

**State of Arkansas
ARKANSAS LOTTERY COMMISSION**

REQUEST FOR QUALIFICATIONS

RFQ Number: ALC-RFQ-110001	Buyer:
Service: Arkansas Lottery Commission Comprehensive Annual Financial Report and Training	Submission Opening Date: June 21, 2011
Date: May 12, 2011	Submission Opening Time: 4:00 p.m.

SUBMISSIONS WILL BE ACCEPTED UNTIL THE TIME AND DATE SPECIFIED ABOVE. THE SUBMISSION ENVELOPE MUST BE SEALED AND SHOULD BE PROPERLY MARKED WITH THE SUBMISSION NUMBER, DATE AND HOUR OF SUBMISSIONS 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 submission to the Arkansas Lottery Commission prior to the scheduled time for opening of the particular submission. When appropriate, Vendors should consult with delivery providers to determine whether the submission will be delivered to the Arkansas Lottery Commission office street address prior to the scheduled time for submission opening. Delivery providers, USPS, UPS, FedEx, and DHL deliver mail to our street address, 124 W. Capitol Avenue, Little Rock, AR 72201, on a schedule determined by each individual provider. These providers will deliver to our offices based solely on our street address.

MAILING ADDRESS: P.O. Box 3238 Little Rock, AR 72203	SUBMISSION 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 SUBMISSIONS WILL NOT BE CONSIDERED

Identification: *	*
Federal Employer ID Number	Social Security Number

FAILURE TO PROVIDE TAXPAYER IDENTIFICATION NUMBER MAY RESULT IN SUBMISSION REJECTION

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

GENERAL DESCRIPTION:	Preparation of June 30, 2011, Arkansas Lottery Commission Comprehensive Annual Financial Report and Training. Engagement will not entail any attest 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".

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: eeopolicy.osp@dfa.state.ar.us 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.dfa.arkansas.gov/Pages/businessServices.aspx>.

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 RFQ or not.

ALTERATION OF ORIGINAL RFQ DOCUMENTS

The original written or electronic language of the RFQ 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 RFQ 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 RFQ prior to submission.

DELIVERY OF RESPONSE DOCUMENTS

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

INTENT TO AWARD

After complete evaluation of the submission, the intent to award will be posted on the Arkansas Lottery Commission's website (www.myarkansaslottery.com) 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 RFQ results will be posted for a period of at least fourteen (14) 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 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 when it is in the best interest of the State. Vendors are responsible for viewing the Intent to section of the Arkansas Lottery Commission's web site at: www.myarkansaslottery.com.

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 submission opening. Documentation may be in the form of 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 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.
(www.dfa.arkansas.gov/offices/accounting/internalaudit/Pages/ExecutiveOrder98-04.aspx.)

SECTION I. GENERAL INFORMATION

1.0 INTRODUCTION

The purpose of this Request for Qualifications (RFQ) is to invite responses (Submissions) from qualified certified public accounting firms (Vendors) desiring to create the Arkansas Lottery Commission Comprehensive Annual Financial Report and to provide training for the Arkansas Lottery Commission. 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 RFQ, and Submissions 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 Submissions. 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 currently employs approximately eighty-five (85) people statewide and staffs and operates a headquarters and prize payment claim center located in Little Rock, Arkansas. The ALC also staffs and operates three other

claim centers located in Springdale, Jonesboro and Camden, Arkansas. The Arkansas Lottery Commission has over 1900 retailers state-wide. The Arkansas Lottery Commission projects to have total operating revenues of \$459,856,500 dollars for fiscal year 2011-2012. A copy of the 2011-2012 ALC budget is attached hereto as Attachment B. Also attached is a copy of the June 30, 2010, Audited Financial Statement, Attachment E.

1.1 ISSUING AGENCY

The Arkansas Lottery Commission (ALC) is the issuing agency of this RFQ. The issuing agency is the sole point of contact in the State for the selection process. Vendor questions regarding RFQ related matters should be made in writing to the Director of the ALC.

1.2 SCHEDULE OF EVENTS

Release RFQ	May 11, 2011
Written Vendor questions due	May 31, 2011
Answers to Vendor questions	June 7, 2011
Evaluations of proposals	Approximately 7 days after proposal opening
Anticipation of Award	Approximately 1 day after evaluation or 1 day after LOC review, if required.

