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Purchasing Division



## **WEST VIRGINIA LOTTERY COMMISSION**

### ***Proposal to Provide Nightly Drawing Audit Services***

**CRFQ 0705 LOT1800000011**

**Buyer:** Michelle L. Childers  
**Bid Opening Date:** March 1, 2018  
**Bid Opening Time:** 1:30pm  
**Brown Edwards phone:** 304-343-4188  
**Brown Edwards fax:** 304-344-5035  
**Contact:** Robert E. Adams



**WEST VIRGINIA LOTTERY**

**Proposal to Provide  
Nightly Drawing Audit Services**

**March 1, 2018**

Brown, Edwards & Company, L.L.P.  
300 Chase Tower  
707 Virginia Street, East  
Charleston, West Virginia 25301  
FIN: 54-0504608

**Contact Person:**

Robert Adams, Partner  
[readams@BEcpas.com](mailto:readams@BEcpas.com)  
(304) 343-4188

## Table of Contents

<b><i>Letter of Transmittal</i></b> .....	1
<b><i>About the Firm</i></b> .....	3
<b><i>Membership Organizations</i></b> .....	5
<b><i>Experience, Qualifications, and Service</i></b> .....	6
<b><i>Expertise in Computerized Systems</i></b> .....	7
<b><i>Governmental Practice</i></b> .....	8
<b><i>Our Understanding of Your Expectations</i></b> .....	9
<b><i>Client Service Team</i></b> .....	13
<b>Appendix A – Request for Quotation</b> .....	14
<b>Appendix B – Director, Supervisory and Staff Qualifications and Experience</b> .....	15
<b>Appendix C – Hourly Rate</b> .....	22
<b>Appendix D – Designated Contact Form</b> .....	23
<b>Appendix E – Disclosure of Interested Parties to Contracts</b> .....	24
<b>Appendix F – External Peer Review Report</b> .....	25
<b>Appendix G – CPA License for Firm and Individual CPA’s</b> .....	26
<b>Appendix H – Purchasing Affidavit</b> .....	29
<b>Appendix I – Vendor Preference Certificate</b> .....	30
<b>Appendix J – Addendum Acknowledgement</b> .....	31

West Virginia Lottery Commission  
Department of Administration, Purchasing Division  
2019 Washington Street East  
Charleston, WV 25305-0130

March 1, 2018

We appreciate the opportunity to present our qualifications to serve as drawing auditors for the West Virginia Lottery Commission (the Lottery). We recognize the Lottery as a leading Institution in the State of West Virginia and we consider you a most valued client of our firm.

Our challenge is to demonstrate that we are the most committed and responsive firm and that the Lottery will receive the highest quality service that it needs and requires. This proposal demonstrates that Brown Edwards is qualified to provide the services requested.

Our proposal has been segregated into the sections as listed in the table of contents. We believe that after reviewing our proposal, you will share the conviction that we have the people, resources, attitude and reputation to provide you with the best professional services. We would be pleased to provide additional information and formally present our proposal upon your request.

### *The right firm*

Brown Edwards provides expertise not only in accounting and auditing, but also offers the specific expertise of other dedicated specialists who provide a broad range of advisory, information technology, and consulting services. Our long-standing presence and commitment to our communities have resulted in assembling an impressive portfolio of clients not only in the governmental arena but in other industries as well. As you review our proposal, keep in mind the reasons Brown Edwards should be your choice.

- **State agency / component unit experience** – Brown Edwards has extensive experience with auditing state agencies. Through our most recent merger with Gibbons & Kawash, A.C. we have extended our overall experience with state agencies to levels that are unmatched by other local firms.
- **Governmental and municipal experience** – We are one of the leading firms in Virginia and West Virginia serving governmental and municipal entities. We spend approximately 37,000 hours annually providing audit, accounting, and advisory services to our state and local governmental and municipal clients, and other related entities that expend government.
- **Commitment to compliance** – We are committed to ensuring compliance with all federal, state, regulatory, and industry auditing and accounting standards including those issued by the Governmental Accounting Standards Board, and the U.S. Government Accountability Office.
- **Engagement staff consistency** – Staff turnover is unavoidable in any organization, particularly in CPA firms. Although our turnover rate is generally below average for CPA firms, it does occur. In order to minimize the effects on our clients of turnover, each Brown Edwards' partner, director, and senior manager are responsible for the significant aspects of the engagement. The resulting increased involvement by high level professionals minimizes the effects of inevitable staff turnover on our clients.

**Experience with unique and complex entities** – We are proud of our track record with entities such as the Lottery and other state component units provided through our merger with Gibbons & Kawash on January 1, 2018. Our team is equipped with much more than a surface level understanding of lottery drawing audits – they have a deep understanding of the accounting principles and concepts which underlie those standards. This helps our team tackle unusual or complex matters efficiently and effectively, and gives our clients confidence that we are addressing your needs.

As Gibbons & Kawash, we have enjoyed working with the Lottery and are pleased to present our qualifications to continue to serve as the nightly drawing auditors for the Lottery as Brown Edwards. You know our track record of providing quality and timely service, reliable advice, and clear communication. In addition to quality service, you need a firm that can be responsive to your needs, serve you as a priority client, and provide a high degree of personalized service. We believe our experience with the Lottery allows us to present the highest qualifications and value for the services requested.

We have structured this proposal to communicate Brown Edward's experience and qualifications to effectively and efficiently respond to the requirements and expectations of the West Virginia Lottery Commission, and have made every effort to completely respond to all matters identified in your request for proposal. I can assure you that the opportunity to serve the West Virginia Lottery Commission is of the highest importance to us. We again thank you for the opportunity to present this proposal and we look forward to serving the West Virginia Lottery Commission. If you have any questions or need additional information please contact me at (304) 343-4188 or [readams@becpas.com](mailto:readams@becpas.com).

Very truly yours,



Robert E. Adams  
Partner

## About the Firm

Brown, Edwards & Company, LLP, is a regional accounting firm formed in 1967 through the merger of Fred P. Edwards Company and C. A. Brown & Company, whose histories date back to the 1920s. The firm has enjoyed significant growth since its formation, thanks to an unwavering commitment to our clients to provide the highest quality professional services in the industry and the attention and responsiveness they deserve and have come to expect.

With an average of 25 years of experience for partners and directors and ten years for senior managers, team members at Brown Edwards bring significant experience and knowledge to every client engagement. Each service area offers specialists in accounting, assurance, tax, and management advisory services to our clients. In addition, we have developed industry teams, such as our not-for-profit, higher education, health care, financial institutions, and governmental practice units, which are comprised of team members with in-depth experience and specialized training who spend substantially all of their professional life providing services exclusively to clients in those specific industries.

Our qualifications
Offices in Blacksburg, Roanoke, Lynchburg, Harrisonburg, Bristol and Wytheville, Virginia, Bluefield and Charleston, West Virginia, and Kingsport, Tennessee
43 Partners and 340 Professionals
In the top 10 of leading accounting firms in the region, with industry teams to provide you with a team with extensive experience and specialized training
Accounting Today's <u>2017 Regional Leaders in the Capital Region</u> (DE, MD, VA, DC, and WV)
Inside Public Accounting's <u>Top 100 Public Accounting Firms</u> by gross revenue
Continuously received the highest affirmation of "pass" in our peer review

Our governmental and municipal practice is based in and has grown from our Roanoke office, where three partners devote a majority of their time to this practice. In addition, between our Lynchburg, Harrisonburg, and Bristol offices, we have four additional partners and two directors who devote substantial amounts of their time servicing municipal clients.

Effective January 1, 2018, Brown Edwards merged in the practice of Gibbons & Kawash ("G&K") here in Charleston, WV. The addition of G & K adds a **significant** State and Local governmental practice to the already strong and significant practice of Brown Edwards.

At Brown Edwards, we are a firm offering high level professional services such as assurance & accounting, tax, advisory & consulting, business outsourcing solutions, valuation, forensic, and social security planning. The quality provided in Brown Edwards' services dramatically surpasses that of a typical accounting firm. It is our sole focus to provide our clients with industry leading service while giving them practical and actionable advice so they may fully attain their financial and operational goals.

