

West Virginia Lottery
900 Pennsylvania Avenue
PO Box 2057
Charleston, West Virginia 25327

RECEIVED

2019 APR 30 AM 11:36

WV PURCHASING
DIVISION

Proposal for
Statement on Standards for Attestation Engagements No. 18
(SSAE18) Examination of IGT
West Virginia Lottery Operations

CRFQ # LOT 1900000006
April 29, 2019

Prepared by:

Arnett Carbis Toothman LLP
101 Washington Street, East
Charleston, West Virginia 25301





Purchasing Division
 2019 Washington Street East
 Post Office Box 60130
 Charleston, WV 25305-0130

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

Proc Folder: 566503

Doc Description: RFQ FOR WV LOTTERY SSAE 18 AUDIT FOR REVIEW OF IGT

Proc Type: Central Contract - Fixed Amt

Date Issued	Solicitation Closes	Solicitation No	Version
2019-04-18	2019-04-30 13:30:00	CRFQ 0705 LOT1900000006	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:

Arnett Carbis Toothman LLP
 PO Box 2629
 Charleston, West Virginia 25329
 304-346-0441

FOR INFORMATION CONTACT THE BUYER

Brittany E Ingraham
 (304) 558-2157
 brittany.e.ingraham@wv.gov

Signature X

FEIN # 55-0486667

DATE 4/29/19

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 a STATEMENT ON STANDARDS FOR ATTESTATION ENGAGEMENTS NO.18 (SSAE 18) for a REVIEW OF IGT, per the bid requirements, specifications, terms and conditions attached to this solicitation.

INVOICE TO		SHIP TO	
ACCOUNTS PAYABLE LOTTERY PO BOX 2087		PURCHASING LOTTERY 900 PENNSYLVANIA AVE	
CHARLESTON US	WV25327-2087	CHARLESTON US	WV 25302

Line	Comm Ln Desc	Qty	Unit Issue	Unit Price	Total Price
1	Audit services				

Comm Code	Manufacturer	Specification	Model #
84111600			

Extended Description :

Please see Exhibit A Pricing Page.

THE WEST VIRGINIA LOTTERY IS SOLICITING BIDS FOR A STATEMENT ON STANDARDS FOR ATTESTATION ENGAGEMENTS NO. 18 FOR A REVIEW OF IGT FOR THE PERIOD OF 7/1/18 THROUGH 6/30/19

LOT1900000006	Document Phase Draft	Document Description RFQ FOR WV LOTTERY SSAE 18 AUDIT FOR REVIEW OF IGT	Page 3
---------------	--------------------------------	--	---------------

ADDITIONAL TERMS AND CONDITIONS

See attached document(s) for additional Terms and Conditions

INSTRUCTIONS TO VENDORS SUBMITTING BIDS

1. REVIEW DOCUMENTS THOROUGHLY: The attached documents contain a solicitation for bids. Please read these instructions and all documents attached in their entirety. These instructions provide critical information about requirements that if overlooked could lead to disqualification of a Vendor's bid. All bids must be submitted in accordance with the provisions contained in these instructions and the Solicitation. Failure to do so may result in disqualification of Vendor's bid.

2. MANDATORY TERMS: The Solicitation may contain mandatory provisions identified by the use of the words "must," "will," and "shall." Failure to comply with a mandatory term in the Solicitation will result in bid disqualification.

3. PREBID MEETING: The item identified below shall apply to this Solicitation.

A pre-bid meeting will not be held prior to bid opening

A NON-MANDATORY PRE-BID meeting will be held at the following place and time:

A MANDATORY PRE-BID meeting will be held at the following place and time:

All Vendors submitting a bid must attend the mandatory pre-bid meeting. Failure to attend the mandatory pre-bid meeting shall result in disqualification of the Vendor's bid. No one person attending the pre-bid meeting may represent more than one Vendor.

An attendance sheet provided at the pre-bid meeting shall serve as the official document verifying attendance. The State will not accept any other form of proof or documentation to verify attendance. Any person attending the pre-bid meeting on behalf of a Vendor must list on the attendance sheet his or her name and the name of the Vendor he or she is representing.

Additionally, the person attending the pre-bid meeting should include the Vendor's E-Mail address, phone number, and Fax number on the attendance sheet. It is the Vendor's responsibility to locate the attendance sheet and provide the required information. Failure to complete the attendance sheet as required may result in disqualification of Vendor's bid.

All Vendors should arrive prior to the starting time for the pre-bid. Vendors who arrive after the starting time but prior to the end of the pre-bid will be permitted to sign in, but are charged with knowing all matters discussed at the pre-bid.

Questions submitted at least five business days prior to a scheduled pre-bid will be discussed at the pre-bid meeting if possible. Any discussions or answers to questions at the pre-bid meeting are preliminary in nature and are non-binding. Official and binding answers to questions will be published in a written addendum to the Solicitation prior to bid opening.

4. VENDOR QUESTION DEADLINE: Vendors may submit questions relating to this Solicitation to the Purchasing Division. Questions must be submitted in writing. All questions must be submitted on or before the date listed below and to the address listed below in order to be considered. A written response will be published in a Solicitation addendum if a response is possible and appropriate. Non-written discussions, conversations, or questions and answers regarding this Solicitation are preliminary in nature and are nonbinding.

Submitted e-mails should have solicitation number in the subject line.

Question Submission Deadline: April 24, 2019 at 10:00 AM EDT

Submit Questions to: Brittany Ingraham

2019 Washington Street, East

Charleston, WV 25305

Fax: (304) 558-4115 (Vendors should not use this fax number for bid submission)

Email: Brittany.E.Ingraham@wv.gov

5. VERBAL COMMUNICATION: Any verbal communication between the Vendor and any State personnel is not binding, including verbal communication at the mandatory pre-bid conference. Only information issued in writing and added to the Solicitation by an official written addendum by the Purchasing Division is binding.

6. BID SUBMISSION: All bids must be submitted electronically through wvOASIS or signed and delivered by the Vendor to the Purchasing Division at the address listed below on or before the date and time of the bid opening. Any bid received by the Purchasing Division staff is considered to be in the possession of the Purchasing Division and will not be returned for any reason. The Purchasing Division will not accept bids, modification of bids, or addendum acknowledgment forms via e-mail. Acceptable delivery methods include electronic submission via wvOASIS, hand delivery, delivery by courier, or facsimile.

The bid delivery address is:
Department of Administration, Purchasing Division
2019 Washington Street East
Charleston, WV 25305-0130

A bid that is not submitted electronically through wvOASIS should contain the information listed below on the face of the envelope or the bid may be rejected by the Purchasing Division.:

SEALED BID: RFQ FOR WV LOTTERY SSAE 18 AUDIT FOR REVIEW OF IGT
BUYER: Brittany Ingraham
SOLICITATION NO.: CRFQ LOT1900000006
BID OPENING DATE: April 30, 2019
BID OPENING TIME: 1:30 PM EDT
FAX NUMBER: 304-558-3970

The Purchasing Division may prohibit the submission of bids electronically through wvOASIS at its sole discretion. Such a prohibition will be contained and communicated in the wvOASIS system resulting in the Vendor's inability to submit bids through wvOASIS. Submission of a response to an Expression of Interest or Request for Proposal is not permitted in wvOASIS.

For Request For Proposal ("RFP") Responses Only: In the event that Vendor is responding to a request for proposal, the Vendor shall submit one original technical and one original cost proposal plus N/A convenience copies of each to the Purchasing Division at the address shown above. Additionally, the Vendor should identify the bid type as either a technical or cost proposal on the face of each bid envelope submitted in response to a request for proposal as follows:

BID TYPE: (This only applies to CRFP)

- Technical
 Cost

7. BID OPENING: Bids submitted in response to this Solicitation will be opened at the location identified below on the date and time listed below. Delivery of a bid after the bid opening date and time will result in bid disqualification. For purposes of this Solicitation, a bid is considered delivered when confirmation of delivery is provided by wvOASIS (in the case of electronic submission) or when the bid is time stamped by the official Purchasing Division time clock (in the case of hand delivery).

Bid Opening Date and Time: April 30, 2019 at 1:30 PM EDT

Bid Opening Location: Department of Administration, Purchasing Division
2019 Washington Street East
Charleston, WV 25305-0130

8. ADDENDUM ACKNOWLEDGEMENT: Changes or revisions to this Solicitation will be made by an official written addendum issued by the Purchasing Division. Vendor should acknowledge receipt of all addenda issued with this Solicitation by completing an Addendum Acknowledgment Form, a copy of which is included herewith. Failure to acknowledge addenda may result in bid disqualification. The addendum acknowledgement should be submitted with the bid to expedite document processing.

9. BID FORMATTING: Vendor should type or electronically enter the information onto its bid to prevent errors in the evaluation. Failure to type or electronically enter the information may result in bid disqualification.

10. ALTERNATE MODEL OR BRAND: Unless the box below is checked, any model, brand, or specification listed in this Solicitation establishes the acceptable level of quality only and is not intended to reflect a preference for, or in any way favor, a particular brand or vendor. Vendors may bid alternates to a listed model or brand provided that the alternate is at least equal to the model or brand and complies with the required specifications. The equality of any alternate being bid shall be determined by the State at its sole discretion. Any Vendor bidding an alternate model or brand should clearly identify the alternate items in its bid and should include manufacturer's specifications, industry literature, and/or any other relevant documentation demonstrating the equality of the alternate items. Failure to provide information for alternate items may be grounds for rejection of a Vendor's bid.

This Solicitation is based upon a standardized commodity established under W. Va. Code § 5A-3-61. Vendors are expected to bid the standardized commodity identified. Failure to bid the standardized commodity will result in your firm's bid being rejected.

11. EXCEPTIONS AND CLARIFICATIONS: The Solicitation contains the specifications that shall form the basis of a contractual agreement. Vendor shall clearly mark any exceptions, clarifications, or other proposed modifications in its bid. Exceptions to, clarifications of, or modifications of a requirement or term and condition of the Solicitation may result in bid disqualification.

12. COMMUNICATION LIMITATIONS: In accordance with West Virginia Code of State Rules §148-1-6.6, communication with the State of West Virginia or any of its employees regarding this Solicitation during the solicitation, bid, evaluation or award periods, except through the Purchasing Division, is strictly prohibited without prior Purchasing Division approval. Purchasing Division approval for such communication is implied for all agency delegated and exempt purchases,

13. REGISTRATION: Prior to Contract award, the apparent successful Vendor must be properly registered with the West Virginia Purchasing Division and must have paid the \$125 fee, if applicable.

14. UNIT PRICE: Unit prices shall prevail in cases of a discrepancy in the Vendor's bid.

15. PREFERENCE: Vendor Preference may be requested in purchases of motor vehicles or construction and maintenance equipment and machinery used in highway and other infrastructure projects. Any request for preference must be submitted in writing with the bid, must specifically identify the preference requested with reference to the applicable subsection of West Virginia Code § 5A-3-37, and should include with the bid any information necessary to evaluate and confirm the applicability of the requested preference. A request form to help facilitate the request can be found at:
<http://www.state.wv.us/admin/purchase/vrc/Venpref.pdf>.

15A. RECIPROCAL PREFERENCE: The State of West Virginia applies a reciprocal preference to all solicitations for commodities and printing in accordance with W. Va. Code § 5A-3-37(b). In effect, non-resident vendors receiving a preference in their home states, will see that same preference granted to West Virginia resident vendors bidding against them in West Virginia. A request form to help facilitate the request can be found at:
<http://www.state.wv.us/admin/purchase/vrc/Venpref.pdf>.

16. SMALL, WOMEN-OWNED, OR MINORITY-OWNED BUSINESSES: For any solicitations publicly advertised for bid, in accordance with West Virginia Code §5A-3-37(a)(7) and W. Va. CSR § 148-22-9, any non-resident vendor certified as a small, women-owned, or minority-owned business under W. Va. CSR § 148-22-9 shall be provided the same preference made available to any resident vendor. Any non-resident small, women-owned, or minority-owned business must identify itself as such in writing, must submit that writing to the Purchasing Division with its bid, and must be properly certified under W. Va. CSR § 148-22-9 prior to contract award to receive the preferences made available to resident vendors. Preference for a non-resident small, women-owned, or minority owned business shall be applied in accordance with W. Va. CSR § 148-22-9.

17. WAIVER OF MINOR IRREGULARITIES: The Director reserves the right to waive minor irregularities in bids or specifications in accordance with West Virginia Code of State Rules § 148-1-4.6.

18. ELECTRONIC FILE ACCESS RESTRICTIONS: Vendor must ensure that its submission in wvOASIS can be accessed and viewed by the Purchasing Division staff immediately upon bid opening. The Purchasing Division will consider any file that cannot be immediately accessed and viewed at the time of the bid opening (such as, encrypted files, password protected files, or incompatible files) to be blank or incomplete as context requires, and are therefore unacceptable. A vendor will not be permitted to unencrypt files, remove password protections, or resubmit documents after bid opening to make a file viewable if those documents are required with the bid. A Vendor may be required to provide document passwords or remove access restrictions to allow the Purchasing Division to print or electronically save documents provided that those documents are viewable by the Purchasing Division prior to obtaining the password or removing the access restriction.

19. NON-RESPONSIBLE: The Purchasing Division Director reserves the right to reject the bid of any vendor as Non-Responsible in accordance with W. Va. Code of State Rules § 148-1-5.3, when the Director determines that the vendor submitting the bid does not have the capability to fully perform, or lacks the integrity and reliability to assure good-faith performance.”

20. ACCEPTANCE/REJECTION: The State may accept or reject any bid in whole, or in part in accordance with W. Va. Code of State Rules § 148-1-4.5. and § 148-1-6.4.b.”

21. YOUR SUBMISSION IS A PUBLIC DOCUMENT: Vendor’s entire response to the Solicitation and the resulting Contract are public documents. As public documents, they will be disclosed to the public following the bid/proposal opening or award of the contract, as required by the competitive bidding laws of West Virginia Code §§ 5A-3-1 et seq., 5-22-1 et seq., and 5G-1-1 et seq. and the Freedom of Information Act West Virginia Code §§ 29B-1-1 et seq.

DO NOT SUBMIT MATERIAL YOU CONSIDER TO BE CONFIDENTIAL, A TRADE SECRET, OR OTHERWISE NOT SUBJECT TO PUBLIC DISCLOSURE.

Submission of any bid, proposal, or other document to the Purchasing Division constitutes your explicit consent to the subsequent public disclosure of the bid, proposal, or document. The Purchasing Division will disclose any document labeled “confidential,” “proprietary,” “trade secret,” “private,” or labeled with any other claim against public disclosure of the documents, to include any “trade secrets” as defined by West Virginia Code § 47-22-1 et seq. All submissions are subject to public disclosure without notice.

22. INTERESTED PARTY DISCLOSURE: West Virginia Code § 6D-1-2 requires that the vendor submit to the Purchasing Division a disclosure of interested parties to the contract for all contracts with an actual or estimated value of at least \$1 Million. That disclosure must occur on the form prescribed and approved by the WV Ethics Commission prior to contract award. A copy of that form is included with this solicitation or can be obtained from the WV Ethics Commission. This requirement does not apply to publicly traded companies listed on a national or international stock exchange. A more detailed definition of interested parties can be obtained from the form referenced above.

23. WITH THE BID REQUIREMENTS: In instances where these specifications require documentation or other information with the bid, and a vendor fails to provide it with the bid, the Director of the Purchasing Division reserves the right to request those items after bid opening and prior to contract award pursuant to the authority to waive minor irregularities in bids or specifications under W. Va. CSR § 148-1-4.6. This authority does not apply to instances where state law mandates receipt with the bid.

