



STATE OF ARKANSAS  
ARKANSAS LOTTERY COMMISSION

**EXHIBIT B-1**

Post Office Box 3238  
Little Rock, Arkansas 72203-3238  
Phone: (501) 683-2000  
Fax: (501) 683-1878  
<http://myarkansaslottery.com>

December 31, 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:

On December 29, 2014, the Arkansas Lottery Commission (“ALC”) approved a three-year extension of its contract for Online Lottery Game Services and Lottery Gaming System and Services. ALC is prepared to immediately execute this contract extension via the *Second Amendment to Agreement for Contractual Services for Online Lottery Game Services and Lottery Gaming System and Services* (“Second Amendment”) upon review of same by the Arkansas Lottery Commission Legislative Oversight Committee (ALCLOC). I respectfully request the ALCLOC review this contract at its earliest convenience. I provide the following information to assist in this endeavor:

1. ALC issued a Request for Proposal (RFP) for Contractual Services for Online Lottery Game Services and Lottery Gaming System and Services on June 19, 2009 (Attachment A).
2. ALC passed a resolution to execute and award the contract to Intralot, Inc. on August 5, 2009 (Intralot redacted bid proposal and Aug. 5, 2009 ALC minutes are Attachments B and C respectively).
3. ALCLOC reviewed the contract and ALC executed the contract with an effective date of August 15, 2009 (Attachment D).
4. The contract was for a seven-year term with an option to renew up to three additional times in one year increments or a portion thereof. Terms of compensation of the original agreement were set at 2.45% percent of net online and instant ticket sales.
5. ALC executed a no-cost First Amendment to the Agreement on August 12, 2012 after ALCLOC review (Attachment E).
6. The attached proposed Second Amendment exercises the three one year renewals, reduces the compensation percentage from 2.45% to 2.165%, and

extends the contract to August 14, 2019. All other terms of the contract extension are set forth in the Second Amendment (Attachment F).

The ALC sends this Second Amendment to you for your review at this time because if ALC is required to rebid the contract and potentially convert to a new vendor's gaming system, this process will take over a year to complete, and must be completed by the current contract deadline of August 5, 2016.

Please contact me now if you have any questions or need additional information.

Sincerely,

Bishop Woosley  
Director

Enclosures: Computer Disk containing all attachments

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