Brown Edwards offers specialized Information and cybersecurity consulting ranging from Security assessments and consulting to penetration and vulnerability testing to ensure your systems are secure. Recent studies indicate less than 50% of companies and organizations are prepared for a cyber threat and 46% do not have any type of formal program. We have the expertise and experience to help our clients design and implement solid, secure programs for both IT compliance and security.

## Our commitment



All aspects of our service quality are monitored against our 5-Star Service Quality Standards. While these standards are part of our culture, we also monitor how well we are doing by annual face-to-face client surveys in which members of the firm, not associated with an engagement, conduct interviews of selected clients to obtain feedback related to service quality. The results of these surveys assist us in realignment of priorities and, on an ongoing basis, support our goal of continuous improvement of service quality.

There will be no surprises. Not in the delivery of service, not in our final reports, and not in our fees. As your organization tackles its challenges and opportunities, you can rest assured that our firm will be there to offer dependable, superior quality service.

## Our Experienced Professionals

The ultimate quality of our professional services depends on our ability to provide an experienced and capable client service team. The personnel assigned to you bring to the table a wealth of knowledge and experience in serving the business community. In the unlikely event that a matter is encountered that cannot be resolved by the engagement team, our membership in the BDO Alliance USA provides us with access to extensive additional resources. The detailed resumes of our professionals assigned to your engagement are presented in **Appendix B**.

## Our Consulting and Business Practice

Brown Edwards has a long tradition of providing the highest quality professional services to the business community. Our experience spans many specialized industries including the governmental, distribution, wholesale and retail operations, healthcare, construction, financial institutions, law firms, medical practices and other professional services. We use this experience and broad perspective to help our clients identify challenges and develop solutions.



## Membership Organizations



An independent member of the BDO Alliance USA, a nationwide association of local and regional accounting and consulting firms. Membership enables us to access a level of expertise in specialties which are usually available only from large national and international CPA firms, without the high overhead costs.

As a member, we have access to vast resources and technical expertise, outstanding audit, tax and consulting professionals, and their specialty niche expertise with BDO USA, LLP serving clients through over 60 offices and more than 550 alliance firm locations across the United States. BDO, USA, LLP serves as an additional technical resource providing highly trained and knowledgeable experts to your engagement team.



Key members of our engagement team are members of the Government Finance Officers Association. All of our local government team partners, directors, and senior associates have extensive experience with the GFOA certificate program. In addition, certain members of our staff have served as qualified reviewers for the GFOA certificate program.



Membership requires a peer review every three years, and Brown Edwards received a pass rating, with no deficiencies.



The Center for Audit Quality monitors quality in firms that audit public companies to meet the highest level of technical quality. Received an unqualified report from its inspection, a distinction few firms receive. A benefit to you is that our quality control systems and educational requirements are subject to the same standards and inspections as are those of large national and super-regional firms. Our most recent PCAOB report is available at <http://pcaobus.org/Inspections/Reports>



GAQC is designed to help CPAs meet the challenges of performing quality governmental audits. The GAQC's primary purpose is to promote the importance of quality governmental audits and the value of such audits to purchasers of governmental audit services. As a member of the GAQC, we will adhere to specific membership requirements covering the governmental audits we perform, will comply with the specific continuing education requirements for all of our personnel working on these audits, and have access to tools that focus around quality improvement. We believe our participation in the GAQC enhances our audit services to the Board.



We receive comprehensive resources and up-to-date information on a variety of technical, legislative, and regulatory subjects to assist us in performing employee benefit plan audits and ensure clients are in compliance with the appropriate standards and changes in regulations. These resources help us respond quickly to new standards and requirements to ensure the efficiency of your audit engagement.



## Experience, Qualifications, and Service

The members of our service team have a proven track record with you and other entities. Our service team is exceptionally well suited to meet your needs because **people make the difference** in professional relationships. We believe communication and personal chemistry are particularly important elements of client relationships. Our professionals are skilled in this field, and we expect you will feel comfortable with their expertise and commitment to the Lottery. See **Appendix B** for our staff members assigned to this engagement. All of whom serve as current Lottery drawing auditors or supervisors.

## Continuing Professional Education

One of the best measures of a firm's commitment to its audit practice is the depth of specialized training provided to its professionals. Brown Edwards provides internal and external training on governmental accounting, auditing, reporting, and operations in excess of the GAO requirements. In addition, our membership in the AICPA's Governmental and Employee Benefit Plan Audit Quality Center requires additional levels of continuing professional education to maintain our membership. We continually monitor the issuance of technical auditing and accounting pronouncements and provide our personnel with specialized training in these areas. Professionals at all levels receive specialized training in seminars and courses presented by nationally recognized experts in tax, valuation, governmental and nonprofit accounting, auditing and financial reporting.

## Expertise in Computerized Systems

Brown Edwards is committed to providing our professionals access to sound and advance technology in order to ensure optimum levels of efficiency in our engagements. We use "paperless" audit techniques which enable our professionals to spend more time on judgment matters and in-depth research and analysis, rather than on "number crunching" and other mechanical aspects of client service, which enhances efficiency by allowing for the quick update of key documentation from year-to-year.

With an internet connection, our personnel can work from anywhere and have complete access to the firm's network as well as access to multiple high quality research sites for research of accounting and auditing issues. Our electronic audit workpaper software allows efficient integration of client prepared Word, PDF, and Excel files into our workpaper files.

We combine the use of spreadsheet, word processing, and audit software to perform the most efficient audits possible. Some of the benefits of full automation include the ability to:

- Import data directly from your accounting system, thereby eliminating manual keypunching
- Spend more time on judgment matters and in-depth research and analysis rather than on "number crunching" and other mechanical aspects of client service
- The use of pre-formatted spreadsheets from year to year, allowing us to perform ratio and trend analysis on key accounts

We use the following software solutions to perform the aforementioned tasks:



**ProSystem Fx Engagement** - A workpaper preparation program that produces financial statements, trial balances, journal entries, fluctuation and ratio analysis.



**Checkpoint** - Online access to an expansive library of tax, accounting, auditing, and corporate finance content, including primary source materials and expert analysis.



**IDEA** - A powerful data extraction and analysis program that provides us with access to large amounts of data from which we can quickly import, join, analyze, sample and extract data from almost any source. Through data extraction and analysis programs, a significant amount of information can be evaluated for unusual relationships, which may be the result of erroneous data.



**ShareFile** - A secure cloud-based collaboration, file-sharing and workflow solution that supports all the document-centric needs of businesses. Auditors and clients can safely share large files, e-sign and get secure remote access to servers and PCs from any device, any time.

## Encryption

All data on Brown Edwards computers, including our workpapers in our computerized audit documentation management system, is encrypted using advanced algorithm technology. The data encryption ensures that in the unlikely event that one of our computers were to be lost or stolen, your data and our workpapers would be unreadable to anyone other than Brown Edwards personnel.

## Governmental Practice

Brown Edwards has a long tradition of providing the highest quality professional services to government clients. Our recent resume of governmental clients of Brown Edwards and the acquisition of Gibbons & Kawash includes the following:

- City of Charleston, West Virginia
- Central West Virginia Regional Airport Authority
- Kanawha County Commission
- Kanawha Valley Regional Transportation Authority
- Kanawha County Regional Development Authority
- Region III Planning and Development Council
- Region VII Planning and Development Council
- School Building Authority of West Virginia
- Tobacco Settlement Finance Authority of West Virginia
- West Virginia Affordable Housing Trust Fund
- West Virginia Alcohol Beverage Control Administration
- West Virginia Board of Treasury Investments
- West Virginia Consolidated Public Retirement Board
- West Virginia Department of Transportation, Division of Highways
- West Virginia Drinking Water Treatment Revolving Loan Fund
- West Virginia Economic Development Authority
- West Virginia Housing Development Fund
- West Virginia Infrastructure and Jobs Development Council
- West Virginia Jobs Investment Trust
- **West Virginia Lottery Commission**
- West Virginia Municipal Pension Oversight Board
- West Virginia Parkways Authority
- West Virginia Prepaid College and Tuitions Savings Plan
- West Virginia Public Service Commission
- West Virginia Regional Jail and Correctional Facility Authority
- West Virginia Solid Waste Management Board
- West Virginia State Rail Authority
- West Virginia Water Development Authority
- West Virginia Water Pollution Control Revolving Loan Fund

Gibbons & Kawash began serving the West Virginia Lottery Commission as drawing auditors in 1996, and would like to continue serving the Lottery as Brown Edwards.