GENERAL TERMS AND CONDITIONS:

- 1. CONTRACTUAL AGREEMENT:** Issuance of a Award Document signed by the Purchasing Division Director, or his designee, and approved as to form by the Attorney General's office constitutes acceptance of this Contract made by and between the State of West Virginia and the Vendor. Vendor's signature on its bid signifies Vendor's agreement to be bound by and accept the terms and conditions contained in this Contract.
- 2. DEFINITIONS:** As used in this Solicitation/Contract, the following terms shall have the meanings attributed to them below. Additional definitions may be found in the specifications included with this Solicitation/Contract.
 - 2.1. "Agency" or "Agencies"** means the agency, board, commission, or other entity of the State of West Virginia that is identified on the first page of the Solicitation or any other public entity seeking to procure goods or services under this Contract.
 - 2.2. "Bid" or "Proposal"** means the vendors submitted response to this solicitation.
 - 2.3. "Contract"** means the binding agreement that is entered into between the State and the Vendor to provide the goods or services requested in the Solicitation.
 - 2.4. "Director"** means the Director of the West Virginia Department of Administration, Purchasing Division.
 - 2.5. "Purchasing Division"** means the West Virginia Department of Administration, Purchasing Division.
 - 2.6. "Award Document"** means the document signed by the Agency and the Purchasing Division, and approved as to form by the Attorney General, that identifies the Vendor as the contract holder.
 - 2.7. "Solicitation"** means the official notice of an opportunity to supply the State with goods or services that is published by the Purchasing Division.
 - 2.8. "State"** means the State of West Virginia and/or any of its agencies, commissions, boards, etc. as context requires.
 - 2.9. "Vendor" or "Vendors"** means any entity submitting a bid in response to the Solicitation, the entity that has been selected as the lowest responsible bidder, or the entity that has been awarded the Contract as context requires.

3. CONTRACT TERM; RENEWAL; EXTENSION: The term of this Contract shall be determined in accordance with the category that has been identified as applicable to this Contract below:

Term Contract

Initial Contract Term: This Contract becomes effective on 7/1/2019 and extends for a period of one (1) year(s).

Renewal Term: This Contract may be renewed upon the mutual written consent of the Agency, and the Vendor, with approval of the Purchasing Division and the Attorney General's office (Attorney General approval is as to form only). Any request for renewal should be delivered to the Agency and then submitted to the Purchasing Division thirty (30) days prior to the expiration date of the initial contract term or appropriate renewal term. A Contract renewal shall be in accordance with the terms and conditions of the original contract. Unless otherwise specified below, renewal of this Contract is limited to two (2) successive one (1) year periods or multiple renewal periods of less than one year, provided that the multiple renewal periods do not exceed the total number of months available in all renewal years combined. Automatic renewal of this Contract is prohibited. Renewals must be approved by the Vendor, Agency, Purchasing Division and Attorney General's office (Attorney General approval is as to form only)

Alternate Renewal Term – This contract may be renewed for _____ successive _____ year periods or shorter periods provided that they do not exceed the total number of months contained in all available renewals. Automatic renewal of this Contract is prohibited. Renewals must be approved by the Vendor, Agency, Purchasing Division and Attorney General's office (Attorney General approval is as to form only)

Delivery Order Limitations: In the event that this contract permits delivery orders, a delivery order may only be issued during the time this Contract is in effect. Any delivery order issued within one year of the expiration of this Contract shall be effective for one year from the date the delivery order is issued. No delivery order may be extended beyond one year after this Contract has expired.

Fixed Period Contract: This Contract becomes effective upon Vendor's receipt of the notice to proceed and must be completed within _____ days.

Fixed Period Contract with Renewals: This Contract becomes effective upon Vendor's receipt of the notice to proceed and part of the Contract more fully described in the attached specifications must be completed within _____ days. Upon completion of the work covered by the preceding sentence, the vendor agrees that maintenance, monitoring, or warranty services will be provided for _____ year(s) thereafter.

One Time Purchase: The term of this Contract shall run from the issuance of the Award Document until all of the goods contracted for have been delivered, but in no event will this Contract extend for more than one fiscal year.

Other: See attached.

4. NOTICE TO PROCEED: Vendor shall begin performance of this Contract immediately upon receiving notice to proceed unless otherwise instructed by the Agency. Unless otherwise specified, the fully executed Award Document will be considered notice to proceed.

5. QUANTITIES: The quantities required under this Contract shall be determined in accordance with the category that has been identified as applicable to this Contract below.

Open End Contract: Quantities listed in this Solicitation are approximations only, based on estimates supplied by the Agency. It is understood and agreed that the Contract shall cover the quantities actually ordered for delivery during the term of the Contract, whether more or less than the quantities shown.

Service: The scope of the service to be provided will be more clearly defined in the specifications included herewith.

Combined Service and Goods: The scope of the service and deliverable goods to be provided will be more clearly defined in the specifications included herewith.

One Time Purchase: This Contract is for the purchase of a set quantity of goods that are identified in the specifications included herewith. Once those items have been delivered, no additional goods may be procured under this Contract without an appropriate change order approved by the Vendor, Agency, Purchasing Division, and Attorney General's office.

6. EMERGENCY PURCHASES: The Purchasing Division Director may authorize the Agency to purchase goods or services in the open market that Vendor would otherwise provide under this Contract if those goods or services are for immediate or expedited delivery in an emergency. Emergencies shall include, but are not limited to, delays in transportation or an unanticipated increase in the volume of work. An emergency purchase in the open market, approved by the Purchasing Division Director, shall not constitute a breach of this Contract and shall not entitle the Vendor to any form of compensation or damages. This provision does not excuse the State from fulfilling its obligations under a One Time Purchase contract.

7. REQUIRED DOCUMENTS: All of the items checked below must be provided to the Purchasing Division by the Vendor as specified below.

BID BOND (Construction Only): Pursuant to the requirements contained in W. Va. Code § 5-22-1(c), All Vendors submitting a bid on a construction project shall furnish a valid bid bond in the amount of five percent (5%) of the total amount of the bid protecting the State of West Virginia. The bid bond must be submitted with the bid.

PERFORMANCE BOND: The apparent successful Vendor shall provide a performance bond in the amount of 100% of the contract. The performance bond must be received by the Purchasing Division prior to Contract award.

LABOR/MATERIAL PAYMENT BOND: The apparent successful Vendor shall provide a labor/material payment bond in the amount of 100% of the Contract value. The labor/material payment bond must be delivered to the Purchasing Division prior to Contract award.

In lieu of the Bid Bond, Performance Bond, and Labor/Material Payment Bond, the Vendor may provide certified checks, cashier's checks, or irrevocable letters of credit. Any certified check, cashier's check, or irrevocable letter of credit provided in lieu of a bond must be of the same amount and delivered on the same schedule as the bond it replaces. A letter of credit submitted in lieu of a performance and labor/material payment bond will only be allowed for projects under \$100,000. Personal or business checks are not acceptable. Notwithstanding the foregoing, West Virginia Code § 5-22-1 (d) mandates that a vendor provide a performance and labor/material payment bond for construction projects. Accordingly, substitutions for the performance and labor/material payment bonds for construction projects is not permitted.

MAINTENANCE BOND: The apparent successful Vendor shall provide a two (2) year maintenance bond covering the roofing system. The maintenance bond must be issued and delivered to the Purchasing Division prior to Contract award.

LICENSE(S) / CERTIFICATIONS / PERMITS: In addition to anything required under the Section of the General Terms and Conditions entitled Licensing, the apparent successful Vendor shall furnish proof of the following licenses, certifications, and/or permits prior to Contract award, in a form acceptable to the Purchasing Division.

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.

8. INSURANCE: The apparent successful Vendor shall furnish proof of the insurance identified by a checkmark below and must include the State as an additional insured on each policy prior to Contract award. The insurance coverages identified below must be maintained throughout the life of this contract. Thirty (30) days prior to the expiration of the insurance policies, Vendor shall provide the Agency with proof that the insurance mandated herein has been continued. Vendor must also provide Agency with immediate notice of any changes in its insurance policies, including but not limited to, policy cancelation, policy reduction, or change in insurers. The apparent successful Vendor shall also furnish proof of any additional insurance requirements contained in the specifications prior to Contract award regardless of whether or not that insurance requirement is listed in this section.

Vendor must maintain:

- Commercial General Liability Insurance** in at least an amount of: 1,000,000.00 per occurrence.
- Automobile Liability Insurance** in at least an amount of: 500,000.00 per occurrence.
- Professional/Malpractice/Errors and Omission Insurance** in at least an amount of: _____ per occurrence.
- Commercial Crime and Third Party Fidelity Insurance** in an amount of: _____ per occurrence.
- Cyber Liability Insurance** in an amount of: _____ per occurrence.
- Builders Risk Insurance** in an amount equal to 100% of the amount of the Contract.
- Pollution Insurance** in an amount of: _____ per occurrence.
- Aircraft Liability** in an amount of: _____ per occurrence.
-
-
-
-

16. TAXES: The Vendor shall pay any applicable sales, use, personal property or any other taxes arising out of this Contract and the transactions contemplated thereby. The State of West Virginia is exempt from federal and state taxes and will not pay or reimburse such taxes.

17. ADDITIONAL FEES: Vendor is not permitted to charge additional fees or assess additional charges that were not either expressly provided for in the solicitation published by the State of West Virginia or included in the unit price or lump sum bid amount that Vendor is required by the solicitation to provide. Including such fees or charges as notes to the solicitation may result in rejection of vendor's bid. Requesting such fees or charges be paid after the contract has been awarded may result in cancellation of the contract.

18. FUNDING: This Contract shall continue for the term stated herein, contingent upon funds being appropriated by the Legislature or otherwise being made available. In the event funds are not appropriated or otherwise made available, this Contract becomes void and of no effect beginning on July 1 of the fiscal year for which funding has not been appropriated or otherwise made available.

19. CANCELLATION: The Purchasing Division Director reserves the right to cancel this Contract immediately upon written notice to the vendor if the materials or workmanship supplied do not conform to the specifications contained in the Contract. The Purchasing Division Director may also cancel any purchase or Contract upon 30 days written notice to the Vendor in accordance with West Virginia Code of State Rules § 148-1-5.2.b.

20. TIME: Time is of the essence with regard to all matters of time and performance in this Contract.

21. APPLICABLE LAW: This Contract is governed by and interpreted under West Virginia law without giving effect to its choice of law principles. Any information provided in specification manuals, or any other source, verbal or written, which contradicts or violates the West Virginia Constitution, West Virginia Code or West Virginia Code of State Rules is void and of no effect.

22. COMPLIANCE WITH LAWS: Vendor shall comply with all applicable federal, state, and local laws, regulations and ordinances. By submitting a bid, Vendor acknowledges that it has reviewed, understands, and will comply with all applicable laws, regulations, and ordinances.

SUBCONTRACTOR COMPLIANCE: Vendor shall notify all subcontractors providing commodities or services related to this Contract that as subcontractors, they too are required to comply with all applicable laws, regulations, and ordinances. Notification under this provision must occur prior to the performance of any work under the contract by the subcontractor.

23. ARBITRATION: Any references made to arbitration contained in this Contract, Vendor's bid, or in any American Institute of Architects documents pertaining to this Contract are hereby deleted, void, and of no effect.

24. MODIFICATIONS: This writing is the parties' final expression of intent. Notwithstanding anything contained in this Contract to the contrary no modification of this Contract shall be binding without mutual written consent of the Agency, and the Vendor, with approval of the Purchasing Division and the Attorney General's office (Attorney General approval is as to form only). Any change to existing contracts that adds work or changes contract cost, and were not included in the original contract, must be approved by the Purchasing Division and the Attorney General's Office (as to form) prior to the implementation of the change or commencement of work affected by the change.

25. WAIVER: The failure of either party to insist upon a strict performance of any of the terms or provision of this Contract, or to exercise any option, right, or remedy herein contained, shall not be construed as a waiver or a relinquishment for the future of such term, provision, option, right, or remedy, but the same shall continue in full force and effect. Any waiver must be expressly stated in writing and signed by the waiving party.

26. SUBSEQUENT FORMS: The terms and conditions contained in this Contract shall supersede any and all subsequent terms and conditions which may appear on any form documents submitted by Vendor to the Agency or Purchasing Division such as price lists, order forms, invoices, sales agreements, or maintenance agreements, and includes internet websites or other electronic documents. Acceptance or use of Vendor's forms does not constitute acceptance of the terms and conditions contained thereon.

27. ASSIGNMENT: Neither this Contract nor any monies due, or to become due hereunder, may be assigned by the Vendor without the express written consent of the Agency, the Purchasing Division, the Attorney General's office (as to form only), and any other government agency or office that may be required to approve such assignments.

28. WARRANTY: The Vendor expressly warrants that the goods and/or services covered by this Contract will: (a) conform to the specifications, drawings, samples, or other description furnished or specified by the Agency; (b) be merchantable and fit for the purpose intended; and (c) be free from defect in material and workmanship.

29. STATE EMPLOYEES: State employees are not permitted to utilize this Contract for personal use and the Vendor is prohibited from permitting or facilitating the same.

30. PRIVACY, SECURITY, AND CONFIDENTIALITY: The Vendor agrees that it will not disclose to anyone, directly or indirectly, any such personally identifiable information or other confidential information gained from the Agency, unless the individual who is the subject of the information consents to the disclosure in writing or the disclosure is made pursuant to the Agency's policies, procedures, and rules. Vendor further agrees to comply with the Confidentiality Policies and Information Security Accountability Requirements, set forth in <http://www.state.wv.us/admin/purchase/privacy/default.html>.

31. YOUR SUBMISSION IS A PUBLIC DOCUMENT: Vendor's entire response to the Solicitation and the resulting Contract are public documents. As public documents, they will be disclosed to the public following the bid/proposal opening or award of the contract, as required by the competitive bidding laws of West Virginia Code §§ 5A-3-1 et seq., 5-22-1 et seq., and 5G-1-1 et seq. and the Freedom of Information Act West Virginia Code §§ 29B-1-1 et seq.

DO NOT SUBMIT MATERIAL YOU CONSIDER TO BE CONFIDENTIAL, A TRADE SECRET, OR OTHERWISE NOT SUBJECT TO PUBLIC DISCLOSURE.

Submission of any bid, proposal, or other document to the Purchasing Division constitutes your explicit consent to the subsequent public disclosure of the bid, proposal, or document. The Purchasing Division will disclose any document labeled "confidential," "proprietary," "trade secret," "private," or labeled with any other claim against public disclosure of the documents, to include any "trade secrets" as defined by West Virginia Code § 47-22-1 et seq. All submissions are subject to public disclosure without notice.

32. LICENSING: In accordance with West Virginia Code of State Rules § 148-1-6.1.e, Vendor must be licensed and in good standing in accordance with any and all state and local laws and requirements by any state or local agency of West Virginia, including, but not limited to, the West Virginia Secretary of State's Office, the West Virginia Tax Department, West Virginia Insurance Commission, or any other state agency or political subdivision. Obligations related to political subdivisions may include, but are not limited to, business licensing, business and occupation taxes, inspection compliance, permitting, etc. Upon request, the Vendor must provide all necessary releases to obtain information to enable the Purchasing Division Director or the Agency to verify that the Vendor is licensed and in good standing with the above entities.

SUBCONTRACTOR COMPLIANCE: Vendor shall notify all subcontractors providing commodities or services related to this Contract that as subcontractors, they too are required to be licensed, in good standing, and up-to-date on all state and local obligations as described in this section. Obligations related to political subdivisions may include, but are not limited to, business licensing, business and occupation taxes, inspection compliance, permitting, etc. Notification under this provision must occur prior to the performance of any work under the contract by the subcontractor.

33. ANTITRUST: In submitting a bid to, signing a contract with, or accepting a Award Document from any agency of the State of West Virginia, the Vendor agrees to convey, sell, assign, or transfer to the State of West Virginia all rights, title, and interest in and to all causes of action it may now or hereafter acquire under the antitrust laws of the United States and the State of West Virginia for price fixing and/or unreasonable restraints of trade relating to the particular commodities or services purchased or acquired by the State of West Virginia. Such assignment shall be made and become effective at the time the purchasing agency tenders the initial payment to Vendor.

34. VENDOR CERTIFICATIONS: By signing its bid or entering into this Contract, Vendor certifies (1) that its bid or offer was made without prior understanding, agreement, or connection with any corporation, firm, limited liability company, partnership, person or entity submitting a bid or offer for the same material, supplies, equipment or services; (2) that its bid or offer is in all respects fair and without collusion or fraud; (3) that this Contract is accepted or entered into without any prior understanding, agreement, or connection to any other entity that could be considered a violation of law; and (4) that it has reviewed this Solicitation in its entirety; understands the requirements, terms and conditions, and other information contained herein.

