

ARKANSAS LOTTERY COMMISSION

Responses to Pollard Banknote Limited Questions for the ALC Instant Ticket Lottery Game Services RFP

ALC Response to Page 1 Question 1: The ALC is not a tax exempt organization. Further, according to an opinion issued by the Department of Finance and Administration on July 9, 2009, "the sale of lottery tickets by a retailer to a consumer will be exempt from the Arkansas Gross Receipts Tax. The purchase of tickets by the Arkansas Lottery Commission, however, will be subject to the Arkansas Gross Receipts or Compensating (Use) Tax."

ALC Response to Page 1 Question 2: Please refer to Section 2.1 "ALC Objectives" of the Instant Ticket Lottery Game Services RFP.

ALC Response to Page 2 Question 3: Please refer to the Second Addendum to the ALC Instant Ticket Lottery Game Services RFP approved on July 15, 2009.

ALC Response to Page 2 Question 4: The ALC has not yet established a plan related to the information requested in this question. As such, this information will be provided once it becomes available.

ALC Response to Page 2 Question 5: Please refer to Section 3.7 "Distribution of Tickets From Other Vendors" (Emphasis Added) on Page 16 of the Instant Ticket Lottery Game Services RFP.

ALC Response to Page 2 Question 6: Please refer to Section 3.12 "Marketing Services" on Page 17 of the Instant Ticket Lottery Game Services RFP.

Response to Sub question a: The ALC will include or introduce higher price point games. The ALC will have no price point restrictions.

Response to Sub question b: Please see attached budget approved by the ALC. In addition, the guidelines requested have not yet been determined. ALC will provide that information once it becomes available.

Response to Sub question c: The ALC "sales force" currently includes provisions for four (4) regional office/claims locations including Little Rock, two (2) regional sales managers and twenty (20) marketing sales representatives. Please refer to the Second Addendum to the ALC Instant Ticket Lottery Game Services RFP approved on July 15, 2009.

Response to Sub question d: Please refer to the ALC retailer rules which can be found at the following web address:

http://lotterycommission.arkansas.gov/rules_and_enabling_legislation.html

Response to sub question e: Please see ALC response to sub question d above.

ALC Response to Page 3 Question 7:

Response to Sub question a: In reference to the questions concerning instant tickets sizing based on price point, the ALC has not yet made any determination as to such specifications. The requested information will be provided once it becomes available.

Response to Sub question b: Please refer the Official Price Proposal Sheet in the Second Addendum to the Instant Ticket Lottery Game Services RFP approved on July 15, 2009.

ALC Response to Page 3 General Query: The ALC will provide this information once it becomes available.

EXHIBIT A**Lottery
Commission Budget
Request**

Description	Appropriation Per Act 1237	Anticipated Budget Required	BTC Request
Commitment Item 00 - Regular Salaries	\$ 3,000,000	\$ 3,000,000.00	\$ -
Commitment Item 02 - Operating Expenses	\$ 50,000	\$ 2,645,600.00	\$ 2,595,600.00
Commitment Item 03 - Personal Service Matching	\$ 750,000	\$ 750,000.00	\$ -
Commitment Item 09 - Travel - Conferences	\$ -	\$ 25,000.00	\$ 25,000.00
Commitment Item 10 - Prof. Fees & Serv.	\$ 5,690,000	\$ 200,000.00	\$ (3,360,600.00)
Commitment Item 11 - Capital Outlay	\$ 10,000	\$ 750,000.00	\$ 740,000.00
			\$ -
Totals	\$ 9,500,000.00	\$ 7,370,600.00	\$ -

**ARKANSAS ADMINISTRATION STATEWIDE INFORMATION SYSTEM
REQUEST FOR BUDGET CLASSIFICATION TRANSFERS (BCT)
FY2010**

EXHIBIT B

Business Area: 0085 Business Area Title: Arkansas Lottery Commission
 Funds Center: 56L Funds Center Title: Arkansas Lottery Commission - Operations
 Fund: TLC0000 Fund Title: Arkansas Lottery Commission Trust Fund Functional Area: CNST

Line-Item Classifications	Authorized Appropriation	Actual Expenditures ** FY2009	Transfer From			Transfer To		
			CI	Fund	Amount	CI	Fund	Amount
502:00:02 Operating Expenses	\$50,000	\$11,657				502:00:02	TLC0000	\$2,595,600
505:00:09 Conference & Travel Expenses	\$0	\$0				505:00:09	TLC0000	\$25,000
506:00:10 Professional Fees	\$5,690,000	\$0	506:00:10	TLC0000	\$3,360,600			
512:00:11 Capital Outlay *	\$10,000	\$0				512:00:11	TLC0000	\$740,000
509:00:12 Data Processing *	\$0	\$0						

Reason for Transfer:

To reallocate authorized appropriation to cover anticipated budget needs for the first six months of the new fiscal year.

Agency Director

Budget Approval

DFA IGS State Technology Planning
(approval only needed if applicable ***)

* Transfers may not be made from the capital outlay (512:00:11) or data processing (509:00:12) sub classifications unless specific authority for such transfers is provided by law. (ACA 19-4-522(C)(1))

** For transfers requested during the month of July 2009 use the agency's fiscal year 2009 expenditures as of April 30, 2009 for each of the Maintenance & Operations commitment items. For transfers requested during the months August 2009 - May 2010 use the agency's fiscal year 2009 expenditures. For transfers requested during the month of June 2010 use the agency's fiscal year 2010 expenditures as of April 30, 2010.

*** Transfers requested for the purchase of information technology related items must be in compliance with the agency's Information Technology Plan submitted to DFA IGS State Technology Planning.