## Our Understanding of Your Requirements

Based upon our previous experience serving the West Virginia Lottery Commission as drawing auditors, we understand what you expect and require from your independent accountants. Your accounting firm should:

- Be experienced, committed, and able to service a large governmental agency as demonstrated by the quality and size of the accounting firm's staff and its previous experience in governmental accounting and auditing.
- Meet the Lottery's requirements and time deadlines by providing qualified personnel to perform the procedures requested.

We understand the Lottery is seeking an independent certified public accounting firm to:

- witness televised public drawings which determine winning numbers of the West Virginia Lottery Commission's on-line lottery games on a daily basis, with the exception of the *TRAVEL* keno game;
- report on the results of the *TRAVEL* keno drawings on a monthly basis; and
- witness special drawings as they may occur for promotional activities.

Individuals providing drawing audit services will be full time employees of Brown Edwards with accounting degrees from an accredited four year college with an active permit to practice or under the direct supervision of a licensed West Virginia certified public accountant, with an active permit to practice.

We understand the responsibilities of the lottery drawing auditor are as follows:

- To observe, inspect and test all equipment used to determine participants, finalists or winning numbers in all lottery games in which the drawing of winning numbers or tickets or related processes are used to determine major prize winners. Such inspection will be made by the West Virginia drawing auditor and a Lottery security representative both before and after such drawings or process.
- Witness all drawings and proceedings to verify compliance with West Virginia Lottery Commission rules, guidelines and procedures.
- Attest to and verify each major prize winner or winners and the value of each such prize at the drawing or process.
- Observe and audit all proceedings to verify and ensure the integrity, security, honesty, and fairness of each drawing or process. We understand the Drawing Auditor will be empowered to stop the drawing process if a questionable procedure, equipment malfunction or other occurrence is suspected which could impact the results of the drawing.
- Report on the results of *TRAVEL* keno drawings monthly on a sample basis.
- Provide written reports of work performed. We understand the Drawing Report detailing any exceptions within daily drawings, is due the 13<sup>th</sup> day of the succeeding month for daily drawings. Reports for other drawings are due within five working days following the drawing.

We understand the time required for the nightly numbers drawings is approximately two hours a night including travel time, report preparation, and review of drawing procedures as requested, Monday through Saturday. The Drawing Auditor will be required to be in attendance for the entire period. In addition, we understand *TRAVEL* drawings will be conducted once a month. This procedure will require approximately two hours involving work at the Lottery headquarters or other designated locations and review and preparation of report. Further, we understand the Lottery will pay only one Auditor per drawing. Additional drawings for prize winners will be conducted at Lottery Headquarters or other designated locations, as scheduled by the Lottery. We understand these additional drawings are held on an ad hoc basis and the amount and time will vary based on need.

Our primary objectives with respect to the witnessing procedures are to avoid delays in the drawings due to tardiness of the witness, and to ensure the integrity of a fair drawing. We will conform to all requirements of the *West Virginia Lottery Drawing Rules*. To accomplish these objectives our approach to the engagement will include the following:

- Provide and train a sufficient number of auditors who meet the Lottery's criteria and rotate the auditors on a frequent basis for drawings, as well as fulfill other obligations of this contract.
- Schedule drawing auditors in advance of each drawing.
- Have a standby auditor available on call until such time as the primary auditor has reached the drawing or process site.
- A backup system including cell phones and call back procedures will be used to ensure that drawing auditors arrive timely and to respond to emergency situations.
- Inspect and test all equipment used to determine participants, finalists or winners in all Lottery games in which the drawing of winning numbers or tickets or related processes are used to determine major prize winners or finalists for major prizes. Such inspections shall be made by the Lottery Drawing Auditor and Lottery security employee both before and after such drawing or process.
- Witness all drawings and proceedings to verify compliance with Lottery rules, guidelines and procedures.
- Attest to and verify each major prize winner or winners and the value of each such prize at the drawing or process.
- Obtain and audit all proceedings to verify and ensure the integrity, security, and fairness of each drawing or process.

### **Back-Up Procedures**

To ensure the integrity of the drawings, Gibbons & Kawash have developed and implemented the following back-up procedures.

- Brown Edwards will provide the West Virginia Lottery Commission with a list of emergency back-up auditors who live within a ten minute driving distance of the TV Studio.
- Each back-up auditor will have a cell phone. The drawing auditor will call the back-up auditor at the Studio no later than 5:55 p.m. to verify the drawing auditor's arrival at the studio.
- If the back-up auditor has not been contacted by the primary auditor by 5:55 p.m., the back-up auditor will go to the studio immediately.

- If the drawing auditor has not arrived by 6:05 p.m. and the studio has not received a call from the back-up auditor, the drawing manager will be instructed to immediately call the back-up auditor's cell phone number and then the list of emergency back-up auditors in numerical order.
- Brown Edwards will provide a coordinator. As such, they are responsible for scheduling and schedule revisions. Any changes to the Lottery work schedule will be forwarded to Lottery officials. In addition, they will contact the drawing and back-up auditors to verify their assignments.

### **Corporate Information**

#### **Name and address of firm and FEIN:**

Brown, Edwards & Company, L.L.P.  
319 McClanahan Street, S.W.  
Roanoke, Virginia 24014-7705  
FEIN: 54-0504608

#### **Place of Incorporation and Organization**

Roanoke, Virginia

### **General Information**

#### **Name and location of office that will be used to perform work proposed upon.**

Brown, Edwards & Company, L.L.P.  
300 Chase Tower  
707 Virginia Street, East  
Charleston, WV 25301

#### **Firm's primary representatives for the contract**

Robert E. Adams  
300 Chase Tower  
707 Virginia St., East  
Charleston, WV 25301  
(304)343-4188 O  
(304)206-1921 C

Timothy J. Gibbons  
300 Chase Tower  
707 Virginia St., East  
Charleston, WV 25301  
(304)343-4188 O  
(304)545-7640 C

The firm and its members and employees are independent and have no conflicts of interest directly or indirectly, present or anticipated, which would conflict with or compromise the performance of its duties involving the firm or the persons named herein and the services to be supplied under the resulting contract. We will periodically inquire of its officers, members and employees to ensure that a conflict of interest does not arise. Any conflict of interest discovered shall be promptly presented in detail to the Lottery.

Brown Edwards is properly licensed in the State of West Virginia for public practice as a certified public accounting firm.

All employees working under this contract have a college degree in accounting from an accredited four year college.

Persons working under this contract are true employees and are not independent contractors, and are either certified public accountants with an active permit to practice, or under the direct supervision of a certified public accountant with an active permit to practice.

Brown Edwards has met all requirements imposed by the State of West Virginia and has complied with all other laws, rules and regulations.

Brown Edwards will provide the Lottery written notice of any professional relationships entered into while under contract to provide services to the Lottery which may cause a conflict of interest.

We understand your requirements, procedures and time deadlines. As prior Drawing Auditors for the West Virginia Lottery Commission, we have demonstrated our ability to perform the above procedures and are committed to continue working together with lottery personnel to ensure the smooth operation of the nightly drawings, *TRAVEL* keno, and any additional drawings for prize winners conducted by the West Virginia Lottery Commission.

Brown Edwards carries the requisite commercial general liability insurance and professional MEO insurance required in the request for quotation, proof of which can be provided upon notification of our successful bid.



## Client Service Team

The ultimate success and quality of our professional services to the West Virginia Lottery Commission depends on our ability to provide an experienced and capable client service team. Our staff size coupled with our previous experience serving the West Virginia Lottery Commission will ensure the Lottery of receiving high quality service from experienced and knowledgeable professionals.

The apparent successful Vendor shall also furnish proof of any additional licenses or certifications contained in the specifications prior to Contract award regardless of whether or not that requirement is listed above.