Vendor's signature on its bid or offer also affirms that neither it nor its representatives have any interest, nor shall acquire any interest, direct or indirect, which would compromise the performance of its services hereunder. Any such interests shall be promptly presented in detail to the Agency. The individual signing this bid or offer on behalf of Vendor certifies that he or she is authorized by the Vendor to execute this bid or offer or any documents related thereto on Vendor's behalf; that he or she is authorized to bind the Vendor in a contractual relationship; and that, to the best of his or her knowledge, the Vendor has properly registered with any State agency that may require registration.

35. VENDOR RELATIONSHIP: The relationship of the Vendor to the State shall be that of an independent contractor and no principal-agent relationship or employer-employee relationship is contemplated or created by this Contract. The Vendor as an independent contractor is solely liable for the acts and omissions of its employees and agents. Vendor shall be responsible for selecting, supervising, and compensating any and all individuals employed pursuant to the terms of this Solicitation and resulting contract. Neither the Vendor, nor any employees or subcontractors of the Vendor, shall be deemed to be employees of the State for any purpose whatsoever. Vendor shall be exclusively responsible for payment of employees and contractors for all wages and salaries, taxes, withholding payments, penalties, fees, fringe benefits, professional liability insurance premiums, contributions to insurance and pension, or other deferred compensation plans, including but not limited to, Workers' Compensation and Social Security obligations, licensing fees, etc. and the filing of all necessary documents, forms, and returns pertinent to all of the foregoing.

Vendor shall hold harmless the State, and shall provide the State and Agency with a defense against any and all claims including, but not limited to, the foregoing payments, withholdings, contributions, taxes, Social Security taxes, and employer income tax returns.

36. INDEMNIFICATION: The Vendor agrees to indemnify, defend, and hold harmless the State and the Agency, their officers, and employees from and against: (1) Any claims or losses for services rendered by any subcontractor, person, or firm performing or supplying services, materials, or supplies in connection with the performance of the Contract; (2) Any claims or losses resulting to any person or entity injured or damaged by the Vendor, its officers, employees, or subcontractors by the publication, translation, reproduction, delivery, performance, use, or disposition of any data used under the Contract in a manner not authorized by the Contract, or by Federal or State statutes or regulations; and (3) Any failure of the Vendor, its officers, employees, or subcontractors to observe State and Federal laws including, but not limited to, labor and wage and hour laws.

37. PURCHASING AFFIDAVIT: In accordance with West Virginia Code §§ 5A-3-10a and 5-22-1(i), the State is prohibited from awarding a contract to any bidder that owes a debt to the State or a political subdivision of the State, Vendors are required to sign, notarize, and submit the Purchasing Affidavit to the Purchasing Division affirming under oath that it is not in default on any monetary obligation owed to the state or a political subdivision of the state.

38. ADDITIONAL AGENCY AND LOCAL GOVERNMENT USE: This Contract may be utilized by other agencies, spending units, and political subdivisions of the State of West Virginia; county, municipal, and other local government bodies; and school districts ("Other Government Entities"), provided that both the Other Government Entity and the Vendor agree. Any extension of this Contract to the aforementioned Other Government Entities must be on the same prices, terms, and conditions as those offered and agreed to in this Contract, provided that such extension is in compliance with the applicable laws, rules, and ordinances of the Other Government Entity. A refusal to extend this Contract to the Other Government Entities shall not impact or influence the award of this Contract in any manner.

39. CONFLICT OF INTEREST: Vendor, its officers or members or employees, shall not presently have or acquire an interest, direct or indirect, which would conflict with or compromise the performance of its obligations hereunder. Vendor shall 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 Agency.

40. REPORTS: Vendor shall provide the Agency and/or the Purchasing Division with the following reports identified by a checked box below:

Such reports as the Agency and/or the Purchasing Division may request. Requested reports may include, but are not limited to, quantities purchased, agencies utilizing the contract, total contract expenditures by agency, etc.

Quarterly reports detailing the total quantity of purchases in units and dollars, along with a listing of purchases by agency. Quarterly reports should be delivered to the Purchasing Division via email at purchasing.requisitions@wv.gov.

41. BACKGROUND CHECK: In accordance with W. Va. Code § 15-2D-3, the Director of the Division of Protective Services shall require any service provider whose employees are regularly employed on the grounds or in the buildings of the Capitol complex or who have access to sensitive or critical information to submit to a fingerprint-based state and federal background inquiry through the state repository. The service provider is responsible for any costs associated with the fingerprint-based state and federal background inquiry.

After the contract for such services has been approved, but before any such employees are permitted to be on the grounds or in the buildings of the Capitol complex or have access to sensitive or critical information, the service provider shall submit a list of all persons who will be physically present and working at the Capitol complex to the Director of the Division of Protective Services for purposes of verifying compliance with this provision. The State reserves the right to prohibit a service provider's employees from accessing sensitive or critical information or to be present at the Capitol complex based upon results addressed from a criminal background check.

Revised 01/24/2019

Notwithstanding anything contained in this section to the contrary, the Director of the Purchasing Division reserves the right to waive the requirement that the State be named as an additional insured on one or more of the Vendor's insurance policies if the Director finds that doing so is in the State's best interest.

9. WORKERS' COMPENSATION INSURANCE: The apparent successful Vendor shall comply with laws relating to workers compensation, shall maintain workers' compensation insurance when required, and shall furnish proof of workers' compensation insurance upon request.

10. [Reserved]

11. LIQUIDATED DAMAGES: This clause shall in no way be considered exclusive and shall not limit the State or Agency's right to pursue any other available remedy. Vendor shall pay liquidated damages in the amount specified below or as described in the specifications:

_____ for _____

Liquidated Damages Contained in the Specifications

12. ACCEPTANCE: Vendor's signature on its bid, or on the certification and signature page, constitutes an offer to the State that cannot be unilaterally withdrawn, signifies that the product or service proposed by vendor meets the mandatory requirements contained in the Solicitation for that product or service, unless otherwise indicated, and signifies acceptance of the terms and conditions contained in the Solicitation unless otherwise indicated.

13. PRICING: The pricing set forth herein is firm for the life of the Contract, unless specified elsewhere within this Solicitation/Contract by the State. A Vendor's inclusion of price adjustment provisions in its bid, without an express authorization from the State in the Solicitation to do so, may result in bid disqualification. Notwithstanding the foregoing, Vendor must extend any publicly advertised sale price to the State and invoice at the lower of the contract price or the publicly advertised sale price.

14. PAYMENT IN ARREARS: Payment in advance is prohibited under this Contract. Payment may only be made after the delivery and acceptance of goods or services. The Vendor shall submit invoices, in arrears.

15. PAYMENT METHODS: Vendor must accept payment by electronic funds transfer and P-Card. (The State of West Virginia's Purchasing Card program, administered under contract by a banking institution, processes payment for goods and services through state designated credit cards.)

Service providers should contact the West Virginia Division of Protective Services by phone at (304) 558-9911 for more information.

42. PREFERENCE FOR USE OF DOMESTIC STEEL PRODUCTS: Except when authorized by the Director of the Purchasing Division pursuant to W. Va. Code § 5A-3-56, no contractor may use or supply steel products for a State Contract Project other than those steel products made in the United States. A contractor who uses steel products in violation of this section may be subject to civil penalties pursuant to W. Va. Code § 5A-3-56. As used in this section:

- a. "State Contract Project" means any erection or construction of, or any addition to, alteration of or other improvement to any building or structure, including, but not limited to, roads or highways, or the installation of any heating or cooling or ventilating plants or other equipment, or the supply of and materials for such projects, pursuant to a contract with the State of West Virginia for which bids were solicited on or after June 6, 2001.
- b. "Steel Products" means products rolled, formed, shaped, drawn, extruded, forged, cast, fabricated or otherwise similarly processed, or processed by a combination of two or more or such operations, from steel made by the open heath, basic oxygen, electric furnace, Bessemer or other steel making process. The Purchasing Division Director may, in writing, authorize the use of foreign steel products if:
- c. The cost for each contract item used does not exceed one tenth of one percent (.1%) of the total contract cost or two thousand five hundred dollars (\$2,500.00), whichever is greater. For the purposes of this section, the cost is the value of the steel product as delivered to the project; or
- d. The Director of the Purchasing Division determines that specified steel materials are not produced in the United States in sufficient quantity or otherwise are not reasonably available to meet contract requirements.

43. PREFERENCE FOR USE OF DOMESTIC ALUMINUM, GLASS, AND STEEL: In Accordance with W. Va. Code § 5-19-1 et seq., and W. Va. CSR § 148-10-1 et seq., for every contract or subcontract, subject to the limitations contained herein, for the construction, reconstruction, alteration, repair, improvement or maintenance of public works or for the purchase of any item of machinery or equipment to be used at sites of public works, only domestic aluminum, glass or steel products shall be supplied unless the spending officer determines, in writing, after the receipt of offers or bids, (1) that the cost of domestic aluminum, glass or steel products is unreasonable or inconsistent with the public interest of the State of West Virginia, (2) that domestic aluminum, glass or steel products are not produced in sufficient quantities to meet the contract requirements, or (3) the available domestic aluminum, glass, or steel do not meet the contract specifications. This provision only applies to public works contracts awarded in an amount more than fifty thousand dollars (\$50,000) or public works contracts that require more than ten thousand pounds of steel products.

The cost of domestic aluminum, glass, or steel products may be unreasonable if the cost is more than twenty percent (20%) of the bid or offered price for foreign made aluminum, glass, or steel products. If the domestic aluminum, glass or steel products to be supplied or produced in a

"substantial labor surplus area", as defined by the United States Department of Labor, the cost of domestic aluminum, glass, or steel products may be unreasonable if the cost is more than thirty percent (30%) of the bid or offered price for foreign made aluminum, glass, or steel products. This preference shall be applied to an item of machinery or equipment, as indicated above, when the item is a single unit of equipment or machinery manufactured primarily of aluminum, glass or steel, is part of a public works contract and has the sole purpose or of being a permanent part of a single public works project. This provision does not apply to equipment or machinery purchased by a spending unit for use by that spending unit and not as part of a single public works project.

All bids and offers including domestic aluminum, glass or steel products that exceed bid or offer prices including foreign aluminum, glass or steel products after application of the preferences provided in this provision may be reduced to a price equal to or lower than the lowest bid or offer price for foreign aluminum, glass or steel products plus the applicable preference. If the reduced bid or offer prices are made in writing and supersede the prior bid or offer prices, all bids or offers, including the reduced bid or offer prices, will be reevaluated in accordance with this rule.

44. INTERESTED PARTY SUPPLEMENTAL DISCLOSURE: W. Va. Code § 6D-1-2 requires that for contracts with an actual or estimated value of at least \$1 million, the vendor must submit to the Agency a supplemental disclosure of interested parties reflecting any new or differing interested parties to the contract, which were not included in the original pre-award interested party disclosure, within 30 days following the completion or termination of the contract. A copy of that form is included with this solicitation or can be obtained from the WV Ethics Commission. This requirement does not apply to publicly traded companies listed on a national or international stock exchange. A more detailed definition of interested parties can be obtained from the form referenced above.

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.

Lisa Stover Senior Manager
(Name, Title)
Lisa Stover Senior Manager
(Printed Name and Title)
101 Washington Street, East Charleston, WV 25301
(Address)
304-346-0441 / 304-346-8333
(Phone Number) / (Fax Number)
lisa.stover@actcpas.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.

Arnett Carbis Toothman LLP
(Company)
Lane Ellis, Jr. Partner
(Authorized Signature) (Representative Name, Title)
101 Washington Street, East Charleston, WV 25301
(Printed Name and Title of Authorized Representative)
4/29/19
(Date)
304-346-0441 / 304-346-8333
(Phone Number) (Fax Number)

**REQUEST FOR QUOTATION
STATEMENT ON STANDARDS FOR ATTESTATION ENGAGEMENTS NO.18 (SSAE 18)
REVIEW OF IGT**

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 a STATEMENT ON STANDARDS FOR ATTESTATION ENGAGEMENTS NO.18 (SSAE 18) for a REVIEW OF IGT.

These Services were previously solicited as CRFQ LOT150000001 and opened on: 12/03/2014. Vendors may view received solicitation responses at:

<https://www.state.wv.us/admin/purchase/Bids/FY2015/BO20141203.html>

Vendor's are encouraged to review specifications and requirements closely as specifications most likely have changed since last time solicited.

BACKGROUND: The West Virginia Lottery ("Lottery") was created and organized in April 1985 to generate revenue that benefits the citizens of the state. Through the years, the mission has evolved to include specific funding for programs benefiting education, senior citizens, tourism, and other programs as the Legislature may determine. The Lottery began selling instant games on January 9, 1986 and began selling on-line games on November 25, 1986. The Lottery participates in the Multi State Lottery games (MUSL), including but not limited to Mega Millions, Lotto America and Powerball.

The Lottery contracted with GTECH Corporation, Providence Rhode Island, for the Instant and On-line Gaming System on June 28, 2009. The Lottery is currently in the second contract with IGT, the successor to GTECH, which was effective June 28, 2018.

IGT is an international company that designs, manufactures, installs and operates instant and on-line ticket wagering systems for domestic and foreign governments as well as for government-licensed organizations. IGT is under the local management of the account executive. The organization is divided into the following departments:

- Field Services;
- Operations;
- Marketing and Telecommunications;
- Hotline; and,
- Warehouse & Instant Ticket Distribution services.

The IGT (Aurora) solution has been configured to provide a combination of performance, reliability, flexibility, and resilience over the term of the contract. The Aurora Transaction Engine (ARTE) is a key part of the Aurora solution.

The architecture comprises four redundant, physically separate, fully integrated Aurora Transaction Engines. Each runs on an IBM System server. The four Aurora Transaction

**REQUEST FOR QUOTATION
STATEMENT ON STANDARDS FOR ATTESTATION ENGAGEMENTS NO.18 (SSAE 18)
REVIEW OF IGT**

Engines are securely linked together (N-Plexed) across two data centers: the Primary Data Center (PDC) in Charleston, West Virginia and a Backup Data Center (BDC) in Bridgeport, West Virginia. These systems operate in a quadplex configuration to provide multiple levels of redundancy. This configuration maintains operational and data integrity in the event of a system failure at the PDC or a total failure of the PDC requiring a failover to the two systems at the BDC.

The primary functions of the IBM system servers are as follows:

- Transactional Recording across multiple systems
- Instant & On-line Weekly Accounting
- Telemarketing (Instant Product)
- Sales Tracking (Instant & On-line Products)
- Billing (Instant & On-line Products)
- Prize Payments (Instant & On-line Products)
- Inventory Control (Instant Products)
- Retailer Inventory Tracking (Instant & On-line Products)
- Instant Product Reports

The Internal Control System (ICS) is used to balance the Instant and On-line Gaming System. Three ICS Systems are located in Charleston, WV, and one in Bridgeport, WV. All production ICS systems reside in Lottery Data Centers. IGT also has a Development ICS System located at the vendors PDC location. These systems are provided by and managed by Elsym, a company that specializes in systems to audit results of Gaming transactions and they provide an independent re-computation of all ticket sales to support drawings.

The IGT instant and on-line gaming system includes the following components:

- Central Systems;
- Disaster Recovery with Business Continuity;
- Terminals – Altura Flex and Gemini Touch;
- Hardware and Software;
- Field Services;
- Web hosting of software and maintenance of systems used for Wizards and Mobile Convenience applications; and,
- Personnel to manage, operate, support and maintain the systems.

The IGT Online telecommunications network is comprised of the following technologies to support critical applications:

**REQUEST FOR QUOTATION
STATEMENT ON STANDARDS FOR ATTESTATION ENGAGEMENTS NO.18 (SSAE 18)
REVIEW OF IGT**

- Internet Protocol (IP) from terminal to host;
- A hybrid-technology, integrated online network;
- Approximately 98 percent satellite communications (VSAT);
- Approximately 2 percent cellular; and,
- In addition, approximately 48% of the telecommunications network has backup cellular connectivity in the event of a primary circuit outage.