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

1.3 CAUTION TO VENDORS

- During the time between the proposal opening and contract award, any contact concerning this RFQ 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 RFQ.
- Vendors must submit one (1) signed original submission on or before the date specified on page 1 of this RFQ. The Vendor should submit seven (7) complete copies (marked copy) of the signed RFQ 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 Comprehensive Annual Financial Report Request for Qualifications Price Sheet on the copies, including the CD. Pricing from the Official Request for Qualifications Price Sheet must be separately sealed from the submission and clearly marked as pricing information. The electronic version of the Official Request for Qualifications Price Sheet must also be sealed separately from the electronic version of the submission. Failure to submit the required number of copies with the submission may be cause for rejection. If the ALC requests additional copies of the submission, they must be delivered within twenty-four (24) hours of request.
- For a submission to be considered, an official authorized to bind the Vendor to a resultant contract must have signed the submission and the Official Request for Qualifications 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 submission for any or all line items of a submission received as a result of this RFQ, if it is in the best interest of the ALC to do so. Submissions will be rejected for one or more reasons not limited to the following:
 - a. Failure of the Vendor to submit his or her submission(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 RFQ Document;
 - e. **Failure to complete the Official Request for Qualifications 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 RFQ, or in subsequent correspondence, which conflicts with or takes exception to a requirement in the RFQ; or
 - g. Failure of any proposed services to meet or exceed the specifications.
- The Official Request for Qualifications Price Sheet, Attachment C, is attached and posted and may be downloaded at myarkansaslottery.com.

1.4 RFQ 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 submission to be rejected. It is recommended that Vendors respond to each item or paragraph of the RFQ 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 Request for Qualifications Price Sheet submitted in response to this RFQ must be submitted separately sealed from the submission of qualifications response. **Vendors must include all pricing information on the Official Request for Qualifications Price Sheet and must clearly mark said page(s) as pricing information. The electronic version of the Official Request for Qualifications Price Sheet must also be sealed separately from the electronic version of the submission.**

1.6 TYPE OF CONTRACT

This will be a term contract for a term of one (1) year from date of award, with an option for renewal at a mutually agreed upon price up to six (6) 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 RFQ will be processed in accordance with applicable ALC major procurement procedures. All documents pertaining to the RFQ become the property of the ALC and shall be open to public inspection subsequent to anticipation of award. 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 submission 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 RFQ AND QUESTIONS

If additional information is necessary to enable Vendors to better interpret the information contained in the RFQ, written questions will be accepted until the close of business (5:00 PM CDT) on May 31, 2011. 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 June 7, 2011. Written questions should be sent to the attention of the ALC Director at the ALC Offices.

1.10 BID EVALUATION

The ALC RFQ evaluation committee will evaluate all submissions to ensure all requirements are met. The Evaluation Committee will make its initial determination based on the qualifications of the respondents. Only after the most qualified candidate is identified will cost become a factor in determining the award. After such a determination, discussion will then be conducted with the qualified vendors who, based on the previously evaluated qualifications, are determined to be the most likely of being selected on the basis of qualifications and reasonable costs to the ALC.

1.11 ORAL INTERVIEWS

The Vendor may be invited to an oral interviews to comply with the requirement.

The RFQ evaluation committee chairperson will schedule the time and location for each interview. All interviews are subject to be recorded.

All expenses associated with the interview 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 equal to the price proposed by the Vendor in its successful bid for this Request for Qualifications within ten (10) working days from date of receipt of the ALC's written notification by mail of its anticipation of award. 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 submission shall be rejected and the ALC may then begin negotiations with other qualified vendors. 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 submissions, 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 RFQ must include a list of subcontractors, including: firm name and address, contact person, complete description of work to be sub-contracted, and descriptive information concerning subcontractor's organizational activities.

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 Policies and Procedures at: myarkansaslottery.com.

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

- The prices in the submission 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 submission 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 RFQ 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 submission.