Our team to serve the West Virginia Lottery Commission as Drawing Auditors (all of which currently serve the Lottery in this capacity) will consist of:

### **Management and Supervision:**

Robert E. Adams, CPA  
Timothy J. Gibbons, CPA  
Stephen E. Kawash, CPA

### **Drawing Auditors:**

Shannon Ashley, CPA  
Paul Koontz, CPA  
Tyler Clendenin, CPA  
Vincent Centofanti  
Josh Harner  
Katie Cobbs  
Katie Grass  
Lauren Spears  
Hannah Bailes

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## Appendix A — Request for Quotation

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Purchasing Division  
 2019 Washington Street East  
 Post Office Box 50130  
 Charleston, WV 25305-0130

State of West Virginia  
 Request for Quotation  
 34 - Service - Prof

Proc Folder: 423908

Doc Description: NIGHTLY DRAWING AUDIT SERVICE

Proc Type: Central Master Agreement

Date Issued	Solicitation Closes	Solicitation No	Version
2018-02-15	2018-03-01 13:30:00	CRFQ 0705 LOT1800000011	1

**BID RECEIVING LOCATION**

BID CLERK  
 DEPARTMENT OF ADMINISTRATION  
 PURCHASING DIVISION  
 2019 WASHINGTON ST E  
 CHARLESTON WV 25305  
 US

**VENDOR**

Vendor Name, Address and Telephone Number:

Brown, Edwards & Company, LLP  
 300 Chase Tower  
 707 Virginia St E  
 Charleston, WV 25301  
 304-343-4188

**FOR INFORMATION CONTACT THE BUYER**

Michelle L Childers  
 (304) 558-2063  
 michelle.l.childers@wv.gov

Signature X

FEIN # 54-0504608

DATE 03-01-2018

All offers subject to all terms and conditions contained in this solicitation

**ADDITIONAL INFORMATION:**

**Request for Quotation**

The West Virginia Purchasing Division is soliciting bids on behalf of the West Virginia Lottery to establish a contract for an independent certified public accounting firm: a.) witness televised public drawings which determine winning numbers for the West Virginia Lottery's online lottery games on a daily basis, with the exception of the TRAVEL Keno game; b.) to audit the results of the TRAVEL Keno [random number generator] drawings on a monthly basis; and c.) to witness special drawings for promotional activities or serve as a witness to special lottery functions that may occur.

INVOICE TO		SHIP TO	
ACCOUNTS PAYABLE LOTTERY PO BOX 2067		PURCHASING LOTTERY 900 PENNSYLVANIA AVE	
CHARLESTON	WV25327-2067	CHARLESTON	WV 25302
US		US	

Line	Comm Ln Desc	Qty	Unit Issue	Unit Price	Total Price
1	AUDIT SERVICES				
See Appendix C					

Comm Code	Manufacturer	Specification	Model #
84111500			

**Extended Description :**

PUBLIC DRAWING AUDIT SERVICES TO WITNESS PUBLIC DRAWINGS, VERIFY DISPOSAL OF INSTANT TICKETS, AND AUDIT TRAVEL KENO DRAWINGS PER ATTACHED SPECIFICATIONS

LOT1800000011	<b>Document Phase</b> Final	<b>Document Description</b> NIGHTLY DRAWING AUDIT SERVICE	<b>Page 3</b> of 3
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**ADDITIONAL TERMS AND CONDITIONS**

See attached document(s) for additional Terms and Conditions

REQUEST FOR QUOTATION  
[Audit Services]

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SPECIFICATIONS

1. **PURPOSE AND SCOPE:** The West Virginia Purchasing Division is soliciting bids on behalf of the West Virginia Lottery to establish a contract for an independent certified public accounting firm: a.) witness televised public drawings which determine winning numbers for the West Virginia Lottery's online lottery games on a daily basis, with the exception of the *TRAVEL* Keno game; b.) to audit the results of the *TRAVEL* Keno [random number generator] drawings on a monthly basis; and c.) to witness special drawings for promotional activities or serve as a witness to special lottery functions that may occur.
  
2. **DEFINITIONS:** The terms listed below shall have the meanings assigned to them below. Additional definitions can be found in section 2 of the General Terms and Conditions.
  - 2.1 **"Contract Services"** means auditing services as more fully described in these specifications.
  
  - 2.2 **"Pricing Page"** means the pages, contained on wvOASIS or attached hereto as Exhibit A, upon which Vendor should list its proposed price for the Contract Services.
  
  - 2.3 **"Solicitation"** means the official notice of an opportunity to supply the State with goods or services that is published by the Purchasing Division.
  
3. **QUALIFICATIONS:** Vendor, or Vendor's staff if requirements are inherently limited to individuals rather than corporate entities, shall have the following minimum qualifications:
  - 3.1. Certified Public Accountant licensed in the State of West Virginia.
  
  - 3.2. Individuals providing drawing audit services must be employees of the accounting firm and must either be a certified public accountant with an active permit to practice, or be under the direct supervision of a certified public accountant with an active permit to practice.
  
  - 3.3. The West Virginia Lottery reserves the right to approve all individuals assigned to this project. Individuals may be required to submit to a criminal background check prior to being approved for these services.

REQUEST FOR QUOTATION  
[Audit Services]

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**4. MANDATORY REQUIREMENTS:**

**4.1 Mandatory Contract Services Requirements and Deliverables:** Contract Services must meet or exceed the mandatory requirements listed below.

**4.1.1 Description of Lottery Drawing Auditor Services:**

**4.1.1.1** Observation, inspection and testing of all equipment used to determine participants, finalists or winning numbers in all lottery games in which the physical drawing of winning numbers or tickets or related processes are used to determine prize winners or finalists for major prizes. Such inspections must be made by the drawing auditor and a West Virginia Lottery security representative both before and after such drawings or processes.

**4.1.1.2** Witness all physical drawings and proceedings to verify compliance with the West Virginia Lottery rules, guidelines and procedures.

**4.1.1.3** Attest to and verify each major prize winner or winners and the value of each such prize at the drawing or process.

**4.1.1.4** Observe and audit all proceedings to verify and ensure the integrity, security, honesty, and fairness of each physical drawing or process if a questionable procedure, equipment malfunction or other occurrence is suspected which could impact the results of the drawing.

**4.1.1.5** Audit results of *TRAVEL* Keno drawings monthly on a sample basis.

**4.1.1.6** Provide written reports of work performed. The Drawing Report, detailing any exceptions, is due the 13<sup>th</sup> of the succeeding month for daily drawings. Reports for other drawings are due within five (5) working days following the drawing.



**REQUEST FOR QUOTATION**  
**[Audit Services]**

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**4.1.2 Time Requirements of Lottery Drawing Auditor**

**4.1.2.1** The time required for the nightly numbers drawings is approximately two hours a night, Monday through Saturday. This time frame includes travel time for the auditor, report preparation and review of drawing procedures as requested. The drawing auditor will be required to be in attendance for the entire period.

**4.1.2.2** The monthly audit of TRAVEL random number generator drawings must be conducted once a month. This procedure should not exceed two hours, including travel time, involving work at Lottery headquarters and review and preparation of report.

**4.1.2.3** Additional drawings for prize winners will be conducted at Lottery headquarters or other designated locations, as scheduled by the West Virginia Lottery. These are held on an ad hoc basis and the amount of time will vary based on drawing procedures.

**4.1.2.4** The firm must provide a sufficient number of employees to rotate drawing auditors on a reasonable, frequent basis for nightly drawings as well as to fulfill other obligations of this contract. If the drawing auditor firm proposes to provide more than one person to serve as drawing auditor, the West Virginia Lottery will pay for one auditor per drawing. To insure that drawings or processes are conducted on a timely basis, a standby drawing auditor must be available on call until such time as the primary auditor has reached the drawing or process site.

**4.1.3 Procedural Rules for West Virginia Lottery Drawings**

**4.1.3.1** To aid vendor's understanding of the requirements of all parties participating in the lottery drawing events, a copy of the *West Virginia Lottery Drawing Rules* will be provided upon contract commencement. By law, these rules are **confidential** and not subject to discovery under the West Virginia Freedom of Information Act.

**REQUEST FOR QUOTATION**  
**[Audit Services]**

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**4.1.3.2** The successful firm must meet the following mandatory requirements to qualify:

**4.1.3.3** The firm must be properly licensed in the State of West Virginia for public practice as a certified public accounting firm.

**4.1.3.4** The persons working under this contract must have a college degree in accounting from an accredited four-year college.

**4.1.3.5** Each person working under this contract must be a true employee of the firm and not an independent contractor.