The communication network provides a dedicated, always-on private network consisting primarily of VSAT and cellular (depending upon availability per retailer) to support end to end connectivity from the online lottery terminals to the data centers. Each data center will be connected via redundant, 20 Meg Ethernet circuits to ensure that all transactions are logged at both data centers.

IGT operates satellite technology from its satellite hubs in Nevada and Maryland, with the satellite network operated by Hughes Communications. IGT provides field service employees that provide support to the satellite (on premise equipment) and retailer terminals.

Each retailer location has a Lottery terminal, of which, there are two types, an On-line (Altura) and a Gemini Touch terminal (an automated vending machine). Not all locations have the Gemini Touch terminals.

Office Locations include:

- The Lottery operates out of two administrative offices, including a claim center and a warehouse, located at 900 Pennsylvania, Charleston, WV 25302. The West Virginia Lottery hot site is located at the Lottery's backup data center in Bridgeport, WV. This location houses the IGT backup facilities, backup facilities for video lottery and State Lottery internal systems.
- The IGT office is located in Charleston, WV.

The primary functions of the Gaming System are as follows:

Transaction processing of Instant and On-line (Draw) Products:

Muti-State Lottery Draw Games

- Powerball (MUSL) product
- Mega Millions (Mega Millions Game Group MUSL) product
- Lotto America (MUSL product)

**REQUEST FOR QUOTATION
STATEMENT ON STANDARDS FOR ATTESTATION ENGAGEMENTS NO.18 (SSAE 18)
REVIEW OF IGT**

In-State Lottery Draw Games

- Daily 3 (WV)
- Daily 4 (WV)
- Cash 25 (WV)
- Travel Keno (WV)

Instant Ticket Lottery Products

- Instant Scratch-Offs (WV)

System functions for each product offered include:

- Sales
- Validations
- Terminal Reports
- Ticket Validation
- Returns/Cancel (Not applicable to Multi-State Games)
- Retrieval of report data
- Instant Product Inventory movement
- ICS processing
- Billing functions
- Promotions (Gaming promotions)
- Ticket Stock Inventory and Controls (GGuard)
- Consumables Inventory (POS)

The current gaming system includes additional back-office tools including the following:

- Performance Wizard

This Web Based tool provides various users with dashboards to run reports and create charts and graphs related to sales performance data. It also provides data to manage retailer performance and Lottery Vending Machine (LVM) information utilization.

- Aurora Navigator

This is the User Interface for all Lottery and IGT users of the system. It includes reporting and/or financial data such as host reports, draw information, retailer information and associated liabilities.

**REQUEST FOR QUOTATION
STATEMENT ON STANDARDS FOR ATTESTATION ENGAGEMENTS NO.18 (SSAE 18)
REVIEW OF IGT**

- **Lottery Mobile Convenience Application**

The 'non-wagering' Mobile App allows an interested party to download from an IOS or Android platform which then provides users functionality including:

- Notifications
- Draw Game – Payouts, Winning Numbers, etc.
- Scratch Offs – Payouts, ending dates, how to play, etc.
- My Plays – Create a digital playslip for repeat plays.
- Did I Win? – Check online and scratch-off tickets.
- Retailer Locations – Find a WV retail location.

The user can build an electronic play slip which generates a QR code. The player then presents the QR Code to a retailer who will use a Lottery terminal scanner to print the desired selections. The user will pay for each ticket (game) printed at retail. The play slip may be stored for future use.

- **Retailer Wizard**

The retailer wizard provides a web-based application that is available to retailers for the following functions:

- Request Assistance from the Lottery
- Review Information Messages from the Lottery
- A flexible hierarchy of Widgets (sections) can be designed by each retailer to display information like the following grouped by whatever date range is of interest:
 - Earnings
 - Net Sales
 - Sales History
 - Alerts
 - Big Winners by your location
 - Cumulative Winnings
 - Jackpots & Next Draws
 - Lottery Announcements
 - Lottery Representatives (contact information)

The Retailer has the ability to manage users and print various reports containing data similar to what is shown online in the Widgets. There are additional widgets specific to various retailer types based on permissions granted to a specific retailer.

REQUEST FOR QUOTATION
STATEMENT ON STANDARDS FOR ATTESTATION ENGAGEMENTS NO.18 (SSAE 18)
REVIEW OF IGT

The Retailer wizard provides for reporting related to daily and weekly retailer sales, inventory, and cashing activities.

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 SSAE 18 STANDARD WILL BE USED FOR REPORTING ON CONTROLS AT IGT RELEVANT TO INTERNAL CONTROLS FOR FINANCIAL REPORTING.
 - 2.2 **“Pricing Section”** means the pages upon which Vendor should list its proposed price for the Contract Services. The Pricing Page is either included on the last page of this Solicitation or attached hereto as Exhibit A.
 - 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 shall have the following minimum qualifications. Failure to meet any of these qualifications will result in disqualification:
 - 3.1 The Vendor must be a licensed CPA firm with five (5) years of prior experience in SAS70/SSAE16/SSAE18 reviews and one (1) year experience in SSAE 18 reviews with the systems used by IGT and by the Lottery, or with comparable systems.
 - 3.1.1 A vendor must provide evidence of performing this service for other businesses of this size, another state agency and/or another lottery. This evidence should include related client contact information where the vendor provided the requested services to the satisfaction of the Lottery.
 - 3.1.2 Vendors must identify a minimum of two (2) comparable engagements, which have been conducted by the vendor over the past five (5) years. The vendor should, therefore, indicate the names, titles, email addresses and telephone number(s) of the persons to be contacted for purposes of obtaining references, if so desired by the Lottery. Successful contact with all references will be required to meet this requirement.
 - 3.2 The Vendor must demonstrate that the engagement team performing under this contract includes staff with experience and certification associated with firms that perform SSAE18 engagements. This can be satisfied by including copies of current certifications. Such certifications could include, but not be limited to, Systems Auditing

**REQUEST FOR QUOTATION
STATEMENT ON STANDARDS FOR ATTESTATION ENGAGEMENTS NO.18 (SSAE 18)
REVIEW OF IGT**

and Systems Security. A Vendor will be disqualified if there are NO certified staff assigned to the project.

3.3 Supervisory staff must have a bachelor's degree in Accounting or related field, Management Information Systems, or Computer Science.

3.4 Compliance with experience requirements will be determined prior to contract award by the State through references provided by the Vendor with its bid or upon request. Vendor should provide a current resume which includes information regarding the number of years of qualification, experience and training, and relevant professional education for each individual that will be assigned to this project. Vendor must provide any documentation requested by the State to assist in confirmation of compliance with this provision. References, documentation, or other information to confirm compliance with the experience requirement are preferred with bid submission but may be requested after bid opening and prior to contract award.

3.5 The vendor shall provide the following information or an indication that the information is not applicable to them and why an exception should be granted:

3.5.1 Business name and address of the vendor submitting the quotation and the names and addresses of the following:

3.5.1.1 If the vendor is a partnership, all of the general and limited partners;

3.5.1.2 If the vendor is a trust, the trustee and all persons entitled to receive income or benefit from the trust;

3.5.1.3 If the vendor is a limited liability company or limited liability partnership, the members, partners, officers and directors;

3.5.1.4 If the vendor is an association, the members, officers and directors;

3.5.1.5 If the vendor is a corporation, the officers, directors, and each owner or holder, directly or indirectly, of any equity security or other evidence of ownership of any interest in the corporation; except that in the case of owners or holders of publicly held equity securities of a publicly traded corporation, only the names and addresses of those owning or holding five percent or more of the publicly held securities must be disclosed; and

3.5.1.6 If the vendor is a subsidiary company, each intermediary company, holding company or parent company involved therewith and the officers,

**REQUEST FOR QUOTATION
STATEMENT ON STANDARDS FOR ATTESTATION ENGAGEMENTS NO.18 (SSAE 18)
REVIEW OF IGT**

directors and stockholders of each; except that, in the case of owners or holders of publicly held securities of an intermediary company, holding company, or parent company that is a publicly traded corporation, only the names and addresses of those owning or holding five percent or more of the publicly held security must be disclosed.

- 3.5.2** The type of business entity (e.g., corporation, partnership, etc.). If the vendor is a corporation, all states in which the vendor is authorized to do business and the nature of that business.
- 3.5.3** The place of the vendor's incorporation, if any.
- 3.5.4** The name, postal address, email address and telephone number of a representative to contact regarding all matters in relation to the bid/contract compliance/deliverables.
- 3.5.5** The name and telephone number of all attorneys and law firms representing the vendor in the State of West Virginia, if applicable.
- 3.5.6** A list of jurisdictions which the vendor has contracts to supply gaming materials, equipment or services.
- 3.5.7** The details of any conviction by a federal or any state court of the vendor or any person whose name and address is required under number 4.1.1 for a criminal offense punishable by imprisonment for more than one year and the submission of a full set of fingerprints of such person made at a law enforcement agency by an agent or officer of such agency on forms supplied by the Lottery. Forms will be provided at a vendor's request.
- 3.5.8** The details of any disciplinary action taken by any state against the vendor or any person whose name and address is required under number 4.1.1 regarding any matter related to gaming services or the selling, leasing, offering for sale or lease, buying or servicing of gaming materials or equipment.
- 3.5.9** The details of any disciplinary action taken by a state against the vendor or any person whose name and address are required by number 4.1.1 regarding any order, judgment or decree of any court of competent jurisdiction, federal, or state authority permanently or temporarily enjoining him from, or otherwise limiting his participating in any type of professional or business practice or activity (i.e., licenses, suspension and/or revocation of same).

**REQUEST FOR QUOTATION
STATEMENT ON STANDARDS FOR ATTESTATION ENGAGEMENTS NO.18 (SSAE 18)
REVIEW OF IGT**

- 3.5.10** The details of any termination of a contract for any reason during the last five (5) years.
- 3.5.11** The details of any assessment of penalties under any of its existing or past contracts, including the public jurisdiction, the reason for the penalties, and the penalty amount of each incident.
- 3.5.12** The details of any assessment of penalties under any of its existing or past contracts, including the public jurisdiction, the reason for the penalties, and the penalty amount of each incident.
- 3.5.13** The vendor's and any subcontractor's Federal Employer Identification Number and the West Virginia Tax Identification Number shall be provided.
- 3.5.14** Upon contract award successful vendor must disclose any potential conflict of interest relative to the performance of the requirements of this RFQ. Any vendor's employees who are former Lottery or IGT employees must be identified along with their position and responsibilities within the vendor's organization. Also, any personal or business relationship between the vendor, the principals, and employees assigned to the review and/or of their immediate families with any employee of the Lottery or IGT must be disclosed. Any such relationship that might be perceived or represented as a conflict must be disclosed. If a conflict of interest does exist, the employee will be disqualified. Failure to disclose any such relationship may be a cause for contract termination or disqualification of the quotation.
- 3.5.15** Because of the relationship between the Lottery and IGT, the Lottery will initiate investigations into the background of any firm, officers, principals, investors, owners, subcontractors, employees or any other associates of the vendor(s) it deems necessary at its sole discretion. Such background investigations may include, but not be limited to, financial/credit and criminal matters; other inquiries, as deemed appropriate to verify information and conduct the background investigation, and fingerprint identification by the Lottery, the West Virginia State Police and/or the Federal Bureau of Investigation. As a part of the overall background investigation, the Lottery may conduct site inspections of the vendor's facilities to determine that adequate physical security measures are utilized. Additional periodic background investigations may be conducted by the Lottery at its discretion at any time.
- 3.5.16** The Lottery reserves the right to reject any of the vendor's personnel that it deems unsuitable to work on the SSAE 18 Review. During the performance

REQUEST FOR QUOTATION
STATEMENT ON STANDARDS FOR ATTESTATION ENGAGEMENTS NO.18 (SSAE 18)
REVIEW OF IGT

of this review, the vendor shall not employ or permit the employment of any unfit or unqualified person(s) not skilled in the tasks assigned to them. The vendor shall employ sufficient labor for carrying out work to full completion in the manner and time prescribed by any contract awarded pursuant to this RFQ. The vendor shall be responsible to the Lottery for the acts and omissions of the vendor's employees. In addition, the vendor shall enforce strict discipline among the vendor's employees in performing the services under the contract.

- 3.5.17** Any person employed by the vendor shall, at the written request of the Lottery, be removed forthwith by the vendor from work relating to the contract. If the person is not removed or if replacement personnel are deemed unsuitable for proper completion of the work, the Lottery may, through the West Virginia Purchasing Division upon thirty (30) days written notice, terminate the contract.
- 3.5.18** The vendor will be required to notify the Lottery in the event of change of personnel assigned to the review. This notification will be given with sufficient time, which will be determined by the Deputy Director of Traditional Security for the Lottery, to allow for any background investigation that may have to be performed on any vendor's employees that will be replacing current vendor's personnel.
- 3.5.19** The vendor is required to maintain its books, records, and other evidence pertaining to the contract in accordance with Generally Accepted Accounting Principles. These records shall be available to the Lottery, its internal auditor or other designees at all times during the contract period and for a minimum of five (5) full years from the expiration date or the final payment of the contract, whichever is later.

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** The vendor will review the Lottery's service organization, the instant and on-line vendor (IGT). The examination will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA) -- Statement on Standards for Attestation Engagements No. 18 -- Reporting on Controls at a Service Organization (SOC1). Those standards require that the service auditor plan and perform the examination to obtain reasonable assurance about whether, in all material respects, the

**REQUEST FOR QUOTATION
STATEMENT ON STANDARDS FOR ATTESTATION ENGAGEMENTS NO.18 (SSAE 18)
REVIEW OF IGT**

description is fairly presented and the controls were suitably designed and operating effectively to achieve the related control objectives stated in the AICPA guidelines throughout the audit period. The service auditor will obtain sufficient and appropriate evidence to provide a reasonable basis for their opinion.

- 4.1.2** The service auditor is responsible for expressing an opinion on:
- 4.1.2.1** The fairness of the presentation of the description of the transaction processing system that was designed and implemented throughout the audit period.
 - 4.1.2.2** The suitability of the design of controls related to the control objectives stated in the AICPA guidelines, providing reasonable assurance that the control objectives would be achieved if the controls operated effectively throughout the audit period and user entities applied the complementary user entity controls contemplated in the design of IGT WV's controls throughout the audit period.
 - 4.1.2.3** The operating effectiveness of controls tested, which together with the complementary user entity controls, would be necessary to provide reasonable assurance that the control objectives stated in the description were achieved and operated effectively through the audit period.
- 4.1.3** The vendor will provide a report on policies, procedures, systems security and data integrity measures placed into operation. The vendor will also test the operating effectiveness of these measures. This is a report on IGT's description of its control structure policies, procedures, systems security and data integrity that may be relevant to the Lottery's internal control structure. This report should document whether such policies, procedures, systems security and data integrity measures were suitably designed to achieve specified control objectives, whether they have been and currently are placed in operation and whether the policies and procedures that are being tested have been operating with sufficient effectiveness to provide reasonable assurance that the related control objectives have been achieved.
- 4.1.4** The time period covered for any test should begin at the cutoff date for the last audit and continue through the last day of the period being audited.
- 4.1.5** The vendor will review the current Lottery Games Operation Services contract and using standard testing/reviewing techniques, ensure the existing On-

**REQUEST FOR QUOTATION
STATEMENT ON STANDARDS FOR ATTESTATION ENGAGEMENTS NO.18 (SSAE 18)
REVIEW OF IGT**

line/Instant vendor is following contract guidelines in addition to procedures directly related to the Control Objectives that are an integral part of the SOC1 audit.

