

Arkansas Scholarship Lottery

124 West Capitol Avenue, Suite 1400
Post Office Box 3238
Little Rock, AR 72203-3238
(501) 683-1890

Competitive Sealed Bid / IFB

<p>Send Quotation To: Arkansas Lottery Commission P.O. Box 3238 Little Rock, AR 72203-3238</p>	<p>THIS IS NOT AN ORDER Bid No: ALC – IFB – 9002 Date: October 7, 2009 Telephone (501) 683-1890 Fax (501) 683-1878 Quote due on: October 30, 2009, 2:30 p.m. (CDT)</p>
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Arkansas Lottery Commission Bid No: ALC – IFB – 9002
Bid opening date and time: October 30, 2009 at 2:30 p.m. (CDT)
Ordering Agency: Arkansas Lottery Commission
Commodity Type: Directors and Officers Liability Insurance

Inquiries concerning bid and procedures:
Arkansas Lottery Commission
Bishop Woosley, Director of Procurement
Telephone Number: 501-683-1890
Fax Number: (501) 683-1878
E-mail address: bishop.woosley@arkansas.gov

Bidder's Company Name: _____

Contact Representative Name and Title _____

Address: _____

Telephone Number: _____

Fax Number: _____

E-mail address: _____

Federal ID Number: _____

Vendor Quote Information Submitted by:

Printed Name: _____

Signature: _____

Date: _____

THIS IS FORMAL SEALED BID. FAXED BIDS CAN NOT BE ACCEPTED. THE ARKANSAS LOTTERY COMMISSION WILL ACCEPT BIDS UNTIL THE DATE AND TIME SPECIFIED. THE BID ENVELOPE MUST BE SEALED AND SHOULD BE PROPERLY MARKED WITH THE STATE PROCUREMENT REFERENCED TRACKING NUMBER, DATE AND HOUR OF BID OPENING AND THE BIDDERS RETURN ADDRESS. IT IS NOT NECESSARY TO RETURN "NO BIDS."

MAILING ADDRESS AND BID OPENING LOCATION:

Arkansas Lottery Commission
124 West Capitol Avenue, Suite 1400
P.O. Box 3238
Little Rock, AR 72203

Vendors are responsible for delivery of their bid documents to the Arkansas Lottery Commission prior to the scheduled time for opening of the particular bid. When appropriate, vendors should consult with delivery providers to determine whether the bid documents will be delivered to the ALC office street address prior to the scheduled time for bid opening.

MINORITY 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 Act 2157 of 2005, the Office of State Procurement is required to have a copy of the bidder'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 bid response. The Office of State Procurement will maintain a file of all vendor EO policies submitted in response to solicitations issued by this office. The submission is a onetime 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. Vendors that do not have an established EO policy will not be prohibited from receiving a contract award, but are required to submit a written statement to that effect.

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.arkansas.gov/dfa/procurement/pro_index.html

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. Before entering the information on the web-site, please screen print a copy and attach to our bid.

ADDENDUMS: Vendors are cautioned to ensure they have received or obtained and responded to any and all addendums to the proposal prior to submission. It is the responsibility of the vendor to check the ALC website, <http://lotterycommission.arkansas.gov/vendors.html> for any and all addendums up to that time.

ALTERATION OF ORIGINAL IFB DOCUMENTS: The original written or electronic language of the IFB shall not be changed or altered except by approved written addendum issued by the Arkansas Lottery Commission. This does not eliminate an Offeror from taking exception(s) to these documents, but does clarify that the Offeror cannot change the original documents written or electronic language. If the Offeror wishes to make exception(s) to any of the original language, it must be submitted by the Offeror in separate written or electronic language in a manner that clearly explains the exception(s). If Offerors/Contractors submittal is discovered to contain alterations/changes to the original written or electronic documents, the Offerors response may be declared as non-responsible and the response shall not be considered.

The Arkansas Lottery Commission objects to and shall not consider any additional terms or conditions submitted by a bidder, including any appearing in documents attached as part of a bidder's response. In signing and submitting its bid, a bidder agrees that any additional terms or conditions, whether submitted intentionally or inadvertently, shall have no force or effect. Failure to comply with terms and conditions, including those specifying information that must be submitted with a bid, shall be grounds for rejecting a bid.