**4.1.3.6** The firm must meet all requirements imposed by the State of West Virginia and must comply with all other pertinent laws, rules and regulations. The firm shall have no outstanding and un-appealed tax delinquencies or any nature within the State of West Virginia.

**5. CONTRACT AWARD:**

**5.1 Contract Award:** The Contract is intended to provide Agency with a purchase price for the Contract Services. The Contract shall be awarded to the Vendor that provides the Contract Services meeting the required specifications for the lowest overall total cost as shown on the Pricing Pages.

**5.2 Pricing Page:** Vendor should complete the Pricing Page (Exhibit A) by quoting one hourly rate for all services performed under this contract and multiplying it by the estimated hours to provide Total Bid Amount. This hourly rate will be the only compensation allowed under this contract; there will be no additional compensation for travel, report preparation and review of drawing procedures. Vendor should complete the Pricing Page in full as failure to complete the Pricing Page in its entirety may result in Vendor's bid being disqualified.

The Pricing Pages contain a list of the Contract Items and estimated purchase volume. The estimated purchase volume for each item represents the approximate volume of anticipated purchases only. No future use of the Contract or any individual item is guaranteed or implied.

Vendor should electronically enter the information into the Pricing Pages through wvOASIS, if available, or as an electronic document.

**REQUEST FOR QUOTATION**  
**[Audit Services]**

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- 5.2.1 Nightly Drawings:** The quoted hourly rate is applied to the hours of service during the nightly drawing events and does not increase if the firm chooses to assign more than one accountant to the task. For example, Firm X, with the approval of the Lottery, decides to assign Mr. Y and Ms. Z to audit a nightly drawing show; if the quoted rate is \$100 per hour, the firm's billing will be \$100 times two hours, or \$200, not \$100 times two hours, times two people, or \$400. Compensation for each nightly drawing event will be limited to the stated rate times two (2) hours.
- 5.2.2 TRAVEL Keno:** Billings for auditing the results of the *TRAVEL* Keno computer-generated drawings on a monthly basis will be the quoted hourly rate times for one person required to observe the drawing, not to exceed two (2) hours, which includes travel time and report preparation.
- 5.2.3 Special Drawings or functions:** Billings for special drawings or functions will be for the actual time required to observe the drawing or function being performed.
- 5.2.4** Notwithstanding the foregoing, the Purchasing Division may correct errors as it deems appropriate. Vendor should type or electronically enter the information into the Pricing Page to prevent errors in the evaluation.
- 6. PERFORMANCE:** Vendor and Agency shall agree upon a schedule for performance of Contract Services and Contract Services Deliverables, unless such a schedule is already included herein by Agency. In the event that this Contract is designated as an open-end contract, Vendor shall perform in accordance with the release orders that may be issued against this Contract.
- 7. PAYMENT:** Agency shall pay an hourly rate, as shown on the Pricing Pages, for all Contract Services performed and accepted under this Contract. Vendor shall accept payment in accordance with the payment procedures of the State of West Virginia.
- 8. TRAVEL:** Vendor shall be responsible for all mileage and travel costs, including travel time, associated with performance of this Contract. Any anticipated mileage or travel costs may be included in the hourly rate listed on Vendor's bid, but such costs will not be paid by the Agency separately.

**REQUEST FOR QUOTATION**  
**[Audit Services]**

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**9. FACILITIES ACCESS:** Performance of Contract Services may require access cards and/or keys to gain entrance to Agency's facilities. In the event that access cards and/or keys are required:

- 9.1. Vendor must identify principal service personnel which will be issued access cards and/or keys to perform service.
- 9.2. Vendor will be responsible for controlling cards and keys and will pay replacement fee, if the cards or keys become lost or stolen.
- 9.3. Vendor shall notify Agency immediately of any lost, stolen, or missing card or key.
- 9.4. Anyone performing under this Contract will be subject to Agency's security protocol and procedures.
- 9.5. Vendor shall inform all staff of Agency's security protocol and procedures.

**10. VENDOR DEFAULT:**

10.1. The following shall be considered a vendor default under this Contract.

- 10.1.1. Failure to perform Contract Services in accordance with the requirements contained herein.
- 10.1.2. Failure to comply with other specifications and requirements contained herein.
- 10.1.3. Failure to comply with any laws, rules, and ordinances applicable to the Contract Services provided under this Contract.
- 10.1.4. Failure to remedy deficient performance upon request.

10.2. The following remedies shall be available to Agency upon default.

- 10.2.1. Immediate cancellation of the Contract.
- 10.2.2. Immediate cancellation of one or more release orders issued under this Contract.
- 10.2.3. Any other remedies available in law or equity.

**REQUEST FOR QUOTATION  
[Audit Services]**

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**11. MISCELLANEOUS:**

**11.1. Contract Manager:** During its performance of this Contract, Vendor must designate and maintain a primary contract manager responsible for overseeing Vendor's responsibilities under this Contract. The Contract manager must be available during normal business hours to address any customer service or other issues related to this Contract. Vendor should list its Contract manager and his or her contact information below.

**Contract Manager:** Robert E. Adams, CPA  
**Telephone Number:** 304-343-4188  
**Fax Number:** 304-344-5035  
**Email Address:** readams@becpas.com

## Appendix B — Your Service Team



**Robert E. Adams, CPA, CGMA**  
*Partner*  
 304-343-4188  
 readams@becpas.com

### Profile

- Partner in our Charleston office with over 20 years of experience in public accounting.
- Director of Assurance Services for the Charleston office.
- Extensive experience in financial reporting, accounting, internal control, auditing, review, compilation, agreed upon procedures and other professional services for the following entity types:
  - nonprofit organizations,
  - various state and local governments,
  - closely-held businesses and public sector entities including real estate, hospitality, manufacturing, retail, wholesale and media.
- Active in the AICPA's Governmental Audit Quality Center and the Charleston Director assigned to the Center.

### Education

- Bachelor of Business Administration with a concentration in accounting, West Virginia Wesleyan College
- Graduated Magna Cum Laude

### Memberships / Activities

- Certified Public Accountant in West Virginia
- AICPA
- WV Society of CPAs, Charleston Chapter
- Governmental Finance Officers Association
- Chartered Global Management Accountant
- West Virginia Kids Count, Board Member
- Multiple local church leadership committees



**Timothy J. Gibbons,**  
**CPA/ABV/CFF, CVA**  
*Director*  
 304-343-4188  
**tgibbons@becpas.com**

**Profile**

- Director of Valuation and Forensic Services in our Charleston office with over 30 years of experience in public accounting.
- Experience includes business valuations of entities in numerous industries including manufacturing, wholesale/distribution, energy, retail, construction, healthcare services, professional services, food service, and holding company/estate planning vehicles.
- Has provided litigation support services related to business valuations, shareholder disputes, marital dissolution, wage impairment, lost profits in connection with business interruption, and other business matters.

**Education**

- Bachelor of Business Administration, Xavier University
- Master of Business Administration, West Virginia College of Graduate Studies

**Memberships / Activities**

- Certified Public Accountant in West Virginia
- AICPA
- WV Society of CPAs, Charleston Chapter
- Charleston Rotary Club, Member and past president
- National Association of Certified Valuation Analysts
- Institute of Business Appraisers
- The ESOP Association
- Charleston Estate Planning Council





**Stephen E. Kawash, CPA**  
*Partner*  
304-343-4188  
skawash@becpas.com

#### **Profile**

- Partner in our Charleston office with over 30 years of experience in public accounting.
- Extensive tax and estate planning experience with high income individuals.
- Assisted owners of closely held family businesses with tax planning, valuation, acquisitions and mergers, and succession planning.

#### **Education**

- Bachelor of Business Administration, Morris Harvey College
- Master of Business Administration, West Virginia College of Graduate Studies

#### **Memberships / Activities**

- Certified Public Accountant in West Virginia
- AICPA
- WV Society of CPAs, Charleston Chapter
- Clay Center for the Arts and Sciences, Board Member
- Charleston Exchange Club, past President and Board Member
- Edgewood Country Club, Treasurer
- MATRIC, Treasurer
- Kanawha-Charleston Soccer Foundation, former Board Member
- Kanawha Players, former Board Member



**Shannon Ashley, CPA**  
*Manager*  
 304-343-4188  
[sashley@becpas.com](mailto:sashley@becpas.com)

**Profile**

- Manager in the Charleston office with over 10 years of experience in public accounting with a concentration in tax.
- Specializes in income tax preparation and planning for individuals, corporations, partnerships, and trusts as well as financial statement services.
- Experienced in consulting with clients regarding accounting software applications.