The Successful Vendor agrees not to use the ALC's names, trademarks, service marks, logos, images, or any data arising or resulting from this RFQ or the Contract as part of any commercial advertising or submission 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 SUBMISSION TENURE

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

1.23 COST

All charges must be included on the Official Request for Qualifications Price Sheet, must be valid for one hundred eighty (180) days following submission 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 Request for Qualifications Price Sheet must be separately sealed from the response and clearly marked as pricing information. Do not include any pricing from the Official Request for Qualifications Price Sheet on the copies, including the CD. The electronic version of the Official Request for Qualifications Price Sheet must also be sealed separately from the electronic version of the submission.**

NOTE:

1. The ALC will not be obligated to pay any costs not identified on the Official Request for Qualifications 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 Request for Qualifications 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 RFQ 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 thereunder 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 RFQ, 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 RFQ. 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:

- Vendors must have the necessary training and personnel to prepare the Comprehensive Annual Financial Report in compliance with all applicable Government Accounting Standards Board Standards including but not limited to GASB 34; and
- Vendor must have the necessary personnel and charge a reasonable hourly rate to provide training to Arkansas Lottery Commission employees for the purpose of the agency receiving a Certificate of Achievement for Excellence in Financial Reporting Program of the Government Finance Officers Association.

1.27 NEGOTIATIONS

As provided in this RFQ and under the ALC's Major Procurement Rules, discussions may be conducted with a responsible Vendor whose submission is determined to be reasonably susceptible of being selected for award for the purpose of obtaining clarification of submission response and negotiation for best and final offers.

SECTION 2. OVERVIEW

2.0 ALC OVERVIEW

In the 2011 legislative session, Act 1057 was passed which requires the Arkansas Lottery Commission to prepare a Comprehensive Annual Financial Report for submission to the Arkansas Legislative Lottery Commission Oversight Committee. In accordance with Act 1057, the ALC issues this Request for Qualifications with the clear intent to secure a vendor to create a custom Comprehensive Annual Financial Report for the Arkansas Lottery Commission. The report **must** comply with applicable Government Accounting Standards Board Standards, including but not limited to Standard 34 and the report must follow the guidelines of the Certificate of Achievement for Excellence in Financial Reporting Program of the Government Finance Officers Association and must contain the information outlined in the following sections as mandated by Act 1057 of the 2011 Regular Session of the Arkansas General Assembly. A copy of Act 1057 is attached hereto as Attachment D. Additionally, the Arkansas Lottery Commission is requesting that the Vendor provide the necessary training to Arkansas Lottery Commission personnel at a reasonable hourly rate for the purpose of the agency receiving a Certificate of Achievement for Excellence in Financial Reporting Program of the Government Finance Officers Association.

The Arkansas Lottery Commission is an instrumentality of the State of Arkansas. It currently employs approximately eighty-five (85) people and generates yearly sales of approximately \$450 million dollars. The Arkansas Lottery Commission currently operates a headquarters and claim center in Little Rock and three (3) other claim centers located in Springdale, Jonesboro and Camden. The Arkansas Lottery Commission has over 1900 retailers state-wide. The Arkansas Lottery Commission projects to have total operating revenues of \$459,856,500 dollars for fiscal year 2011-2012. A copy of the 2011-2012 ALC budget is attached hereto as Attachment B. Also attached is the June 30, 2010, audited financial statements from the Arkansas Department of Legislative Audit as Attachment E and the March 31, 2011, unaudited financial statements as Attachment F.

2.1 ALC OBJECTIVES

The integrity of the Arkansas Lottery Commission 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.

All responses to this RFQ shall reflect the following overall goals and objectives of the ALC to procure a qualified vendor to create a Comprehensive Annual Financial Report that follows industry best practices and which exceeds industry standards and provide the ALC employees the training referenced in the preceding section.

2.2 SUCCESSFUL VENDOR/ALC RELATIONSHIP

The nature of this RFQ 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 and female participation and commitment to nondiscrimination as are held by the ALC.

SECTION 3. COMPREHENSIVE ANNUAL FINANCIAL REPORT

3.0 SCOPE OF WORK/SPECIFICATIONS

The Vendor selected as a result of this RFQ will create a Comprehensive Annual Financial Report for the Arkansas Lottery Commission with the specifications set forth in this Section. There will be no attest services required under this RFQ.