TERM OF CONTRACT: The term of the contract shall be for a period of one (1) year with an option to renew six (6) additional years in one-year increments or portions thereof. The maximum period for the contract is seven (7) years. All parties must mutually agree upon any extension.

PAST PERFORMANCE: In accordance with provisions of The State Procurement Law, R7: 19-11-229 Competitive Sealed Bidding – Bid Evaluation paragraph (E)(i) & i : a vendor's past performance with this solicitation. The past performance should not be greater than three years old and must be supported by written documentation on file in the Office of State Procurement at the time of the bid opening. Documentation may be in the form of either a written or electronic report, VPR; memo, file or any other appropriate authenticated notation of performance to the vendor files.

CURRENCY: All bid and proposal pricing and cost must be listed in United States dollars and cents.

LANGUAGE: Bids and proposals will only be accepted in the English language.

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.

ANTICIPATION OF AWARD: After complete evaluation of the bid or proposal, the anticipated award will be posted on the Arkansas Lottery Commission website http://www.arkansas.gov/dfa/procurement/pro_index.html 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 anticipated award. The bid results will be posted for a period of three (3) days prior to the issuance of an 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, the Anticipation to Award, when it is in the best interests of the State. Vendors are responsible for viewing the Anticipation to Award section of the ALC web site at:
<http://lotterycommission.arkansas.gov/vendors.html>

SCOPE

The Arkansas Lottery Commission is an independent agency of the State of Arkansas. The Legislation creating Arkansas Lottery Commission (ALC) was signed into law on March 26, 2009 (the Arkansas Scholarship Lottery Act, Ark. Code Ann. § 23-115-101 et seq. and § 6-85-201 et seq.).

The ALC has 9 Commission Members appointed by the Governor, President Pro Tempore and the Speaker of the House. The Commission Members have all of the powers necessary to operate, supervise and regulate the Arkansas Scholarship Lottery, subject only to the Arkansas and U.S. Constitution. These powers include the ability to bring suits to enforce demands, administer oaths and issue subpoenas. A list of the Commission members is attached hereto as Exhibit "A" to this document. A current copy of the ALC Rules of Practice and Procedure are attached hereto as Exhibit "B." A copy of both attachment can also be found at the ALC website at : <http://lotterycommission.arkansas.gov/vendors.html>

The Arkansas Lottery Commission (ALC) is requesting bids for Directors and Officers liability insurance fidelity bonds for its Commission Members as specified herein. The ALC is not a tax exempt organization and does not currently have any other coverage for its directors and officers. There are no currently any claims pending against the ALC, or any individual proposed for insurance coverage that is based upon or arises from acts, errors or omissions in a capacity as Director, Commissioner, Officer or Employee of the Commission. There are no known facts

involving any fact, circumstance or situation involving the Organizations which he/she has reason to believe might result in any future claims which might fall within the scope of the requested coverage.

Specifications:

Name of Insured: Arkansas State Lottery Commission

Number of insured: All Arkansas Lottery Commission commissioners – Blanket coverage for nine (9) commissioners

Financial Limits/Effective Dates:

Policy Period: Responses to this bid shall provide premium quotes for a six (6) month policy period and a one (1) year policy period for the following coverage. Please note that all requested coverages may not be selected by the agency.

Insurance Agreements	Limits of Insurance Per Occurrence	Deductible Amount per occurrence
Directors and Officers Liability Insurance	Please provide quotes for limits of both \$10,000,000, \$5,000,000, 2,500,000 and \$1,000,000	Please provide quotes for the limits previously listed with deductibles in the amount of \$10,000 and \$50,000

Deductible for all requested coverages: Proposed deductibles are \$10,000 and \$50,000. Please provide bids containing the pricing for the limits described with these two (2) deductibles.

Claims Made Form: Yes

Retroactive date: None

Prior litigation date: date of inception

Definition of Insured:

The plan sponsor (the insured entity and any subsidiary)

All future plans (requires written notice within 60 days of employment)

Past, present and future: Directors, Commissioners, Officers, Estates, heirs, legal representatives, or assigns of deceased, incapacitated or bankrupt insured persons.