- 4.1.6** The Control Objectives related to the SOC1 Audit provide reasonable assurances that:
- 4.1.6.1** Policies and Procedures related to security initiatives and ethical behavior;
 - 4.1.6.2** Only valid point of sale devices are recognized by the systems;
 - 4.1.6.3** Valid Tickets are captured as transactions and are properly recorded, invalid transactions are rejected;
 - 4.1.6.4** Wagers are properly summarized and their integrity maintained from purchase through end-of-day processing. Validations are properly accumulated for invoicing purposes;
 - 4.1.6.5** All retailer requested cancellation attempts are recorded and only valid cancellations are accepted by the system;
 - 4.1.6.6** Only winning tickets can be validated and that winning tickets can only be validated once and for the correct prize amount;
 - 4.1.6.7** High-tier winning tickets can only be validated by authorized point of sale devices;
 - 4.1.6.8** Instant game ticket data is properly loaded onto the system and the tickets are logically controlled from the time they are received from the vendor throughout the game's life cycle;
 - 4.1.6.9** Controls provide reasonable assurance that instant gaming transaction activities are balanced and reconciled and agent settlement reports are complete and accurate;
 - 4.1.6.10** Scheduling and setup of system processing is performed, and the accuracy and completeness of the processing is verified according to established routines and procedures;
 - 4.1.6.11** Tracking and reporting of processing problems are performed to established procedures;

**REQUEST FOR QUOTATION
STATEMENT ON STANDARDS FOR ATTESTATION ENGAGEMENTS NO.18 (SSAE 18)
REVIEW OF IGT**

- 4.1.6.12** Backup procedures have been developed to minimize interruption in data processing;
- 4.1.6.13** Logical access to system resources affecting game data is restricted to properly authorized individuals and the assignment or modification of user access rights are properly approved and the removal of user access rights is timely;
- 4.1.6.14** Development and changes to the gaming system and supporting infrastructures are authorized, tested, approved, and implemented in a controlled environment;
- 4.1.6.15** The production gaming network is protected from unauthorized access and alternative routing has been established in the event of a failure in the primary network routing; and,
- 4.1.6.16** Physical access to in scope game processing facilities is restricted to appropriate personnel having a legitimate business concern.
- 4.1.7** Fifteen (15) copies of the SSAE 18 report must be provided for the use of the Lottery and its independent auditors and issued by August 31st of each year.
- 4.1.8** A pre-planning meeting with WV Lottery personnel will be required at the Lottery's headquarters in Charleston WV.
- 4.1.9** The period for review is from July 1, 2018 through June 30, 2019.
- 4.1.10** A subsequent pre-planning meeting (incorporating any information provided as a result of the WV Lottery meeting) will be required at the WV lottery's contractor's facilities (presently IGT) in West Virginia.
- 4.1.11** The results of the SSAE 18 report will be presented to the Finance Committee of the WV Lottery at a commission meeting held in the WV Lottery headquarters.
- 4.1.12** Observation of at least one live game load will be required.
- 4.1.13** Observation of draw close will be required for each WV draw game.
- 4.1.14** Observations of physical security controls at the Primary Data Center and the Backup Data center (Bridgeport WV) will be required.

REQUEST FOR QUOTATION
STATEMENT ON STANDARDS FOR ATTESTATION ENGAGEMENTS NO.18 (SSAE 18)
REVIEW OF IGT

4.1.15 Fieldwork will be substantially completed at the WV lottery's contractor's facilities (IGT) in West Virginia.

5. Organization and Administration

5.1 Listed below is a summary of control objectives:

5.1.2 **Control Objective A1:** Controls provide reasonable assurance regarding the adherence to policies and procedures surrounding security initiatives and ethical behavior.

5.2 Game Processing

5.2.1 **Control Objective B1:** Controls provide reasonable assurance that only valid point of sale devices are recognized by the systems.

5.2.2 **Control Objective B2:** Controls provide reasonable assurance that valid tickets are captured as transactions and are properly recorded, and invalid transactions are rejected.

5.2.3 **Control Objective B3:** Controls provide reasonable assurance that wagers are properly summarized and their integrity maintained from purchase through end-of-day processing and validations are properly accounted for invoicing purposes.

5.2.4 **Control Object B4:** Controls provide reasonable assurance that all retailer requested cancellation attempts are recorded and that only valid cancellations are accepted by the system.

5.2.5 **Control Objective B5:** Controls provide reasonable assurance that winning numbers are input completely and accurately into the game processing system and that winning ticket identification is completely and accurately performed.

5.2.6 **Control Objective B6:** Controls provide reasonable assurance that only winning tickets can be validated and that winning tickets can only be validated once and for the correct prize amount.

5.2.7 **Control Objective B7:** Controls provide reasonable assurance that high-tier winning tickets can only be validated by authorized point of sale devices.

5.2.8 **Control Objective B8:** Controls provide reasonable assurance that instant ticket game data is properly loaded onto the system and the tickets are

REQUEST FOR QUOTATION
STATEMENT ON STANDARDS FOR ATTESTATION ENGAGEMENTS NO.18 (SSAE 18)
REVIEW OF IGT

logically controlled from the time they are received from the vendor throughout the game's life cycle, and until the game is purged from the system.

5.2.9 Control Objective B9: Controls provide reasonable assurance that instant gaming transaction activities are balance and reconciled and agent settlements are complete and accurate.

5.3 Computer Operations/Backup

5.3.1 Control Objective C1: Controls provide reasonable assurance that the scheduling and setup of system processing is performed, and the accuracy and completeness of the processing is verified according to established routines and procedures.

5.3.2 Control Objective C2: Controls provide reasonable assurance that the tracking and reporting of processing problems are performed to established procedures.

5.3.3 Control Objective C3: Controls provide reasonable assurance that data is backed up according to documented procedures and is available to restore key information if needed.

5.4 Logical Access

5.4.1 Control Objective D1: Controls provide reasonable assurance that logical access to system resources affecting game data is restricted to properly authorized individuals and the assignment or modification of access rights are properly approved and the removal of user access rights is timely.

5.5 Systems Development and Maintenance

5.5.1 Control Objective E1: Controls provide reasonable assurance that the development and changes to the gaming system and supporting infrastructure are authorized, tested, approved, and implemented in a controlled environment.

5.6 Gaming Network

5.6.1 Control Objective F1: Controls provide reasonable assurance that the production gaming network is protected from unauthorized access and

REQUEST FOR QUOTATION
STATEMENT ON STANDARDS FOR ATTESTATION ENGAGEMENTS NO.18 (SSAE 18)
REVIEW OF IGT

alternative routing has been established in the event of a failure in the primary network routing.

5.7 Physical Security & Environments

5.7.1 Control Objective G1: Controls provide reasonable assurance that physical access to in scope game processing facilities is restricted to appropriate personnel having a legitimate business concern.

5.8 Operations Service Contracts

5.8.1 Control Objective: Controls provide reasonable assurance that contract provisions are followed.

6. CONTRACT AWARD:

6.1 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.

Contract will be evaluated based on the Total Bid Amount and awarded for the first year only.

6.2 Pricing Section: Vendor should complete Exhibit A Pricing Page in full as failure to complete the Pricing Page its entirety may result in Vendor's bid being disqualified.

Vendor should type or electronically enter the information into the Pricing Page to prevent errors in the evaluation. TOTAL BID AMOUNT is the amount Vendor should enter into wvOASIS commodity line when submitting. Notwithstanding the foregoing, the Purchasing Division may correct errors at its discretion.

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.

7. 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.

**REQUEST FOR QUOTATION
STATEMENT ON STANDARDS FOR ATTESTATION ENGAGEMENTS NO.18 (SSAE 18)
REVIEW OF IGT**

- 8. PAYMENT:** Agency shall pay **FLAT FEE UPON COMPLETION AND ACCEPTANCE OF THE SSAE 18 BY THE LOTTERY**, as shown on the Pricing Page 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.
- 9. 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 flat fee or hourly rate listed on Vendor's bid, but such costs will not be paid by the Agency separately.
- 10. 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:
- 10.1** Vendor must identify principal service personnel which will be issued access cards and/or keys to perform service.
- 10.2** Vendor will be responsible for controlling cards and keys and will pay replacement fee, if the cards or keys become lost or stolen.
- 10.3** Vendor shall notify Agency immediately of any lost, stolen, or missing card or key.
- 10.4** Anyone performing under this Contract will be subject to Agency's security protocol and procedures, including background checks and fingerprinting.
- 10.5** Vendor shall inform all staff of Agency's security protocol and procedures.
- 11. VENDOR DEFAULT:**
- 11.1** The following shall be considered a vendor default under this Contract.
- 11.1.1** Failure to perform Contract Services in accordance with the requirements contained herein.
- 11.1.2** Failure to comply with other specifications and requirements contained herein.
- 11.1.3** Failure to comply with any laws, rules, and ordinances applicable to the Contract Services provided under this Contract.
- 11.1.4** Failure to remedy deficient performance upon request.

**REQUEST FOR QUOTATION
STATEMENT ON STANDARDS FOR ATTESTATION ENGAGEMENTS NO.18 (SSAE 18)
REVIEW OF IGT**

**EXHIBIT A
PRICING PAGE**

YEAR	COST
Year 1	\$24,000
Year 2 - Optional Renewal	\$24,000
Year 3 - Optional Renewal	\$24,000
TOTAL BID AMOUNT	\$72,000

VENDOR NAME:

Arnett Carbis Toothman LLP

VENDOR REPRESENTATIVE NAME:

Lisa S. Stover

VENDOR REPRESENTATIVE SIGNATURE:

Lisa S. Stover

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 \$1 million 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, but does not include publicly traded companies listed on a national or international stock exchange.

"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; website: www.ethics.wv.gov.

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: Arnett Carbis Toothman LLP

Authorized Signature: *Arnett Carbis Toothman*

Date: 4/29/19

State of West Virginia

County of Kanawha, to-wit:

Taken, subscribed, and sworn to before me this 29th day of April, 2019.

My Commission expires April 9, 2021.

AFFIX SEAL HERE



OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
KATHRYN STEVENS
Arnett Carbis Toothman
101 Washington Street, East
Charleston, West Virginia 25301
My Commission Expires Apr. 9, 2021

NOTARY PUBLIC *Kathryn Stevens*

Purchasing Affidavit (Revised 01/19/2018)

West Virginia Ethics Commission
Disclosure of Interested Parties to Contracts

(Required by W. Va. Code § 6D-1-2)

Arnett Carbis Toothman LLP

Name of Contracting Business Entity: _____ Address: 101 Wahsington Street, East
Charleston, WV 25301

Name of Authorized Agent: Lane Ellis or Lisa Stover Address: 101 Washington Street, East Charleston,
WV25301

Contract Number: LOT1900000006 Contract Description: RFQ for WV Lottery SSAE18
Audit for Review of IGT

Governmental agency awarding contract: WV Purchasing Division

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 entitles 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 entitles)

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: 4/29/19

Notary Verification

State of West Virginia, County of Kanawha

I, Lane Ellis Jr., 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 29th day of April, 2019.

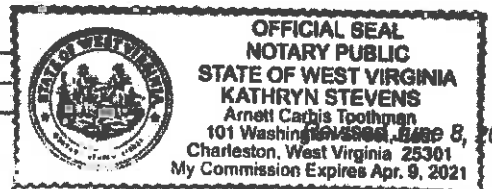
[Handwritten Signature]
Notary Public's Signature

To be completed by State Agency:

Date Received by State Agency: _____

Date submitted to Ethics Commission: _____

Governmental agency submitting Disclosure: _____



2018



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: 566503

Doc Description: Addendum 1 - WV LOTTERY SSAE 18 AUDIT FOR REVIEW OF IGT

Proc Type: Central Contract - Fixed Amt

Date issued	Solicitation Closes	Solicitation No	Version
2019-04-26	2019-04-30 13:30:00	CRFQ 0705 LOT1900000006	2

BID RECEIVING LOCATION

BID CLERK
 DEPARTMENT OF ADMINISTRATION
 PURCHASING DIVISION
 2019 WASHINGTON ST E
 CHARLESTON WV 25306
 US

VENDOR

Vendor Name, Address and Telephone Number:

Arnett Carbis Toothman LLP
 PO Box 2629
 Charleston, West Virginia 25329
 304-346-0441

FOR INFORMATION CONTACT THE BUYER

Brittany E Ingraham
 (304) 558-2157
 brittany.e.ingraham@wv.gov

Signature

FEIN #

55-0486667

DATE 4/29/19

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

ADDITIONAL INFORMATION:

Addendum

Addendum No.01 issued to publish and distribute the attached information to the vendor community.

Request for Quotation

The West Virginia Purchasing Division is soliciting bids on behalf of THE WEST VIRGINIA LOTTERY to establish a contract for a STATEMENT ON STANDARDS FOR ATTESTATION ENGAGEMENTS NO.18 (SSAE 18) for a REVIEW OF IGT, per the bid requirements, specifications, terms and conditions attached to this solicitation.

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	0.00000			

Comm Code	Manufacturer	Specification	Model #
B4111600			

Extended Description :
Please see Exhibit A Pricing Page.

THE WEST VIRGINIA LOTTERY IS SOLICITING BIDS FOR A STATEMENT ON STANDARDS FOR ATTESTATION ENGAGEMENTS NO. 18 FOR A REVIEW OF IGT FOR THE PERIOD OF 7/1/18 THROUGH 6/30/19

SOLICITATION NUMBER: CRFQ LOT1900000006

Addendum Number: No.01

The purpose of this addendum is to modify the solicitation identified as ("Solicitation") to reflect the change(s) identified and described below.

Applicable Addendum Category:

- Modify bid opening date and time
- Modify specifications of product or service being sought
- Attachment of vendor questions and responses
- Attachment of pre-bid sign-in sheet
- Correction of error
- Other

Description of Modification to Solicitation:

Addendum issued to publish and distribute the attached documentation to the vendor community.

The purpose of this addendum is to:

1. Publish vendor questions and agency responses
2. Remove 4.1.4 from the specifications

No other changes.

Additional Documentation: Documentation related to this Addendum (if any) has been included herewith as Attachment A and is specifically incorporated herein by reference.

Terms and Conditions:

1. All provisions of the Solicitation and other addenda not modified herein shall remain in full force and effect.
2. Vendor should acknowledge receipt of all addenda issued for this Solicitation by completing an Addendum Acknowledgment, a copy of which is included herewith. Failure to acknowledge addenda may result in bid disqualification. The addendum acknowledgement should be submitted with the bid to expedite document processing.

ATTACHMENT A

**SSAE 18 Audit for Review of IGT
CRFQ LOT1900000006
Vendor Questions and Agency Answers**

- 1. The reporting period ends on June 30, 2019 but the effective date of the contract is July 1, 2019. The SSAE 18 standard requires that we perform certain inquiries and observations prior to the end of the reporting period. Will our staff be permitted to conduct some onsite fieldwork prior to the effective date of the contract?**

A1. This contract is for a single payment upon completion of the audit, as such we do not have any reservations about allowing field work to be completed after the Vendor receives a signed and finalized contract from the Purchasing Division.

- 2. Can you share the fees that were paid for the SOC 1 Type 2 report with a reporting period end date of March 31, 2018?**

A2. \$28,500, but please note the IGT system was replaced last year by an Aurora version and the current system architecture has significantly increased in complexity.

- 3. Last year's reporting period was July 1, 2017 to March 31, 2018. This year's reporting period is July 1, 2018 to June 30, 2019. What was the reason last year's report did not cover a full 12-month period?**

A3. The Lottery migrated from the IGT Enterprise system to the Aurora system with a go-live date of July 1, 2018. The prior year audit was from July 1, 2017 through March 31, 2018 as the existing system was locked down to prepare for the conversion as of March 31, 2018 and there were no enhancements delivered nor policies and procedures were modified during the latter part of the year. There were no significant staff changes at IGT during this period. We anticipate IGT will produce a gap letter to document that and that there will be no testing for the period from March 31, 2018 to July 1, 2018.

- 4. For audit testing, can IGT support be provided, shared and stored remotely or is all testing required to be conducted on-site?**

A4. All IGT data will be viewed onsite at the IGT headquarters in Kanawha City, WV.

- 5. Under Section 4 Mandatory Requirements 4.1.4 states that the time period covered for any test should begin at the cutoff date for the last audit and continue through the last day of the period being audited. 4.1.9 states the period for review is July 1, 2018 through June 30, 2019. What was the last day of the period covered by the prior audit? If that date is before July 1, 2018 is it the expectation that testing will be conducted for the period prior to July 1, 2018 in addition to July 1, 2018 through June 30, 2019 which is the period that will be used as the basis for our opinion?**

A5. No, we will remove 4.1.4 from the specs. The audit period will be July 1, 2018 through June 30, 2019 only.

ADDENDUM ACKNOWLEDGEMENT FORM
SOLICITATION NO.: CRFQ LOT19*08

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 checked="" 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.