3.0.1 ANNUAL FINANCIAL REPORT REQUIREMENTS

- Act 1057 of the 2011 Regular Session of the Arkansas General Assembly requires that the commission submit a Comprehensive Annual Financial Report to the Governor and to the Arkansas Lottery Commission Legislative Oversight Committee by placing the report on the commission's website and providing notice of its availability to the Governor and to the Arkansas Lottery Commission Legislative Oversight Committee.
- The ALC will provide the relevant information to the Vendor to complete this report and make available all financial records for the completion of the Comprehensive Annual Financial Report.
- The comprehensive annual financial report shall comply with all applicable Government Accounting Standards Board Standards including but not limited to Standard 34 and follow the guidelines of the Certificate of Achievement for Excellence in Financial Reporting Program of the Government Finance Officers Association. Those standards and guidelines are hereby incorporated by reference.
- In addition to the aforementioned requirements, the comprehensive annual financial report shall include an introductory section which will include, the following:
 1. Information concerning the commissioners of the Arkansas Lottery Commission;
 2. A current organizational chart;
 3. Information on each type of lottery game offered by the Arkansas Scholarship Lottery, game promotions, or other activities related to games during the fiscal year;
 4. The annual financial audit report made to the Legislative Joint Auditing Committee;
 5. A statement of revenue, expenses, and changes in net assets for each fiscal year since inception of the Arkansas Scholarship Lottery;
 6. Separate reports from each component or department of the commission or Arkansas Scholarship Lottery, including without limitation sales, marketing; retailers, gaming operations, players, and security;
 7. A fiscal year-end report on any information required to be reported by the commission on a monthly basis, which includes reports which include total lottery revenues, prize disbursements, operating expenses, net assets and administrative expenses. A copy of the most recent Arkansas Lottery Commission monthly report is attached hereto as Attachment G.

3.0.2 MINIMUM SERVICES REQUIRED

- The Vendor will create, organize and print the Comprehensive Annual Report based on the information provided by the ALC.

- The Vendor will ensure that the Comprehensive Annual Financial Report complies with Act 1057 of the 2011 Regular Session of the Arkansas General Assembly, all applicable standards of the Government Accounting Standards Board including but not limited to Standard 34, Generally Accepted Accounting Principles, the Arkansas Scholarship Lottery Act, as amended, and follow the guidelines of the Certificate of Achievement for Excellence in Financial Reporting Program of the Government Finance Officers Association.
- By October 1 of each year during the term of this Contract, the Vendor will provide a preliminary copy to the ALC for review before the report is finalized and published according to the specifications provided herein. The ALC will make every effort to propose any changes to the preliminary report to the vendor by October 20 of each year.
- The Vendor will create a web based report for publication on the ALC website.
- The Vendor will provide the ALC with 5 DVDs containing a color Adobe PDF file and 1 DVD containing an Adobe InDesign Interchange file and all source files of the Comprehensive Annual Financial Report along with 100 printed copies upon completion.
- The Vendor must complete and publish the Comprehensive Annual Financial Report by November 1 of each year.
- Vendor Personnel: Vendor shall provide a list of contact personnel qualified to provide information and assistance on a daily basis.
- Vendors shall provide a list of employees qualified to produce the Comprehensive Annual Financial Report and the professional licenses and affiliations of those individuals who will be tasked with ensuring that the report complies with Comprehensive Annual Financial Report complies with the Government Accounting Standards Board Standard 34 and follows the guidelines of the Certificate of Achievement for Excellence in Financial Reporting Program of the Government Finance Officers Association.
- References: Vendor shall provide a list of the names and addresses of not less than three (3) business customers of similar size to the ALC; and
- Financial statements: Vendors shall provide a copy of their most recently published financial statements.

3.0.3 FINISHED REPORT SPECIFICATIONS

The annual report may consist up to 50-100 pages. The Vendor will be responsible for the delivery of a bound report which conforms to the following requirements:

- Dimensions: 8.5"x 11"
- Four-color cover with bleed and four-color body with bleed
- Cover: 80# Cover Stock (Comparable to Classic Crest Super Smooth)
- Body: 100# Text Stock (Comparable to Classic Crest Smooth)
- Perfect Bound
- The ALC prefers that the report be copied using recycled paper.
- Soybean oil ink must be used and the brand name of the ink must be listed by the vendor
- Quantity: 100
- Vendor must use royalty-free stock photos and artwork.
- Vendor will supply ALC with a 5 DVDs containing a color Adobe PDF file and 1 DVD containing an Adobe InDesign Interchange file and all source files of the Comprehensive Annual Financial Report.
- Vendor will supply ALC with draft versions of layout, final layout and proofs.