**Education**

- Bachelor of Science in business administration with a concentration in accounting, West Virginia State University

**Memberships / Activities**

- Certified Public Accountant in West Virginia
- AICPA
- WV Society of CPAs, Charleston Chapter



**Paul Koontz, CPA**  
*Associate*  
 304-343-4188  
[pkootnz@becpas.com](mailto:pkootnz@becpas.com)

**Profile**

- Associate in the Charleston office with 3 years of experience in public accounting with a concentration in Accounting and Assurance Services

**Education**

- Bachelor of Business Administration in Accounting, Marshall University
- Master of Science in Accountancy, Marshall University

**Memberships / Activities**

- Certified Public Accountant in West Virginia
- AICPA
- WV Society of CPAs, Charleston Chapter



#### Profile

- Associate in the Charleston office with 2 years of experience in public accounting with a concentration in Accounting and Assurance Services

#### Education

- Bachelor of Science Business Administration with a concentration in Accounting, West Virginia State University

#### Memberships / Activities

- Certified Public Accountant in West Virginia
- WV Society of CPAs, Charleston Chapter



#### Profile

- Associate in the Charleston office with 3 years of professional experience in public accounting with a concentration in Tax and Valuation Services.
- Experienced in business valuations and assisting clients with mergers, acquisitions, Employee Stock Ownership Plan filing requirements, gift tax return filing requirements, and sales of privately-owned businesses.
- Also works with clients to provide consulting services relating to state government licensing and compliance.

#### Education

- Bachelor of Science in business administration, University of Charleston
- Master of Business Administration, University of Charleston



**Josh Harner**  
*Associate*  
 304-343-4188  
[jharner@becpas.com](mailto:jharner@becpas.com)

#### Profile

- Associate in the Charleston office with over 4 years of experience in public accounting with a concentration in Accounting and Assurance Services
- Primarily works for non-profit organizations, local and state governmental agencies, closely held businesses, and retirement plans

#### Education

- Bachelor of Science in business Management, Tennessee Temple University in Chattanooga
- Master of Arts in accounting, Liberty University



**Katie Cobbs**  
*Manager*  
 304-343-4188  
[kcobbs@becpas.com](mailto:kcobbs@becpas.com)

#### Profile

- Manager in the Charleston office with over 18 years of experience in public accounting with a concentration in small business client advising.
- Specializes in small businesses.
- Experienced installing and implementing QuickBooks software.

#### Education

- Bachelor's degree in accounting, University of Charleston
- QuickBooks ProAdvisor



**Katie Grass**  
*Associate*  
304-343-4188  
kgrass@becpas.com

**Profile**

- Associate in the Charleston office with over 2 years of experience in public accounting with a concentration in Tax Services

**Education**

- Bachelor of Science Business Administration with a concentration in Accounting, West Virginia State University



**Lauren Spears**  
*Associate*  
304-343-4188  
lspears@becpas.com

**Profile**

- Associate in the Charleston office with over 4 years of experience in public accounting with a concentration in small business client advising.
- Specializes in small business outsourcing services.

**Education**

- Bachelor of Science in Accounting, Metropolitan State University of Denver



**Hannah Bailes**  
*Associate*  
304-343-4188  
hbailes@becpas.com

**Profile**

- Associate in the Charleston office with 1 year of experience in public accounting with a concentration in Accounting and Assurance Services

**Education**

- Bachelor of Science in Accounting, West Virginia University

## Appendix C — Hourly Fee

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**Exhibit C  
WV Lotter Commission  
Nightly Drawing Audit Service**

Description	Hourly Price	Estimated Hours	Extended Cost
Audit Services for Nightly Drawing, Tavel Keno and Special Drawings for Promotional Activities	\$ 149.00	730	\$ 108,770.00
<b>Total Bid Amount</b>			<b>\$ 108,770.00</b>

\*\* Estimated quantities are for bidding purposes only, more or less may be purchased by the agency.


**Bidder/Vendor Information:**

Name: Brown, Edwards & Company, LLP

Address: 300 Chase Tower, 707 Virginia Street, East  
Charleston, WV 25301

Phone Number: 304-343-4188

Email Address: [readams@becpas.com](mailto:readams@becpas.com)

Authorized Signature: 

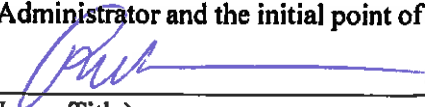
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## Appendix D — Designated Contact Form

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**DESIGNATED CONTACT:** Vendor appoints the individual identified in this Section as the Contract Administrator and the initial point of contact for matters relating to this Contract.

  
\_\_\_\_\_  
(Name, Title)

Robert E. Adams, Partner

\_\_\_\_\_  
(Printed Name and Title)

300 Chase Tower, 707 Virginia Street, East, Charleston , WV 25301

\_\_\_\_\_  
(Address)

304-343-4188 / 304-344-5035

\_\_\_\_\_  
(Phone Number) / (Fax Number)

readams@becpas.com

\_\_\_\_\_  
(email address)

**CERTIFICATION AND SIGNATURE:** By signing below, or submitting documentation through wvOASIS, I certify that I have reviewed this Solicitation in its entirety; that I understand the requirements, terms and conditions, and other information contained herein; that this bid, offer or proposal constitutes an offer to the State that cannot be unilaterally withdrawn; that the product or service proposed meets the mandatory requirements contained in the Solicitation for that product or service, unless otherwise stated herein; that the Vendor accepts the terms and conditions contained in the Solicitation, unless otherwise stated herein; that I am submitting this bid, offer or proposal for review and consideration; that I am authorized by the vendor to execute and submit this bid, offer, or proposal, or any documents related thereto on vendor's behalf; that I am authorized to bind the vendor in a contractual relationship; and that to the best of my knowledge, the vendor has properly registered with any State agency that may require registration.

Brown, Edwards & Compnay, L.L.P.

\_\_\_\_\_  
(Company)

  
\_\_\_\_\_  
(Authorized Signature) (Representative Name, Title)

Robert E. Adams, Partner

\_\_\_\_\_  
(Printed Name and Title of Authorized Representative)

03-01-2018

\_\_\_\_\_  
(Date)

304-343-4188 / 304-344-5035

\_\_\_\_\_  
(Phone Number) (Fax Number)

## **Appendix E — Disclosure of Interested Parties to Contracts**

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## West Virginia Ethics Commission



### Disclosure of Interested Parties to Contracts

Pursuant to *W. Va. Code* § 6D-1-2, a state agency may not enter into a contract, or a series of related contracts, that has/have an actual or estimated value of \$100,000 or more until the business entity submits to the contracting state agency a Disclosure of Interested Parties to the applicable contract. In addition, the business entity awarded a contract is obligated to submit a supplemental Disclosure of Interested Parties reflecting any new or differing interested parties to the contract within 30 days following the completion or termination of the applicable contract.

For purposes of complying with these requirements, the following definitions apply:

*"Business entity"* means any entity recognized by law through which business is conducted, including a sole proprietorship, partnership or corporation.

*"Interested party"* or *"Interested parties"* means:

- (1) A business entity performing work or service pursuant to, or in furtherance of, the applicable contract, including specifically sub-contractors;
- (2) the person(s) who have an ownership interest equal to or greater than 25% in the business entity performing work or service pursuant to, or in furtherance of, the applicable contract. (This subdivision does not apply to a publicly traded company); and
- (3) the person or business entity, if any, that served as a compensated broker or intermediary to actively facilitate the applicable contract or negotiated the terms of the applicable contract with the state agency. (This subdivision does not apply to persons or business entities performing legal services related to the negotiation or drafting of the applicable contract.)

*"State agency"* means a board, commission, office, department or other agency in the executive, judicial or legislative branch of state government, including publicly funded institutions of higher education: Provided, that for purposes of *W. Va. Code* § 6D-1-2, the West Virginia Investment Management Board shall not be deemed a state agency nor subject to the requirements of that provision.

The contracting business entity must complete this form and submit it to the contracting state agency prior to contract award and to complete another form within 30 days of contract completion or termination.