Coverage responds to any proceedings initiated against insured person or entity before any court or governmental body authorized to enforce a judgment or order for money damages or other relief.

Bids must show premium for all coverage specified. No bid for partial coverage will be accepted.

Bidders (agents) must be licensed to do business in the State of Arkansas.

Bidders must have a minimum A.M. Best Rating of A VIII.

Bidders must specify the carrier's name within their response to this request for quote.

The Arkansas Lottery Commission reserves the right to choose the legal counsel to be retained by the ALC for defense against any action initiated which may include claims covered under the coverage requested herein. Any bidders submitting a Bid in response to this quote must expressly agree to these terms in their quote.

INVITATION FOR BID PRICING SECTION

(Please place price quotes in the following section)

Carrier's name: _____

A.M. Best Rating: _____

Please quote premiums below for a policy with a deductible in the amount of \$10,000

Coverage amount

\$1,000,000	Premium amount \$ _____
\$2,500,000	Premium amount \$ _____
\$5,000,000	Premium amount \$ _____
\$10,000,000	Premium amount \$ _____

Please quote premiums below for a policy with a deductible in the amount of \$50,000

Coverage amount

\$1,000,000	Premium amount \$ _____
\$2,500,000	Premium amount \$ _____
\$5,000,000	Premium amount \$ _____
\$10,000,000	Premium amount \$ _____

IFB STANDARD TERMS AND CONDITIONS

GENERAL: Any special terms and conditions included in the invitation for bid override these standard terms and conditions. The standard terms and conditions and any special terms and

conditions become part of any contract entered into if any or all parts of the bid are accepted by the State of Arkansas.

ACCEPTANCE AND REJECTION: The state reserves the right to accept or reject all or any part of a bid or any and all bids, to waive minor technicalities, and to award the bid to best serve the interest of the state.

BID SUBMISSION: Bids must be submitted to the Arkansas Lottery Commission on this form, with attachments when appropriate, on or before the date and time specified for bid opening. If this form is not used, the bid may be rejected. The bid must be typed or printed in ink. The signature must be in ink. Unsigned bids will be disqualified. The person signing the bid should show title or authority to bind his firm in a contract. Each bid should be placed in a separate envelope completely and properly identified. Late bids will not be considered under any circumstances.

PRICES: Unless otherwise specified, the bid must be firm for acceptance for thirty days from the bid opening date. "Discount from list" bids are not acceptable unless requested in the bid invitation.

BRAND NAME REFERENCES: Any catalog brand name or manufacturer's reference used in the bid invitation is descriptive only, not restrictive, and used to indicate the type and quality desired. Bids on brands of like nature and quality will be considered. If bidding on other than referenced specifications, the bid must show the manufacturer, brand or trade name, and other descriptions, and should include the manufacturer's illustrations and complete descriptions of the product offered. The state reserves the right to determine whether a substitute offered is equivalent to and meets the standards of the item specified, and the state may require the bidder to supply additional descriptive material. The bidder guarantees that the product offered will meet or exceed specifications identified in this bid invitation. If the bidder takes no exception to specifications or reference data in this bid he will be required to furnish the product according to brand names, numbers, etc., as specified in the invitation.

AMENDMENTS: The bid cannot be altered or amended after the bid opening except as permitted by regulation.

TAXES AND TRADE DISCOUNTS: Do not include state or local sales taxes in the bid price. Trade discounts should be deducted from the unit price and the net price should be shown in the bid.

AWARD: Term Contracts: A contract award will be issued to the successful bidder. It results in a binding obligation without further action by either party. This award does not authorize shipment. Shipment is authorized by the receipt of a purchase order from the ordering agency. Firm Contracts: A written state purchase order authorizing shipment will be furnished to the successful bidder.

DELIVERY ON FIRM CONTRACTS: The invitation for bid will show the number of days to place a commodity in the ordering agency's designated location under normal conditions. If the

bidder cannot meet the stated delivery, alternate delivery schedules may become a factor in an award. The Arkansas Lottery Commission has the right to extend delivery if reasons appear valid. If the date is not acceptable, the agency may buy elsewhere and any additional cost will be borne by the vendor.

