideration, file with the Arkansas State Claims Commission a notice of appeal of the decision of the ALC.

B. Exclusive Remedy

These Rules provide the exclusive procedure for asserting a claim against the ALC arising out of or relating to any matter related to contract or torts. Neither an aggrieved person, nor any other interested party has a right to any remedy against the ALC with respect to any matter in contract or tort except in accordance with the procedures set forth in these Rules.

Arkansas Scholarship Lottery

500 President Clinton Avenue, #215
Post Office Box 3238
Little Rock, AR 72203-3238

INTENT TO AWARD

Bid Number: ALC – 090004

Bid Opening Date: July 31, 2009

Commodity Services: Advertising, Media and Marketing Services

Projected Total Value: five percent (5%) for Media Placement Services

Creative Director	- \$220.00 per hour
Art Director	- \$170.00 per hour
Copy Writer	- \$100.00 per hour
Account Supervisor	- \$120.00 per hour
Account Manager	- \$70.00 per hour
Staff Accountant	- \$50.00 per hour
Promotional Specialist	- \$100.00 per hour
Promotional Staff	- \$25.00 per hour

Posting date: August 5, 2009

Vendor: Communications Group

Contact: Bishop Woosley – (501) 683-1890 - bishop.woosley@arkansas.gov