*This form was created by the State of West Virginia Ethics Commission, 210 Brooks Street, Suite 300, Charleston, WV 25301-1804. Telephone: (304)558-0664; fax: (304)558-2169; e-mail: [ethics@wv.gov](mailto:ethics@wv.gov); website: [www.ethics.wv.gov](http://www.ethics.wv.gov).*

West Virginia Ethics Commission  
Disclosure of Interested Parties to Contracts

(Required by W. Va. Code § 6D-1-2)

Contracting Business Entity: Brown, Edwards & Company LLP Address: 300 Chase Tower, 707 Virginia St E  
Charleston, WV 25301

Authorized Agent: \_\_\_\_\_ Address: \_\_\_\_\_

Contract Number: \_\_\_\_\_ Contract Description: WV Lottery Nightly Drawing Audit

Governmental agency awarding contract: West Virginia Lottery Commission

Check here if this is a Supplemental Disclosure

List the Names of Interested Parties to the contract which are known or reasonably anticipated by the contracting business entity for each category below (attach additional pages if necessary):

1. Subcontractors or other entities performing work or service under the Contract

Check here if none, otherwise list entity/individual names below.

2. Any person or entity who owns 25% or more of contracting entity (not applicable to publicly traded entities)

Check here if none, otherwise list entity/individual names below.

3. Any person or entity that facilitated, or negotiated the terms of, the applicable contract (excluding legal services related to the negotiation or drafting of the applicable contract)

Check here if none, otherwise list entity/individual names below.

Signature: [Handwritten Signature] Date Signed: 2/27/18

Notary Verification

State of West Virginia, County of Kanawha:

I, TAMARA N EDELMAN, the authorized agent of the contracting business entity listed above, being duly sworn, acknowledge that the Disclosure herein is being made under oath and under the penalty of perjury.

Taken, sworn to and subscribed before me this 27 day of February, 2018.

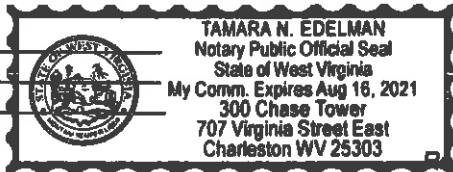
[Handwritten Signature]  
Notary Public's Signature

To be completed by State Agency:

Date Received by State Agency: \_\_\_\_\_

Date submitted to Ethics Commission: \_\_\_\_\_

Governmental agency submitting Disclosure: \_\_\_\_\_



## Appendix F — Peer Review Report



A Professional Accounting Corporation  
Associated Offices in Principal Cities of the United States  
www.pncpa.com

### System Review Report

To the Partners of Brown, Edwards & Company L.L.P.  
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Brown, Edwards & Company L.L.P. (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2015. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary).

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Brown, Edwards & Company L.L.P. applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2015, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Brown, Edwards & Company L.L.P. has received a peer review rating of *pass*.

Baton Rouge, Louisiana  
August 27, 2015

# Appendix G — CPA License for Firm and Individual CPA's



## West Virginia Board of Accountancy

### Firm Verification: Details

#### Firm License Information

**Firm Name** BROWN EDWARDS & CO LLP  
**Address** PO BOX 1697  
**City** BLUEFIELD  
**State** WV  
**Zip** 24701-1697  
**County** MERCER  
**Permit Number** F0157  
**Effective Date** 07/01/2017  
**Current Status** Active  
**Expiration Date** 06/30/2018

#### Authorization to Perform Attest/Compilation Services

Active 06/30/2018

Page Updated: 11/10/2016 1:55:46 PM

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State of West Virginia  
 West Virginia Board of Accountancy  
 405 Capitol Street, Suite 908  
 Charleston, WV 25301-1744  
 (304) 558-3557

The person indicated below is  
 licensed as a  
 Certified Public Accountant  
 for the period beginning  
 July 1, 2017 through June 30, 2018

ROBERT E ADAMS  
 GIBBONS & KAWASH AC  
 707 VIRGINIA ST E STE 300  
 CHARLESTON WV 25301-2710

Board Treasurer

Executive Director



West Virginia Board of Accountancy

CPA Verification: Details

CPA License Information

Name	TIMOTHY J. GIBBONS
Company Name	BROWN EDWARDS & CO LLP
Address	707 VIRGINIA STE 300
City	CHARLESTON
State	WV
Zip	25301-2710
County	KANAWHA
License Number	[REDACTED]
License Type	CPA
Status	Active
Effective Date	27/01/2017
Expiration Date	01/10/2018
Discipline	
Public Discipline Documents	

Authorization to Perform Attest/Compilation Services



West Virginia Board of Accountancy

CPA Verification: Details

CPA License Information

Name	STEPHEN E. KAWASH
Company Name	BROWN EDWARDS & COMPANY LLP
Address	737 VIRGINIA STE 300
City	CHARLESTON
State	WV
Zip	26301-2710
County	KANAWHA
License Number	[REDACTED]
License Type	CPA
Status	Active
Effective Date	31/01/2017
Expiration Date	30/09/2018
Discipline	
Public Discipline Documents	

Authorization to Perform Attest/Compilation Services



# West Virginia Board of Accountancy

## CPA Verification: Details

### CPA License Information

Name	SHANNON MARIE ARWELLY
Company Name	BROWN EDWARDS & OD LLP
Address	707 VIRGINIA ST E STE 300
City	CHARLESTON
State	WV
Zip	25301-2710
County	KANAWHA
License Number	[REDACTED]
License Type	CFA
Status	Active
Effective Date	1/10/2017
Expiration Date	6/30/2018
Discipline	
Public Discipline Documents	

### Authorization to Perform Attest/Compilation Services

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Page 10 - 1000 4/20/17 10:29 AM



State of West Virginia  
**West Virginia Board of Accountancy**  
 405 Capitol Street, Suite 508  
 Charleston, WV 25301-1744  
 (304) 558-3557

*The person indicated below is  
 licensed as a  
 Certified Public Accountant  
 for the period beginning  
 October 13, 2017 through June 30, 2018*



WILLIAM PAUL KOONTZ  
 GIBBONS & KAWASH AC  
 707 VIRGINIA ST E STE 300  
 CHARLESTON WV 25301-2710

Board President

Executive Director



State of West Virginia  
**West Virginia Board of Accountancy**  
 405 Capitol Street, Suite 508  
 Charleston, WV 25301-1744  
 (304) 558-3557

*The person indicated below is  
 licensed as a  
 Certified Public Accountant  
 for the period beginning  
 September 22, 2017 through June 30, 2018*



TYLER JEFFREY CLENDENIN  
 GIBBONS & KAWASH AC  
 707 VIRGINIA ST E STE 300  
 CHARLESTON WV 25301-2710

Board President

Executive Director



## Appendix H — Purchasing Affidavit

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STATE OF WEST VIRGINIA  
Purchasing Division

# PURCHASING AFFIDAVIT

**CONSTRUCTION CONTRACTS:** Under W. Va. Code § 5-22-1(i), the contracting public entity shall not award a construction contract to any bidder that is known to be in default on any monetary obligation owed to the state or a political subdivision of the state, including, but not limited to, obligations related to payroll taxes, property taxes, sales and use taxes, fire service fees, or other fines or fees.

**ALL CONTRACTS:** Under W. Va. Code §5A-3-10a, no contract or renewal of any contract may be awarded by the state or any of its political subdivisions to any vendor or prospective vendor when the vendor or prospective vendor or a related party to the vendor or prospective vendor is a debtor and: (1) the debt owed is an amount greater than one thousand dollars in the aggregate; or (2) the debtor is in employer default.

**EXCEPTION:** The prohibition listed above does not apply where a vendor has contested any tax administered pursuant to chapter eleven of the W. Va. Code, workers' compensation premium, permit fee or environmental fee or assessment and the matter has not become final or where the vendor has entered into a payment plan or agreement and the vendor is not in default of any of the provisions of such plan or agreement.

**DEFINITIONS:**

**"Debt"** means any assessment, premium, penalty, fine, tax or other amount of money owed to the state or any of its political subdivisions because of a judgment, fine, permit violation, license assessment, defaulted workers' compensation premium, penalty or other assessment presently delinquent or due and required to be paid to the state or any of its political subdivisions, including any interest or additional penalties accrued thereon.