DELIVERY REQUIREMENTS: No substitutions or cancellations are permitted without written approval of the Arkansas Lottery Commission. Delivery shall be made during agency work hours only 8:30 a.m. to 5:00 p.m., unless prior approval for other delivery has been obtained from the agency. Packing memoranda shall be enclosed with each shipment.

STORAGE: The ordering agency is responsible for storage if the contractor delivers within the time required and the agency cannot accept delivery.

DEFAULT: All commodities furnished will be subject to inspection and acceptance of the ordering agency after delivery. Back orders, default in promised delivery, or failure to meet specifications authorize the Arkansas Lottery Commission to cancel this contract or any full increase, if any, in cost and handling to the defaulting contractor. The contractor must give written notice to the Arkansas Lottery Commission and ordering agency of the reason and the expected delivery date. Consistent failure to meet delivery without a valid reason may cause removal from the bidders list or suspension of eligibility for award.

INVOICING: The contractor shall be paid upon the completion of all of the following: (1) submission of an original and the specified number of copies of a properly itemized invoice showing the bid and purchase order numbers, where itemized in the invitation for bid, (2) delivery and acceptance of the commodities and (3) proper and legal processing of the invoice by all necessary state agencies. Invoices must be sent to the "Invoice To" point shown on the purchase order.

STATE PROPERTY: Any specifications, drawings, technical information, dies, cuts, negatives, positives, data or any other commodity furnished to the contractor hereunder or in contemplation hereof or developed by the contractor for use hereunder shall remain property of the state, be kept confidential, be used only as expressly authorized and returned at the contractor's expense to the F.O.B. point properly identifying what is being returned.

PATENTS OR COPYRIGHTS: The contractor agrees to indemnify and hold the State harmless from all claims, damages and costs including attorneys' fees, arising from infringement of patents or copyrights.

ASSIGNMENT: Any contract entered into pursuant to this invitation for bid is not assignable nor the duties thereunder delegable by either party without the written consent of the other party of the contract.

REMEDIES: The parties further agree that any and all disputes which may arise from this Contract shall be governed and resolved under the Arkansas Lottery Commission Rules for Claims in Contracts or Torts.

DISCRIMINATION: In order to comply with the provision of Act 954 of 1977, relating to unfair employment practices, the bidder agrees that:

(a) the bidder will not discriminate against any employee or applicant for employment because of race, sex, color, age, religion, handicap, or national origin;

b) in all solicitations or advertisements for employees, the bidder will state that all qualified applicants will receive consideration without regard to race, color, sex, age, religion, handicap, or national origin; (c) the bidder will furnish such relevant information and reports as requested by the Human Resources Commission for the purpose of determining compliance with the statute; (d) failure of the bidder to comply with the statute, the rules and regulations promulgated thereunder and this nondiscrimination clause shall be deemed a breach of contract and it may be cancelled, terminated or suspended in whole or in part; (e) the bidder will include the provisions of items (a) through (d) in every subcontract so that such provisions will be binding upon such subcontractor or vendor.

CONTINGENT FEE: The bidder guarantees that he has not retained a person to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, except for retention of bona fide employees or bona fide established commercial selling agencies maintained by the bidder for the purpose of securing business.

ANTITRUST ASSIGNMENT: As part of the consideration for entering into any contract pursuant to this invitation for bid, the bidder named on the front of this invitation for bid, acting herein by the authorized individual or its duly authorized agent, hereby assigns, sells and transfers to the State of Arkansas all rights, title and interest in and to all causes of action it may have under the antitrust laws of the United States or this state for price fixing, which causes of action have accrued prior to the date of this assignment and which relate solely to the particular goods or services purchased or produced by this State pursuant to this contract.

DISCLOSURE: Failure to make any disclosure required by Governor's Executive Order 98-04, or any violation of any rule, regulation, or policy adopted pursuant to that order, shall be a material breach of the terms of this contract. Any contractor, whether an individual or entity, who fails to make the required disclosure or who violates any rule, regulation, or policy shall be subject to all legal remedies available to the agency.