

**ALC Responses to Questions Submitted by Grant Thornton LLP  
Related to ALC-RFP-140001**

1. Can we bill separately for travel or must it be included in the firm-fixed price?

**ALC Response:** Please refer to Sections 1.12, 1.23, and 4.0 of the RFP. All costs must be included in the Official RFP Price Sheet and the ALC will pay for services under the RFP only after successful completion of all milestones. No progress billing or other arrangements will be accepted.

2. Can you confirm the work must follow standard performance audit guidelines and use Yellow Book standards? Are there other audit standards that the Arkansas Lottery would like for vendors to follow?

**ALC Response:** While responding vendors may choose to propose services that are in compliance with Yellow Book standards, compliance with such standards is not required. Regardless of whether Yellow Book standards are used, the ALC seeks specific recommendations and actionable plans for its use to achieve the goals outlined in Section 3 of the RFP.

3. The proposal refers to the requested services as performance auditing and consulting services, is it anticipated the services will be conducted in accordance with professional standards for performance auditing and within “yellow book” standards for reporting?

**ALC Response:** Please see response to Question #2.

4. Does the agency currently collect, report and track internal performance metrics by department and/or in each key operational area?

**ALC Response:** The ALC does not currently collect, report, and track such data on an ongoing basis.

5. Does the agency have an enterprise risk management framework in place?

**ALC Response:** The ALC does not maintain a formal enterprise risk management framework, but manages risk through the established chain of command. The ALC Director is generally involved in risk assessment and makes final decisions in managing significant risks, including consultation with the nine-member Commission if deemed necessary.

6. Will the detailed data associated with the “Sales by County” (section 2.4) and the “Marketing Research” (section 2.5) be provided for independent analysis?

**ALC Response:** All data necessary to complete the requested services will be made available to the successful vendor, including “Sales by County” and “Marketing Research” data.

7. Does the current lottery operations system provide BI analytics for each game by retailer?

**ALC Response:** The current operations system provides pre-defined reports and ad-hoc reporting options that allow for analytics by game by retailer to be performed.

8. Are there any time periods between the execution of the contract and Mar 31, 2015 that the agency operations or schedules would impact the performance of this contract and should be reflected on the summary overview and implementation plan?

**ALC Response:** The ALC is in the midst of several major initiatives and expects the period September 1, 2014 to March 31, 2015 to be active with the launch of several new instant and online games, events associated with the ALC’s 5-year anniversary, and the 2015 Legislative Session. While this will be an active period, the ALC will devote ample time to the successful vendor’s requests as part of the services proposed in response to this RFP. ALC Management anticipates that the months of November and December 2014 will be the best time for activities related to the services requested under this RFP.

9. In lieu of providing the last 3 years of financial statements (Section 5.7), will the agency accept a financial strength letter from the partnership controller?

**ALC Response:** Please refer to Section 1.8 of the RFP. The ALC understands and respects responding vendors’ desire to protect proprietary information, but must also comply with relevant procurement rules and Arkansas law. Any information deemed proprietary by a responding vendor, including financial information, should be sealed in a separate envelope and marked as “confidential and proprietary.” The ALC will treat any information sealed and marked as described in Section 1.8 of the RFP as confidential and proprietary.

10. How would the agency prefer vendors to submit the encouraged alternative pricing terms?

**ALC Response:** Please refer to Section 4.0 of RFP and Attachment B. Alternative pricing terms must be submitted on the Official RFP Price Sheet or any attachment thereto. All pricing information must be separately sealed and marked as pricing information. The Official RFP Price Sheet requests that pricing information be provided for each of the performance audit areas for assessment outlined in Section 3.4 of the RFP (section titled “Performance Audit Areas”) and also provides space for pricing information for additional areas other than those outlined in Section 3.4 of the RFP that

responding vendors choose to include in their proposal (section titled “Vendor’s Proposed Additional Areas for Assessment.”).

11. Other than the cited Arkansas Scholarship Lottery Act, is there any other state legislation or legal precedence pertinent to the identified key ALC operational areas?

**ALC Response:** Other legal precedence pertinent to ALC’s operational areas include ALC Rules including Rules of Practice and Procedure, Operational Rules and Retailer Rules and Article 19, Section 14 of the Arkansas Constitution.

12. Have there been any recent, or are there any planned major system implementations during the proposed performance period?

**ALC Response:** The ALC anticipates that it will implement a new accounting and payroll system during the fiscal year that ends June 30, 2015.