- Vendor will be responsible for all costs associated with preparation and delivery of the bound report.
- The costs of the work listed in this section should include the total price for the preparation of the Comprehensive Annual Financial Report as detailed in this Section. The hourly rate fee requested in Section 4 will be listed separately on the Official Request for Qualifications Price Sheet

SECTION 4. STAFF TRAINING

4.0 SCOPE OF WORK/SPECIFICATIONS

The Vendor selected as a result of this RFQ will provide Arkansas Lottery Commission staff any necessary training for the purpose of enabling the agency to receive a Certificate of Achievement for Excellence in Financial Reporting Program of the Government Finance Officers Association.

4.0.1 TRAINING PROVIDED

The Vendor shall provide training as requested by the Arkansas Lottery Commission at an agreed upon hourly rate in order that the Arkansas Lottery Commission can submit and achieve a Certificate of Achievement for the Comprehensive Annual Financial Report (CAFR). This rate shall be listed in the appropriate place on the Official Request for Qualifications Price Sheet.

SECTION 5. COST

5.0 BIDDING SCHEDULE/COST SUBMISSION

The Vendor will pay the costs of the preparation of the Comprehensive Annual Financial Report as detailed in Section 3 of this RFQ. Vendor must list the total cost of all preparation of the Comprehensive Annual Financial Report in the appropriate section of the Official Request for Qualifications Price Sheet provided. ***Bidders must include all pricing information on the Official Request for Qualifications Price Sheet and must clearly mark said page(s) as pricing information. The electronic version of the Official Request for Qualifications Price Sheet must also be sealed separately from the electronic version of the SUBMISSION.*** Vendors are reminded that the cost quotation should take into account and cover all of the services provided under the terms of this RFQ and to be provided by the Successful Vendor during the one (1) year term of the Contract. A cost submission must meet both the immediate and long-term needs of the ALC. **Cost information provided in a format other than that set forth in this RFQ will not be accepted.** The format of the Official Request for Qualifications Price Sheet shall not be modified.

SECTION 6. ADDITIONAL VENDOR REQUIREMENTS

6.0 SUBMISSION OF INFORMATION

All submissions 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 submission, or if the submission fails to conform to the essential requirements of the RFQ, the ALC will be the sole judge as to whether that variance is significant enough to reject the submission. Submissions should be prepared simply and economically, providing a straightforward, concise description of the Vendor's capabilities to satisfy the requirements of the RFQ. Emphasis should be on completeness and clarity of the content. Submissions which include either modifications to any of the contractual requirements of the RFQ or a Vendor's standard terms and conditions may be deemed non-responsive and therefore not considered for award.

6.1 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 individuals who will be directly working on this project: 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.; and
- Additional disclosures and information that the ALC may determine to be appropriate for the procurement involved.

6.2 ORGANIZATION, SIZE, STRUCTURE, AND FINANCIAL CONDITION

- Vendor shall include all pertinent information to substantiate its qualifications and capabilities to perform the services described in the scope of work including a copy of the most recent financial statements.

6.11 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.

6.12 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.

6.13 DISCLOSURE OF LITIGATION

A Vendor must include in its Submission 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 delivered a submission under this RFQ must be disclosed to the ALC in writing within five (5) days after the litigation is commenced.

6.14 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 RFQ relating to its plan, the Executive Summary will provide a "map" for the ALC to use while reviewing the Submission.

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 Submission.

6.15 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.

SECTION 7. EVALUATION CRITERIA FOR SELECTION

7.0 GENERAL

The Vendor should address each item listed in this RFQ to be guaranteed a complete evaluation.

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 7.2 of this RFQ. Other agencies and consultants of the ALC may also examine documents.

The ALC requires that the Comprehensive Annual Financial Report requested under this RFQ be available for use in the time and manner previously stated in this RFQ. A Vendor's submission 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 ALC reserves, and a Vendor by delivery of a submission 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.

7.1 EVALUATION CRITERIA

The RFQs will be evaluated and scored on the following criteria which will be rated by the following points:

7.2 EVALUATION POINTS

<u>Criteria</u>	<u>Points</u>
Professional qualifications, including the specialized experience and technical competence of the vendor with respect to the professional services sought	40
Prior experience with GASB Financial Reports, including the ability to perform the work in question in the time limits fixed for project completion	20
Past experience and performance with other state agencies, including factors such as control of costs, quality of work and ability to meet schedules and deadlines	20
References of similarly situated clients	10
Minority Owned and Female Owned Business Participation	10
<u>Total</u>	100