

**ALC Responses to Questions Submitted by Thorsborg Institute, LLC
Related to ALC-RFP-140001**

1. The request for technology access for the blind is not definitive as to the extent of the submitted material format. Would digital audio submission of the written documentation (both for the response of the RFP and subsequent reports if we were awarded the contract) suffice? This would be distinguished from a requirement supplying both the digital audio and BRAILLE documentation. If you could define the expectations for compliance to this section, it would be greatly appreciated.

ALC Response: This section is inapplicable to this proposal given that no technology will be purchased pursuant to this proposal.

2. (A) Will there be a requirement to establish a Corporation entity within the State of Arkansas? (B) If not, will the consultancy fees be taxed by the State of Arkansas?

ALC Response: (A) Successful vendor must comply with applicable Arkansas rules and laws as required to operate as a business in Arkansas. (B) The Arkansas Lottery Commission cannot provide legal advice. A vendor may wish to consult a lawyer or the Arkansas Department of Finance and Administration for guidance on this question.

3. Will the Arkansas Lottery Commission indemnify the consulting firm in the event of litigation and/or investigation of either state or federal agencies resulting from information/data derived from this consultancy project? The request for clarity on this point is caused by the litigious nature of the lottery industry and because of the recent past incidents that have impacted on the Arkansas Lottery that may or may not have been resolved.

ALC Response: No. Under Arkansas law, the Arkansas Lottery Commission may not indemnify a party from damages.

4. The main topics of the consultancy RFP goal has three components; to wit,
 - a. Increasing revenue;
 - b. Cost control
 - c. Increasing contribution to the Arkansas Academic Challenge Scholarship program.

Inasmuch as there are existing vendor supplier contracts in place for the foreseeable future and it is our understanding that the Arkansas Lottery regulations mandate the percentages awarded to the recipient program shall we infer that this consultancy project is to provide a descriptive baseline structure with recommendations to the Lottery Commission for changes that could be implemented in the near term? As an example, the mere fact that there will be a systematic review process of the current retailers will result in an increase of sales by the retailers by a correlation of the Maslow sociological theories. Every lottery we have reviewed throughout the world has specific management practices because of the political nature of the jurisdiction which impacts on the

operational environment. We have found in our decades in this industry; that projects like this need a definitive scope of work that outlines the desires of the organization. Obviously an increase in sales and decrease of costs will contribute to increase funding of the scholarship program. Is this increase in revenue the specific goal requirement of this RFP or is a comprehensive review of the management, retailers, staff organization and legislative impact the actual goal?

ALC Response: As stated in Section 3 of the RFP, the ALC desires an in-depth assessment of the performance of the ALC's operations in the specified areas and seeks specific recommendations and actionable plans for its use to achieve the goals outlined therein. While the primary goals identified in Section 3.1 deal with increasing sales and the profitability of the ALC, it is the ALC's intent that all areas identified in Section 3.4 be addressed in proposals submitted by responding vendors, which the ALC views as a comprehensive review of its operations. As noted in Sections 3.4 and 3.5, the ALC encourages responding vendors to provide multiple scope options and measurement criteria in proposals submitted in response to this RFP, which may include review of areas or metrics that are not specifically outlined in the RFP. Further, as noted in Section 3.4, it is expected that responding vendors will develop an understanding of the ALC's business, political, and economic environments in performing the services requested in the RFP. Finally, in reference to the portion of this question that states "it is our understanding that the Arkansas Lottery regulations mandate the percentages awarded to the recipient program," it should be noted that there are no current legal restrictions mandating the percentage of ALC revenues that must be contributed to the Arkansas Academic Challenge Program.