ARNETT CARBIS TOOTHMAN LLP

Company

Lane Ellis, Jr.

Authorized Signature

4-29-19

Date

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

Revised 6/8/2012



West Virginia Lottery
900 Pennsylvania Avenue
PO Box 2067
Charleston, West Virginia 25327

Proposal for

**Statement on Standards for Attestation Engagements No. 18
(SSAE18) Examination of IGT
West Virginia Lottery Operations**

CRFQ # LOT1900000006

Due Date: April 30, 2019
1:30p.m. ET

Prepared by:
Arnett Carbis Toothman LLP
101 Washington Street, East
Charleston, West Virginia 25301



ACT
with confidence

Table of Contents

Introductory Letter	1
3.0 Qualifications	2
4.0 Mandatory Requirements	17
5.0 Organization and Administration	20
10.0 Facilities Access	21

Appendices

Pricing Page	Appendix A
Professional Certifications	Appendix B
Firm Profile	Appendix C
Vision and Mission Statement	Appendix D
RSM Fact Sheet	Appendix E
Map of Services Area	Appendix F



actcpas.com

101 Washington Street East
P.O. Box 2629
Charleston, WV 25329
304.346.0441 office | 304.346.8333 fax
800.642.3601

April 29, 2019

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

Attention: Brittany E Ingraham:

Re: SSAE18 Review of IGT (RFQ # LOT1900000006)

We appreciate the opportunity for Arnett Carbis Toothman LLP (**ACT**) to provide a proposal for services in the amount of \$24,000 each year for three (3) years to the West Virginia Lottery. To facilitate your analysis of our firm, we have prepared the information attached to this letter highlighting our extensive experience and qualifications in this specific type of engagement.

We consider it a privilege to have provided these services for the West Virginia Lottery since July 1, 2004.

We trust that this information will give you confidence about our firm, our professionalism, our expertise and our results. If you have further questions, please let me know.

ARNETT CARBIS TOOTHMAN LLP

A handwritten signature in cursive script that reads "Lane Ellis, Jr.".

Lane Ellis, Jr., CPA, CISA, CVA, ABV, CGMA
Partner

A handwritten signature in cursive script that reads "Lisa S. Stover".

Lisa S. Stover, CPA, CITP, CISA, CGMA
Senior Manager

GLE\lss

3.0 Qualifications

3.1

ACT is a licensed Certified Public Accounting (CPA) and consulting firm employing professionals with over 30 years of experience in Examination of Service Organizations and issuance of System and Organizational Control (SOC) Reports. We conduct examinations in a number of other states throughout the U.S. **ACT has issued SOC reports for the West Virginia Lottery for periods beginning July 1, 2004 through March 31, 2018.**

3.1.1 & 3.1.2

Name of Company	Contact Information	Work Performed
ACT has issued the SSAE 18 Type II SOC reports for the West Virginia Lottery for periods beginning July 1, 2004 through March 31, 2018.		
Allen Gibbs & Houlik, L.C. 301 North Main, Suite 1700 Wichita, Kansas 67202	Brad Bechtel, Vice-President 316-291-4131 bjbechtel@aghlc.com	ACT technology skills, quality of workmanship, integrity and character. ACT provides SSAE18 Type II audit services for Allen Gibbs & Houlik, L.C. which is one of the Midwest's largest providers of 401(k), Flex Plans, and Cafeteria Plan services, providing their clients with Internet access to their 401(k) accounts for daily valuation and transaction services.
AgVantis, Inc. 245 N. Waco, Ste 270 Wichita, Kansas 67202	Aaron Sanchez, Vice President Infrastructure 316-226-5202 Karla.rhodes@agvantis.com	ACT technology skills, quality of workmanship, integrity and character. ACT provides SSAE18 SOC 1 and SOC 2 Type II audit services for AgVantis, Inc.
Prelude Services 5095 Ritter Road, Suite 112 Mechanicsburg, PA 17055	Dennis Stufft, President and CEO 717-259-2638 DStufft@preludeservices.com	ACT technology skills, quality of workmanship, integrity and character. ACT provides SSAE18 SOC 1 and SOC 2 + HIPAA Type II audit services for Prelude Services.

3.0 Qualifications

3.2 Engagement Team

The engagement team performing under this contract includes staff with experience and certification associated with firms that perform SSAE 18 engagements. Refer to Appendix B for copies of current certifications.

Team Member	Role and Value to Company	Qualifications
Lane Ellis, Jr Partner 304-346-0441 lane.ellis@actcpas.com	<i>Audit partner.</i> As audit partner, Lane will have responsibility for the overall quality of the audit. He will be responsible for ascertaining that professional and regulatory standards have been complied with throughout the engagement.	<ul style="list-style-type: none"> Over 30 years of experience CPA, CISA, CVA, ABV
Chris Joseph Partner 304-346-0441 chris.joseph@actcpas.com	<i>Audit partner.</i> As audit partner, Chris will have responsibility for the overall quality of the audit. He will be responsible for ascertaining that professional and regulatory standards have been complied with throughout the engagement.	<ul style="list-style-type: none"> Over 20 years of experience CPA, CISA, CRISC, CITP
Lisa Stover Senior Manager 304-346-0441 lisa.stover@actcpas.com	<i>Client service coordinator.</i> As your client service coordinator, Lisa will be responsible for your complete satisfaction with the services we provide. She will serve as your primary contact on day-to-day matters, keep you informed about our progress, and promptly address your questions and concerns.	<ul style="list-style-type: none"> Over 10 years of experience CPA, CITP, CISA, CGMA
Trista Cline Supervisor 304-346-0441 trista.cline@actcpas.com	<i>Team Supervisor, will be working with staff members on the day-to-day completion the SSAE 18 Type II SOC 1 Report.</i>	<ul style="list-style-type: none"> Over 8 years of experience
Stephen Holcomb Senior Associate 304-346-0441 stephen.holcomb@actcpas.com	Team staff, will be a key staff member working on the day-to-day completion the SSAE 18 Type II SOC 1 Report.	<ul style="list-style-type: none"> Over 3 years of experience CPA
Bethany Crites Senior Associate 304-346-0441	Team staff, will be a key staff member working on the day-to-day	<ul style="list-style-type: none"> 1 year of experience

3.0 Qualifications

bethany.crites@actcpas.com	<i>completion the SSAE 18 Type II SOC 1 Report.</i>	
----------------------------	---	--

3.3 Supervisory Staff Degrees

All engagement team members hold bachelor's degrees in Accounting or Management Information Systems.

3.0 Qualifications

3.4 Engagement Team Resumes

Lane Ellis, JR., CPA, CISA, CVA, ABV, CGMA
Partner – Consulting Services Group

Lane is a Partner and Coordinator of Business Valuation and Litigation Support Services of Arnett Carbis Toothman LLP. Lane has over thirty-nine years accounting, auditing and consulting experience.

Lane has experience in several industries, including health care, financial, retail and wholesale, distributors, natural resources, construction, state and local governments, non-profit and manufacturing. A few highlights of Lane's experience follows: Frequent teacher and lecturer on financial and statistical topics; Authored a significant number of publications and continuing education courses; Testimony as an expert witness and forensic accountant; Completed well over 800 business valuations; Considered a strategic resource by long-term care professionals; and Conducted audits of Service Organizations for over 25 years.



Lane graduated magna cum laude from Marshall University, Huntington, West Virginia, in 1978 with a Bachelor of Science Degree in Business Administration with a concentration in accounting.

A certified public accountant in West Virginia, Lane is a member of the American Institute of Certified Public Accountants, the Charleston Chapter of the West Virginia Society of Certified Public Accountants and the West Virginia Society of Certified Public Accountants (WVSCPA).

In addition to being a CPA, Lane has achieved the designation of Certified Information Systems Auditor (CISA). The CISA program, sponsored by the Information Systems Audit and Control Association and designed to test the professional competency of information systems auditors, is the only certification program dedicated to the information systems audit specialty. To become a CISA, one must not only pass the CISA examination to demonstrate technical ability, but must also meet stringent work experience requirements for information systems auditing. The program also requires stringent continuing education requirements to maintain and enhance the professional competence of the CISA.

Lane is a Certified Valuation Analyst (CVA), a credential issued by the National Association of Certified Valuation Analysts, and Accredited in Business Valuation (ABV), a credential issued by the American Institute of Certified Public Accountants. Both the CVA and ABV credentials relate to the valuation of business interests. Lane is also a Chartered Global Management Accountant (CGMA).



Lane Ellis, Jr., CPA, CISA, CVA, ABV, CGMA

3.0 Qualifications

Christopher E. Joseph, CPA, CISA, CRISC, CITP

Partner – Consulting Services

Christopher E. Joseph is a Partner in the Consulting Services (CS) Department at Arnett Carbis Toothman LLP and has over thirty-four years accounting, auditing, tax and Consulting Services experience.

Mr. Joseph graduated from the University of Kentucky with a Bachelor of Science Degree in accounting. Mr. Joseph has attended numerous seminars in the consulting field including SOC, cybersecurity, network security auditing, Sarbanes-Oxley, ethical hacking, IBM iSeries and various other information technology audit and security related seminars.

Mr. Joseph is a Certified Public Accountant in West Virginia and is a member of the American Institute of Certified Public Accountants, the Charleston Chapter of the West Virginia Certified Public Accountants, the West Virginia Society of Certified Public Accountants and the Information Systems Audit and Control Association.

In addition to being a CPA, Mr. Joseph has achieved the designation of Certified Information Systems Auditor (CISA). The CISA program, sponsored by the Information Systems Audit and Control Association and designed to test the professional competency of Information Systems Auditors, is one of few certification programs dedicated to the Information Systems audit specialty. The CISA program, global in scope and recognition, is the only certification program devoted exclusively to the field of IT audit, control and security. To become a CISA, one must not only pass the CISA examination to demonstrate technical ability, but must also meet stringent work experience requirements for information systems auditing. The program also requires stringent continuing education requirements to maintain and enhance the professional competence of the CISA. Mr. Joseph is also a Certified in Risk and Information Systems Control (CRISC) and a Certified Information Technology Professional (CITP).

A summary of Mr. Joseph's extensive Information Systems (IS) experience follows: SSAE 18 Service Organization Control (SOC 1 and SOC 2) Reports; Information Technology Audits, Information Technology Risk Assessments, Information Technology Policy reviews and development assistance, Penetration Testing and Vulnerability Assessments (security testing), Social Engineering including phishing attack campaigns and various other information security engagements.

Mr. Joseph is in good standing with the West Virginia Board of Accountancy and the Information Systems Audit and Control Association, which includes licensing and continuing professional education requirements.



Christopher E. Joseph, CPA, CISA, CRISC, CITP



3.0 Qualifications

Lisa S. Stover, CPA, CITP, CGMA
Senior Manager – Consulting Services

Lisa Stover is a Senior Manager in Consulting Services at Arnett Carbis Toothman LLP. Throughout her career, Lisa has worked with entities on a variety of financial and operational engagements and has performed System and Organization Controls examinations for companies providing employee benefit administration, banking, health care, lottery-gaming, and technology services.



Her background also includes providing strategic planning and analysis; management support related to due diligence and business change of ownerships; operational reviews focusing on improved efficiency; quality reviews; compensation studies; industry market studies and analysis; regulatory financial disclosures; specialized research; and vendor service reviews. She has experience with preparing prospective financial statements and compilations.

Lisa's past experience has contributed to her effective organization and project management skills. Her attention to detail and appreciation for life-long learning are attributes that bring value to services delivered to clients.

Lisa is a graduate of West Virginia University Institute of Technology with a Bachelor of Science degree in Accounting. She is a member of the American Institute of Certified Public Accountants (AICPA), the West Virginia Society of Certified Public Accountants (WVSCPA), and the Information Systems Audit and Control Association (ISACA). She holds the Certified Information Technology Professional (CITP) credential and Chartered Global Management Accountant (CGMA) designation.

Lisa S. Stover, CPA, CITP, CGMA



3.0 Qualifications

Trista J. Cline

Supervisor – Consulting Services

Trista is a Supervisor in the Consulting Services (CS) Department of the Financial Institutions Group at Arnett Carbis Toothman LLP and has over ten years of information technology and CS experience.

Trista has experience in several industries, including financial institutions, health care, manufacturing, and oil and gas. A few highlights of Trista's experience include: information technology audits in the financial institutions industry; penetration testing and vulnerability assessments (security testing); audits of service organizations (SOC Reports); claims administration for class action lawsuits; information technology risk assessments in the financial institutions and health care industries; data analysis services in multiple industries: NACHA audits in the financial institutions industry; and Medicare bad debt analysis. Trista has significant experience with Interactive Data Extraction and Analysis (IDEA) and conducts data analysis utilizing IDEA and other tools in various industries. In addition, Trista has programming experience while performing the Claims Administration services and with ACT's West Virginia Medicaid Cost Reporting Software.

Trista graduated from Marshall University, Huntington, West Virginia, with a Bachelor of Business Administration (BBA) majoring in management information systems (MIS).



Trista J. Cline



3.0 Qualifications

Stephen N. Holcomb, CPA

Senior Associate – Health Care Consulting Services

Stephen is a Senior Associate with the Health Care Consulting Services group at Arnett Carbis Toothman LLP. He has over five years of public accounting experience with the Firm and has worked extensively in Medicaid and Medicare reimbursement consulting for long-term care facilities. This includes financial model development and data analysis for financial projections, operating budgets, feasibility studies, wage analyses, cost trend analyses, Medicaid reimbursement estimates, payroll-based journal submissions, and various other long-term care related projects. He has also assisted long-term care facilities with regulatory compliance financial filings.



Stephen has a Bachelor of Science degree in Accounting and minor in Fraud Examination from West Virginia University (WVU) Institute of Technology. He also has a Master of Business Administration from WVU.

His experience also includes the following:

- Document conversions from PDF or text files into Excel using IDEA
- Reviewed and Compiled financial statement preparation
- System and organization controls exams
- General ledger roll-forwards
- Microsoft Access database development
- Litigation support
- Business valuation
- Public utilities regulatory filing and rate setting support

Stephen is Certified Public Accountant and member of the West Virginia Society of Certified Public Accountants (WVSCPA) and the American Institute of Certified Public Accountants (AICPA).

Stephen N. Holcomb, CPA



3.0 Qualifications

Bethany Crites

Senior Associate – Consulting Services

Bethany is a Senior Associate in the Consulting Services at Arnett Carbis Toothman LLP and has nine years of experience in governmental accounting plus one year of experience in public accounting.

Bethany has experience with SSAE18 Audits for service organizations; financial statement compilations; Medicaid cost report preparation for long term health care facilities; advanced excel spreadsheet preparation for financial models; business valuation / litigation support; and other consulting services related to data analysis.

Bethany is a graduate of West Virginia University with a Bachelor of Science degree in Accounting.