**"Employer default"** means having an outstanding balance or liability to the old fund or to the uninsured employers' fund or being in policy default, as defined in W. Va. Code § 23-2c-2, failure to maintain mandatory workers' compensation coverage, or failure to fully meet its obligations as a workers' compensation self-insured employer. An employer is not in employer default if it has entered into a repayment agreement with the Insurance Commissioner and remains in compliance with the obligations under the repayment agreement.

**"Related party"** means a party, whether an individual, corporation, partnership, association, limited liability company or any other form or business association or other entity whatsoever, related to any vendor by blood, marriage, ownership or contract through which the party has a relationship of ownership or other interest with the vendor so that the party will actually or by effect receive or control a portion of the benefit, profit or other consideration from performance of a vendor contract with the party receiving an amount that meets or exceeds five percent of the total contract amount.

**AFFIRMATION:** By signing this form, the vendor's authorized signer affirms and acknowledges under penalty of law for false swearing (W. Va. Code §61-5-3) that: (1) for construction contracts, the vendor is not in default on any monetary obligation owed to the state or a political subdivision of the state, and (2) for all other contracts, that neither vendor nor any related party owe a debt as defined above and that neither vendor nor any related party are in employer default as defined above, unless the debt or employer default is permitted under the exception above.

**WITNESS THE FOLLOWING SIGNATURE:**

Vendor's Name: Brown, Edwards & Company, LLP

Authorized Signature: \_\_\_\_\_

Date: 2/27/18

State of West Virginia

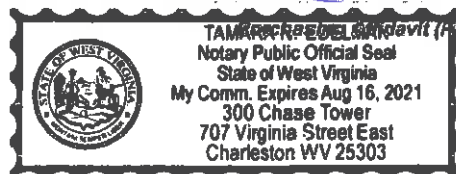
County of Kanawha, to-wit:

Taken, subscribed, and sworn to before me this 27 day of February, 2018.

My Commission expires Aug 16, 2021.

AFFIX SEAL HERE

NOTARY PUBLIC \_\_\_\_\_



## Appendix I — VENDOR PREFERENCE CERTIFICATE

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State of West Virginia  
**VENDOR PREFERENCE CERTIFICATE**

Certification and application is hereby made for Preference in accordance with *West Virginia Code*, §5A-3-37. (Does not apply to construction contracts). *West Virginia Code*, §5A-3-37, provides an opportunity for qualifying vendors to request (at the time of bid) preference for their residency status. Such preference is an evaluation method only and will be applied only to the cost bid in accordance with the *West Virginia Code*. This certificate for application is to be used to request such preference. The Purchasing Division will make the determination of the Vendor Preference, if applicable.

1.  **Application is made for 2.5% vendor preference for the reason checked:**  
 Bidder is an individual resident vendor and has resided continuously in West Virginia for four (4) years immediately preceding the date of this certification; or,  
 Bidder is a partnership, association or corporation resident vendor and has maintained its headquarters or principal place of business continuously in West Virginia for four (4) years immediately preceding the date of this certification;  
 Bidder is a resident vendor partnership, association, or corporation with at least eighty percent of ownership interest of bidder held by another entity that meets the applicable four year residency requirement; or,  
 Bidder is a nonresident vendor which has an affiliate or subsidiary which employs a minimum of one hundred state residents and which has maintained its headquarters or principal place of business within West Virginia continuously for the four (4) years immediately preceding the date of this certification; or,
2.  **Application is made for 2.5% vendor preference for the reason checked:**  
 Bidder is a resident vendor who certifies that, during the life of the contract, on average at least 75% of the employees working on the project being bid are residents of West Virginia who have resided in the state continuously for the two years immediately preceding submission of this bid; or,
3.  **Application is made for 2.5% vendor preference for the reason checked:**  
 Bidder is a nonresident vendor that employs a minimum of one hundred state residents, or a nonresident vendor which has an affiliate or subsidiary which maintains its headquarters or principal place of business within West Virginia and employs a minimum of one hundred state residents, and for purposes of producing or distributing the commodities or completing the project which is the subject of the bidder's bid and continuously over the entire term of the project, on average at least seventy-five percent of the bidder's employees or the bidder's affiliate's or subsidiary's employees are residents of West Virginia who have resided in the state continuously for the two immediately preceding years and the vendor's bid; or,
4.  **Application is made for 5% vendor preference for the reason checked:**  
 Bidder meets either the requirement of both subdivisions (1) and (2) or subdivision (1) and (3) as stated above; or,
5.  **Application is made for 3.5% vendor preference who is a veteran for the reason checked:**  
 Bidder is an individual resident vendor who is a veteran of the United States armed forces, the reserves or the National Guard and has resided in West Virginia continuously for the four years immediately preceding the date on which the bid is submitted; or,
6.  **Application is made for 3.5% vendor preference who is a veteran for the reason checked:**  
 Bidder is a resident vendor who is a veteran of the United States armed forces, the reserves or the National Guard, if, for purposes of producing or distributing the commodities or completing the project which is the subject of the vendor's bid and continuously over the entire term of the project, on average at least seventy-five percent of the vendor's employees are residents of West Virginia who have resided in the state continuously for the two immediately preceding years.
7.  **Application is made for preference as a non-resident small, women- and minority-owned business, in accordance with *West Virginia Code* §5A-3-59 and *West Virginia Code of State Rules*.**  
 Bidder has been or expects to be approved prior to contract award by the Purchasing Division as a certified small, women- and minority-owned business.

Bidder understands if the Secretary of Revenue determines that a Bidder receiving preference has failed to continue to meet the requirements for such preference, the Secretary may order the Director of Purchasing to: (a) rescind the contract or purchase order; or (b) assess a penalty against such Bidder in an amount not to exceed 5% of the bid amount and that such penalty will be paid to the contracting agency or deducted from any unpaid balance on the contract or purchase order.

By submission of this certificate, Bidder agrees to disclose any reasonably requested information to the Purchasing Division and authorizes the Department of Revenue to disclose to the Director of Purchasing appropriate information verifying that Bidder has paid the required business taxes, provided that such information does not contain the amounts of taxes paid nor any other information deemed by the Tax Commissioner to be confidential.

**Bidder hereby certifies that this certificate is true and accurate in all respects; and that if a contract is issued to Bidder and if anything contained within this certificate changes during the term of the contract, Bidder will notify the Purchasing Division in writing immediately.**

Bidder: Brown, Edwards & Company LLP

Signed: 

Date: 03-01-2018

Title: Partner

\*Check any combination of preference consideration(s) indicated above, which you are entitled to receive.

## Appendix J — Addendum Acknowledgement

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**ADDENDUM ACKNOWLEDGEMENT FORM  
SOLICITATION NO.:**

**Instructions:** Please acknowledge receipt of all addenda issued with this solicitation by completing this addendum acknowledgment form. Check the box next to each addendum received and sign below. Failure to acknowledge addenda may result in bid disqualification.

**Acknowledgment:** I hereby acknowledge receipt of the following addenda and have made the necessary revisions to my proposal, plans and/or specification, etc.


**Addendum Numbers Received:**

*(Check the box next to each addendum received)*

- |   |  |
|---|--|
| <input type="checkbox"/> Addendum No. 1 | <input type="checkbox"/> Addendum No. 6  |
| <input type="checkbox"/> Addendum No. 2 | <input type="checkbox"/> Addendum No. 7  |
| <input type="checkbox"/> Addendum No. 3 | <input type="checkbox"/> Addendum No. 8  |
| <input type="checkbox"/> Addendum No. 4 | <input type="checkbox"/> Addendum No. 9  |
| <input type="checkbox"/> Addendum No. 5 | <input type="checkbox"/> Addendum No. 10 |

I understand that failure to confirm the receipt of addenda may be cause for rejection of this bid. I further understand that any verbal representation made or assumed to be made during any oral discussion held between Vendor's representatives and any state personnel is not binding. Only the information issued in writing and added to the specifications by an official addendum is binding.

Brown , Edwards & Company, LLP  
\_\_\_\_\_  
Company

  
\_\_\_\_\_  
Authorized Signature

03-01-2018  
\_\_\_\_\_  
Date

**NOTE:** This addendum acknowledgment should be submitted with the bid to expedite document processing.