Bethany A. Crites



3.0 Qualifications

3.5 Vendor Information

RFQ Section Requirements	Arnett Carbis Toothman Response
<p>3.5.1 Business Name & Address</p>	<p>Mailing Address: Arnett Carbis Toothman LLP PO Box 2629 Charleston, West Virginia 25329</p> <p>Street Address: Arnett Carbis Toothman LLP 101 Washington Street, East Charleston, West Virginia 25301</p>
<p>3.5.1.1 Vendor is a partnership</p>	<p>Not Applicable, ACT is not a partnership.</p>
<p>3.5.1.2 Vendor is a trust</p>	<p>Not Applicable, ACT is not a trust.</p>
<p>3.5.1.3 Vendor is a limited liability partnership</p>	<p>ACT is organized as a limited liability partnership. The partners of ACT are as follows:</p> <ul style="list-style-type: none"> Michael Bshero Jennifer Cidila G. Lane Ellis Michael Garczynski C. Greg Gibbs Kathleen Graziani John Guido Brandon Harian Kevin Highlander David Hill K. James Hunt J. Keith Hutcheson Christopher Joseph Brian Kassalen Edward Klik Thomas Kublack Charles Laverty, Jr. Theodore Lopez Terry Massaro Guy Natale Christopher Nice Chuck Oshurak

3.0 Qualifications

RFQ Section Requirements	Arnett Carbis Toothman Response
	<p>Mark Pendleton Jeffrey Petrell William Phillips James Raley Steven Robey Patrick Smith Scott Stone Nathan White J. Marlin Witt</p>
3.5.1.4 Vendor is an association	Not Applicable, ACT is not an association.
3.5.1.5 Vendor is a corporation	Not Applicable, ACT is not a corporation.
3.5.1.6 Vendor is a subsidiary company	Not Applicable, ACT is not a subsidiary company.
3.5.2 Type of business entity	<p>The firm is presently organized as a Limited Liability Partnership (LLP) and is authorized to do business in West Virginia as well as various other states such as Ohio, Kentucky, Pennsylvania, Virginia, New Jersey, Kansas, New Mexico, and Alabama. The nature of the business ACT provides is accounting, auditing, tax and consulting services.</p>
3.5.3 Place of vendor incorporation	ACT was established as a LLP in the State of West Virginia
3.5.4 Contract primary contact	<p>ACT's authorized, primary contact for this RFQ for all matters is:</p> <p>Lisa S. Stover, CPA, CITP, CISA, CGMA Arnett Carbis Toothman LLP PO Box 2629 Charleston, West Virginia 25329 304-346-0441</p>

3.0 Qualifications

3.5.5 Attorneys representing vendor	ACT is represented by the following Law Firms: Kay Casto & Chaney PO Box 2031 Charleston, WV 25327 304-345-8900 Bayward, P.A. P.O. Box 25130 Wilmington, DE 19899 302-655-5000 Jackson Kelly 500 Lee St. E #1600 Charleston, WV 25301 304-340-1146 Spilman Thomas & Battle 300 Kanawha Blvd, East Charleston WV 25301 304-340-3800 Dinsmore & Sholhl 707 Virginia St. E Suite 1300 Charleston, WV 25301 304-357-0900
3.5.6 Contracts to supply gaming materials, equipment or services	ACT does not have any contracts to supply gaming materials, equipment or services.
3.5.7 Convictions	Not Applicable – no persons under 3.2 have been convicted of such offenses.
3.5.8 Disciplinary actions regarding to any matter related to gaming services	Not Applicable – no disciplinary actions have ever been taken against ACT or persons under 3.2.
3.5.9 Disciplinary actions regarding any order, judgment or court decree	Not Applicable – no disciplinary actions have ever been taken against ACT or persons under 3.2.
3.5.10 Contract termination within last 5 years	Not Applicable – ACT is not aware of any contract terminations not in the ordinary course of contract completion.

3.0 Qualifications

3.5.11 & 3.5.12 Contract incidents and penalties	Not Applicable – No penalties have been assessed toward ACT under any of its existing or past contracts.
3.5.13 Tax Identification numbers	Federal Employer Identification #: 55-0486667 West Virginia Withholding #: [REDACTED]
3.5.14 Potential conflict of interest disclosures	<p>ACT does not have any potential conflict of interest with respect to the performance of the requirements of this RFQ. None of our employees are former West Virginia Lottery or IGT employees. There are no personal or business relationships between the vendor, the partners, and employees assigned to the examination and/or of their immediate families with any employee of the West Virginia Lottery or IGT that would result in a conflict of interest. West Virginia Lottery employee Keith Morgan was previously employed at our firm; this does not result in a conflict of interest.</p> <p>ACT is independent from the West Virginia Lottery and IGT, and can meet needs and contract requirements without any concerns with regard to independence.</p>
3.5.15 Background checks	<p>ACT will gladly provide all requested information to accommodate the background investigation process. ACT personnel proudly adhere to the American Institute of CPA's professional standards and code of conduct. The professional personnel assigned to this engagement will be of the highest level of integrity and character. Our Firm's Vision and Mission Statements are presented in Appendix D, along with statements of our Core Values.</p> <p>Our Values</p> <p>Although goals and plans change, values do not change. Values are timeless, enduring changing plans and objectives. Although we should all seek to follow the AIPCA's Code of</p>

3.0 Qualifications

	<p><i>Professional Conduct</i>, certain values should be considered as our core operating values.</p> <p>Integrity</p> <p>To maintain and broaden public and client confidence, we will perform all responsibilities with the highest level of integrity. Integrity requires that we be, among other things, honest and candid within the constraints of client confidentiality. Integrity is measured in terms of what is right and just. Integrity is the quality from which the public trust derives and the benchmark against which we must ultimately test all decisions. Integrity is embodied in the phrase "it is the right thing to do".</p> <p>Responsibility</p> <p>In carrying out our work related responsibilities at ACT, we will exercise sensitive professional and moral judgments in all of our activities. As an accounting and consulting firm, we perform an essential role in society. Our role in society clearly demonstrates the worthwhile nature of our work. Consistent with that role, we have responsibilities to those who use our services and to each other. Our work ethic should produce quality results for our clients and coworkers.</p> <p>Our staff assigned to the project have been cleared by the West Virginia Lottery in the recent SSAE18 audits we have conducted on their behalf.</p>
<p>3.5.16 Vendor employment practices</p>	<p>ACT understands the concerns regarding staffing and will provide only staffing appropriate for the engagement. West Virginia Lottery personnel have found the staff of our firm to be acceptable over the last several years of providing SAS70 / SSAE16 / SSAE 18 services.</p>

3.0 Qualifications

3.5.17 Vendor replacement personnel	ACT will work with the WV Lottery to ensure mutually acceptable staff.
3.5.18 Personnel change notification	ACT will inform the WV Lottery if at any time there is a change in personnel associated with the contract.
3.5.19 Record retention	<p>As a public accounting firm, we maintain all records pertaining to the engagement in accordance with Generally Accepted Accounting Principles. In addition, we participate in a peer review process routinely whereby another accounting firm conducts a formal review of our accounting principles and practices. Since the inception of ACT, there has never been an adverse opinion during the peer review process.</p> <p>We will maintain and make all records pertaining to the contract available to the West Virginia Lottery, its internal auditor, or other designees at all times during the contract period and for a minimum of five (5) full years from the expiration date or the final payment of the contract, whichever is later.</p>

4.0 Mandatory Requirements

4.1.1 Examination

ACT will examine IGT Global Solutions Corporation West Virginia Lottery Operations' (IGT WV) description of its gaming system for processing West Virginia Lottery transactions and the suitability of the design and the operating effectiveness of controls included in the description to achieve the related control objectives stated in the description, based on the criteria identified in IGT WV's Assertion. The controls and control objectives included in the description will be those that management of IGT WV believes are likely to be relevant to user entities' internal control over financial reporting.

Our examination will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether, in all material respects, based on the criteria and management's assertion, the description is fairly presented and the controls were suitably designed and operating effectively to achieve the related control objectives stated in the description throughout the period. We believe that the evidence we will obtain will be sufficient and appropriate to provide a reasonable basis for our opinion.

An examination of a description of a service organization's system and the suitability of the design and operating effectiveness of its controls involves

- performing procedures to obtain evidence about the fairness of the presentation of the description and the suitability of the design and operating effectiveness of the controls to achieve the related control objectives stated in the description, based on the criteria in management's assertion.
- assessing the risks that the description is not fairly presented and that the controls were not suitably designed or operating effectively to achieve the related control objectives stated in the description.
- testing the operating effectiveness of those controls that management considers necessary to provide reasonable assurance that the related control objectives stated in the description were achieved.
- evaluating the overall presentation of the description, suitability of the control objectives stated therein, and suitability of the criteria specified by the service organization in its assertion.

4.1.2 Opinion

ACT will express an opinion on the fairness of the presentation of the description and on the suitability of the design and operating effectiveness of the controls to achieve the related control objectives stated in the description of IGT Global Solutions Corporation West Virginia Lottery Operations' (IGT WV) description of its gaming system, based on our examination.

4.0 Mandatory Requirements

4.1.3 Report

ACT will provide a report on IGT WV's description of its gaming system and on the suitability of the design and operating effectiveness of its controls in accordance with the Statement on Standards for Attestation Engagements No. 18 (SSAE18) and applicable sections related to Reporting on an Examination of Controls at a Service Organization Relevant to User Entities' Internal Control Over Financial Reporting (SOC1).

4.1.4 Time Period

ACT will provide an examination that encompasses the time period since the cutoff date for the last audit through the last day of the period being audited, and as designated in 4.1.9 and clarified and removed in Addendum No. 1 – Vendor Questions and Agency Answers.

4.1.5 Services Contract Guidelines

ACT will review the current Lottery Games Operations Services contract to identify critical contract provisions. We will apply appropriate testing and review techniques to ensure the existing On-line/Instant vendor is following critical contract guidelines.

4.1.6 Control Objectives

ACT will address each control objective in the SSAE18 Report to the West Virginia Lottery.

4.1.7 Report Copies

ACT will provide fifteen (15) copies of the SSAE18 Report to the West Virginia Lottery and its independent auditors by August 31st of each successive year assuming there are no delays in contract award and sufficient audit evidence is made available on a timely basis.

4.1.8 Pre-Planning

ACT will conduct a pre-planning meeting with West Virginia Lottery personnel at the Lottery's headquarters in Charleston, WV prior to the commencement of each year's engagement.

4.1.9 Audit Period

We understand that the examination period is July 1, 2018 to June 30, 2019.

4.1.10 Subsequent Planning

4.0 Mandatory Requirements

ACT will conduct a subsequent pre-planning meeting at the West Virginia Lottery's contractor's facilities in West Virginia prior to the commencement of each year's engagement.

4.1.11 Presentation of Results

ACT will present the results of the SSAE18 report to the Finance Committee of the West Virginia Lottery at a commission meeting held at the WV Lottery headquarters.

4.1.12 Observations – Game Load

ACT will observe at least one live game load each year for the purposes of adequately testing the control environment.

4.1.13 Observations – Draw Close

ACT will observe at least one live draw close / game draw each year for the purposes of adequately testing the control environment.

4.1.14 Observations – Physical Security

ACT will observe and inspect physical security controls at the Primary Data Center and the Backup Data center each year.

4.1.15 Fieldwork

ACT will substantially complete the SOC 1 engagement fieldwork at the WV Lottery's contractor's facilities in West Virginia.

5.0 Organization and Administration

ACT has experience with the control objectives through prior work with the West Virginia Lottery and IGT. We have successfully worked on-site with personnel from both organizations to efficiently complete work in accordance to contract requirements.

10.0 Facilities Access

10.1 Access Cards

Personnel listed under the section 3.2 Engagement Team are the principal service personnel which will be issued access cards and/or keys to perform service.

10.2 Controlling Cards

We will be responsible for controlling cards and keys and will pay replacement fees, if the cards or keys become lost or stolen.

10.3 Notification

We will notify the West Virginia Lottery and/or IGT immediately in the instance of any lost, stolen, or missing cards or keys.

10.4 Security Protocol

We are aware that all personnel performing under this Contract will be subject to the Agency's security protocol and procedures, including background checks and fingerprinting.

10.5 Security Protocol - Awareness

We will inform all staff of Agency's security protocol and procedures.

APPENDICES

**REQUEST FOR QUOTATION
STATEMENT ON STANDARDS FOR ATTESTATION ENGAGEMENTS NO.18 (SSAE 18)
REVIEW OF IGT**

**EXHIBIT A
PRICING PAGE**

YEAR	COST
Year 1	\$24,000
Year 2 - Optional Renewal	\$24,000
Year 3 - Optional Renewal	\$24,000
TOTAL BID AMOUNT	\$72,000

VENDOR NAME:

Arnett Carbis Toothman LLP

VENDOR REPRESENTATIVE NAME:

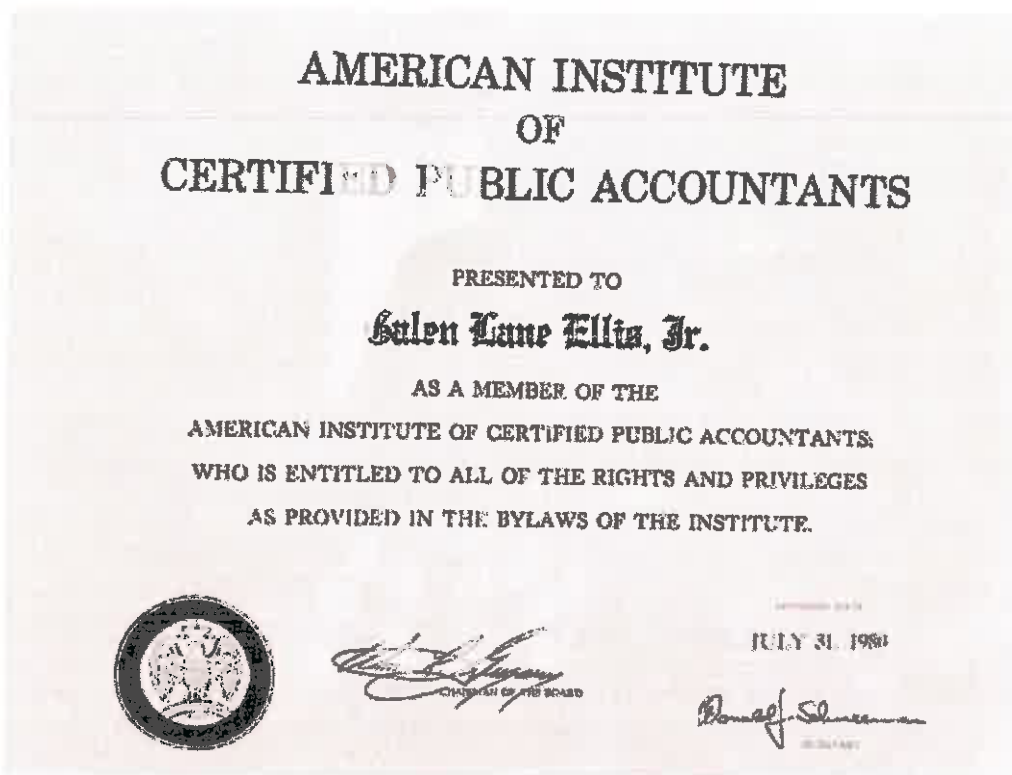
Lisa S. Stover

VENDOR REPRESENTATIVE SIGNATURE:

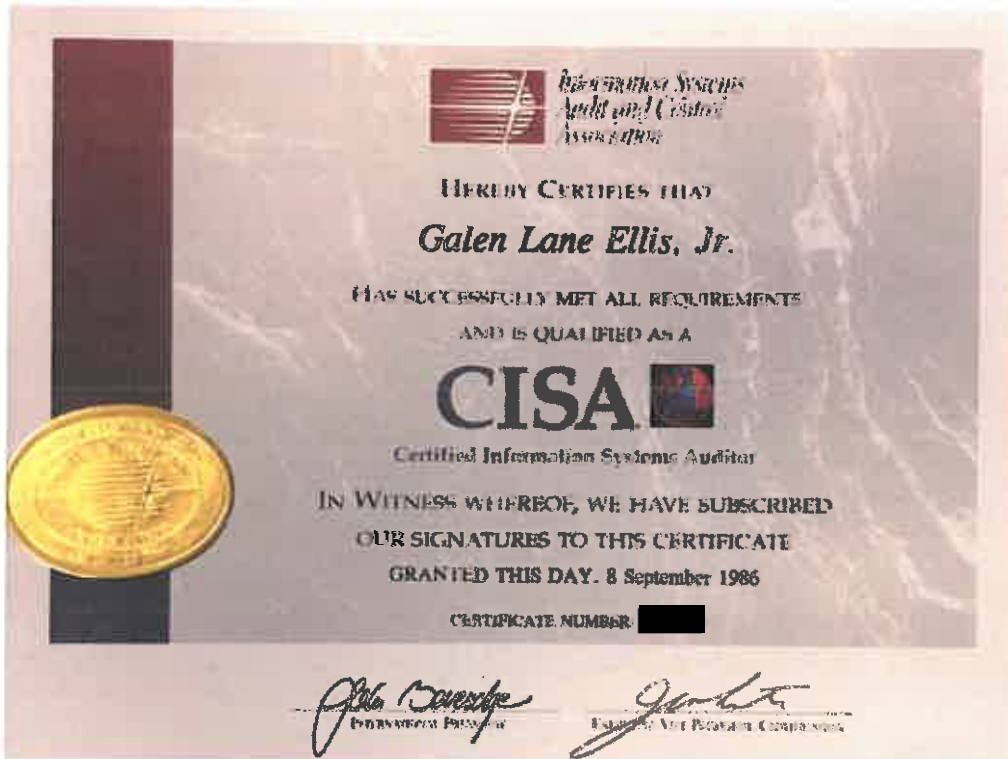
Lisa S. Stover

Appendix B – Professional Certifications

Lane Ellis

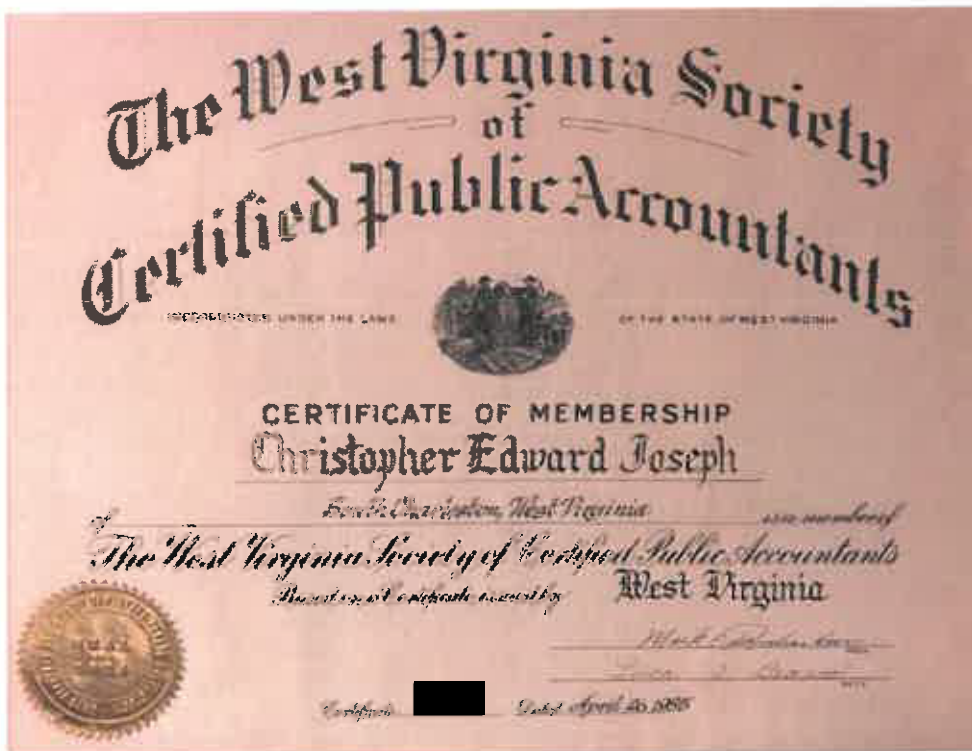


Appendix B – Professional Certifications

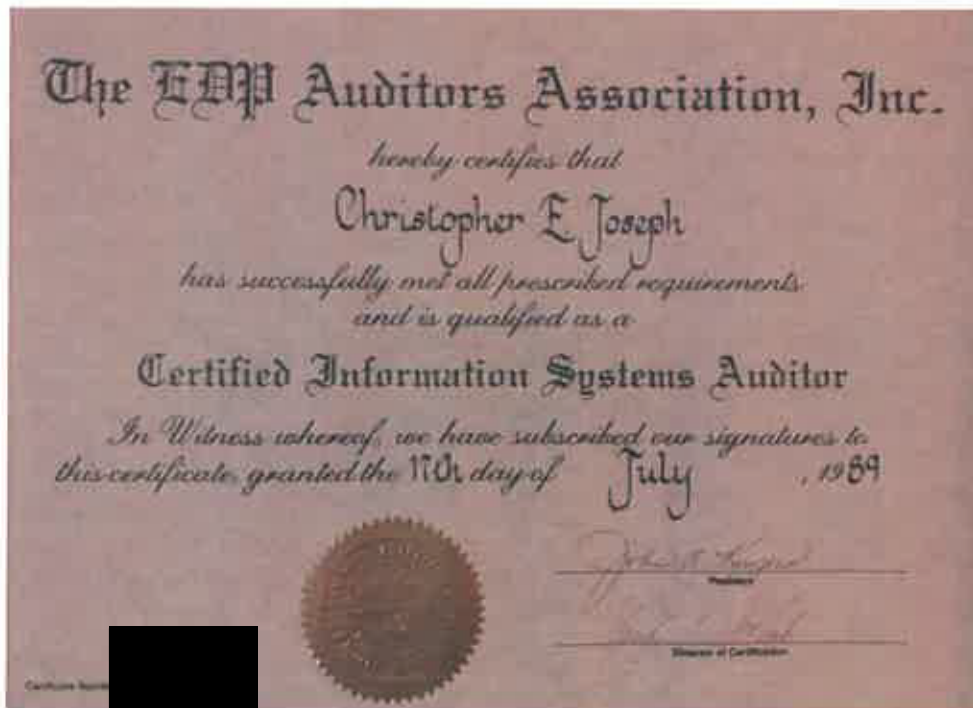


Appendix B – Professional Certifications

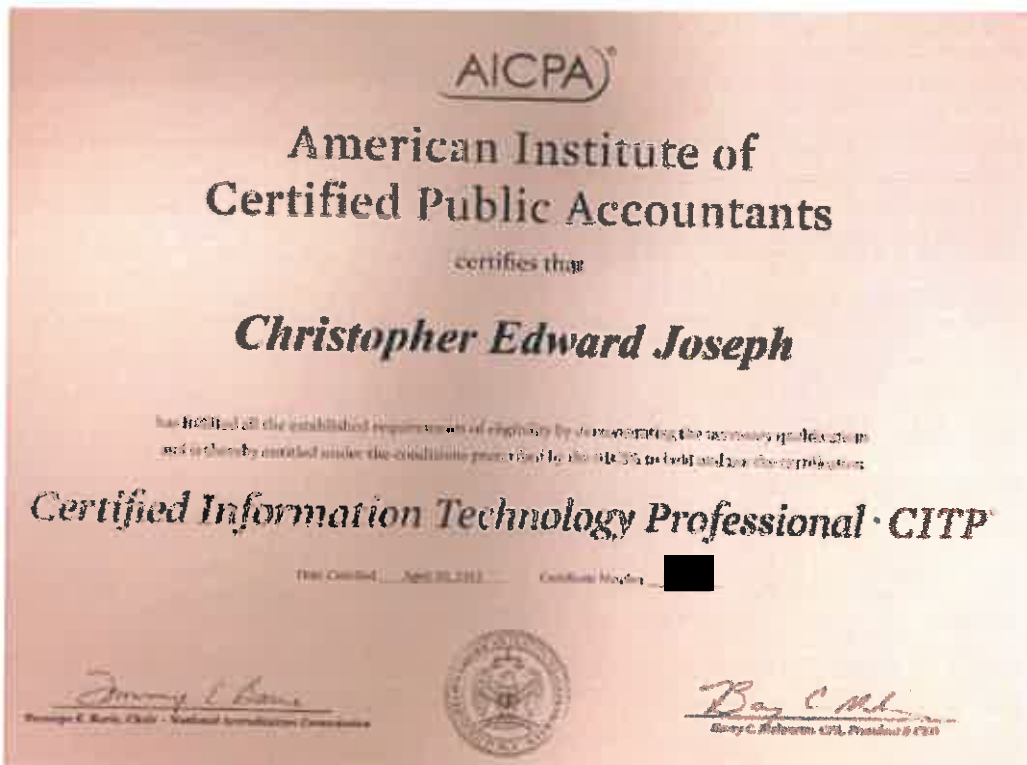
Chris Joseph



Appendix B – Professional Certifications



Appendix B – Professional Certifications

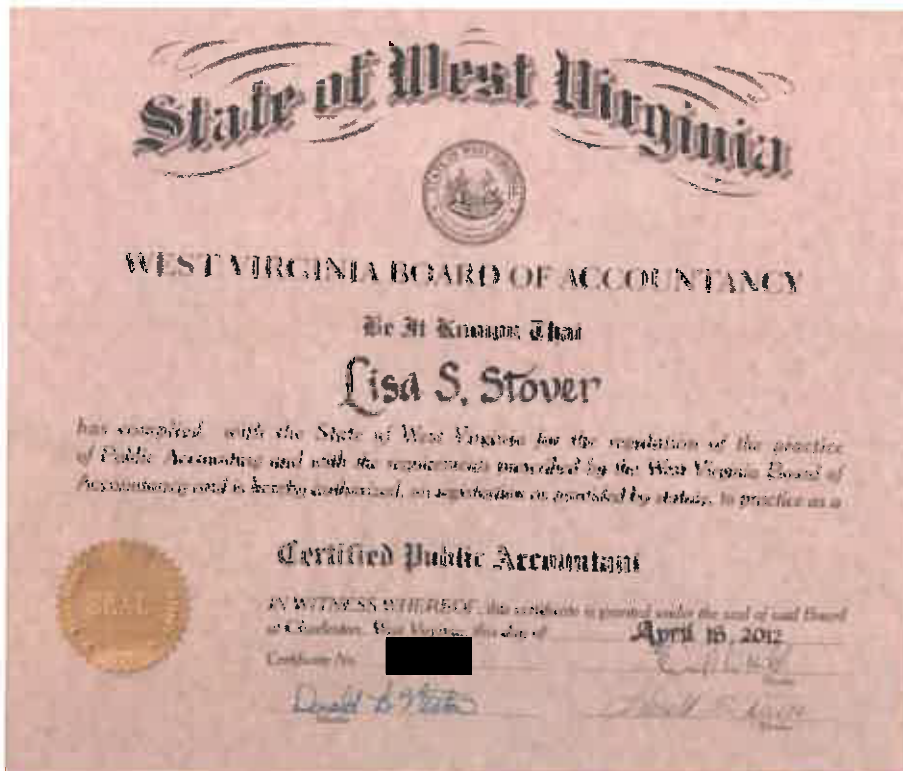
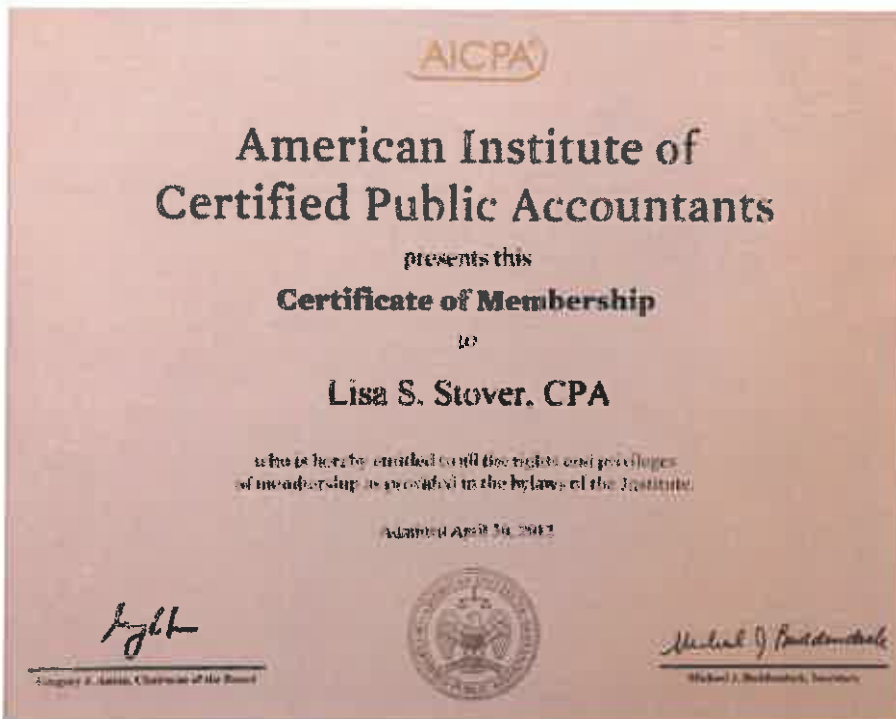


Appendix B – Professional Certifications



Appendix B – Professional Certifications

Lisa Stover



Appendix B – Professional Certifications



Appendix B – Professional Certifications



Appendix B – Professional Certifications

Stephen Holcomb



Appendix C – Firm Profile

Firm Profile

Arnett Carbis Toothman Group	Office Locations	
Arnett Carbis Toothman LLP Total Practice Management, LLC Walker Benefits, LLC ACT Wealth Advisors LLC	<u>Pennsylvania</u> ♦ New Castle ♦ Pittsburgh ♦ Meadville	<u>West Virginia</u> ♦ Charleston ♦ Bridgeport ♦ Buckhannon ♦ Morgantown ♦ Lewisburg
Partners / Members: 35 Team Members: 275+	<u>Ohio</u> ♦ Columbus	

Arnett Carbis Toothman LLP, Certified Public Accountants & Advisors, provides a full range of specialized services, including:

Industry Specialties	Functional Capabilities
<ul style="list-style-type: none"> ▪ Nonprofit ▪ Health Care ▪ Manufacturing & Distribution ▪ Construction & Real Estate ▪ Financial Institutions ▪ Automotive Dealers ▪ Oil & Gas and Natural Resources ▪ Hospitality ▪ Transportation & Trucking 	<ul style="list-style-type: none"> ▪ Auditing Services ▪ Tax Services ▪ Consulting Services <ul style="list-style-type: none"> – Management Consulting – Valuation of Business – Litigation Support – Information Technology Consulting ▪ Physician Billing & Practice Consulting Services ▪ Client Accounting & Payroll Services ▪ Employee Benefit Services <ul style="list-style-type: none"> – Plan Design and Administration

Appendix D – Vision and Mission Statement

VISION STATEMENT, MISSION STATEMENT, CULTURE STATEMENT, AND CORE VALUES

Vision Statement

“A strategic resource making a positive difference in the lives of our team members, clients, and community.”

Mission Statement

***“To be the best in the eyes of our clients, Team Members, and owners.
To be the Firm by which others are judged.”***

Culture Statement

Our culture is one that embraces the team concept, empowers and supports Team Members to achieve their personal and career goals, encourages building strong relationships among Team Members, and is committed to providing our Team Members with rewarding careers.

Core Values

- **Integrity** – Being ethically unwavering, honest, and inspiring trust by saying what we mean, matching our behaviors with what we say, and taking responsibility for our actions.
- **Responsibility** – We will exercise both professional and moral judgment in all our activities.
- **Respect (Life Balance, Teamwork, Community)** – We value and respect each other since our people are Arnett Carbis Toothman LLP’s unique resource, which enables Arnett Carbis Toothman LLP to carry out its mission. We will foster a collaborative and mutually supportive environment.
- **Continuous Improvement (Lifelong Learning)** – We are committed to an ongoing effort to take and manage risk and to enhance our skills, our services, and our relationships. We are driven to success.
- **Action and Accountability** – Arnett Carbis Toothman LLP is an action oriented firm. We will develop strategic initiatives to benefit our Team Members and our clients and will support those initiatives with a commitment to action and accountability.
- **Attitude** – We are passionate about the services we provide and display a positive, “can do” attitude.

Appendix E – RSM Fact Sheet

Arnett Carbis Toothman LLP is proud to have been chosen to be a member of the RSM US Alliance, a premier affiliation of independent accounting and consulting firms in the United States, with more than 75 members in over 38 states, the Cayman Islands, and Puerto Rico. This affiliation gives us access to a full range of national and international capabilities. As a member of the RSM US Alliance, Arnett Carbis Toothman LLP has access to the resources and services RSM provides its own clients. We accepted an invitation to become a member of the RSM US Alliance because it is a natural fit with our commitment to our clients and our determination to stay at the forefront of developments affecting accounting and consulting firms today.

The RSM US Alliance provides its members with access to resources of RSM US LLP (formerly known as McGladrey LLP), the leading provider of audit, tax, and consulting services focused on the middle market, with more than 8,000 people in 80 offices nationwide. RSM US LLP is a licensed CPA firm and the U.S. member of RSM International, a global network of independent audit, tax, and consulting firms with more than 38,300 people in over 120 countries. RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each are separate and independent from RSM US LLP.



ACT
with confidence

Appendix F – Map of Service Area

National Presence

The map below highlights the states ACT performed services in over the past 24 months.

