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## Header 1

List View

General Information | Contact | Default Values | Discount | Document Information

Procurement Folder: 547338

SO Doc Code: CRFQ

Procurement Type: Central Master Agreement

SO Dept: 0708

Vendor ID:  

SO Doc ID: ABC1900000003

Legal Name: SMITH COCHRAN & HICKS PLLC

Published Date: 2/22/19

Alias/DBA:

Close Date: 3/5/19

Total Bid: \$144,000.00

Close Time: 13:30

Response Date:  

Status: Closed

Response Time:

Solicitation Description:

Apply Default Values to Commodity Lines

View Procurement Folder



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

State of West Virginia  
 Solicitation Response

Proc Folder : 547338

Solicitation Description : Addendum 1 CONSULTING SERVICES 2020 BID OF RETAIL LIQUOR OUT

Proc Type : Central Master Agreement

Date issued	Solicitation Closes	Solicitation Response	Version
	2019-03-05 13:30:00	SR 0708 ESR03051900000003987	1

VENDOR
000000206913 SMITH COCHRAN & HICKS PLLC

Solicitation Number: CRFQ 0708 ABC1900000003

Total Bid : \$144,000.00      Response Date: 2019-03-05      Response Time: 09:48:24

Comments:

**FOR INFORMATION CONTACT THE BUYER**  
 Brittany E Ingraham  
 (304) 558-2157  
 brittany.e.ingraham@wv.gov

Signature on File      FEIN #      DATE

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

Line	Comm Ln Desc	Qty	Unit Issue	Unit Price	Ln Total Or Contract Amount
1	CONSULTING FEES				\$144,000.00

Comm Code	Manufacturer	Specification	Model #
80101508			

**Extended Description :** PLEASE SEE EXHIBIT A PRICING PAGE.  
The Pricing Pages contain a list of the Contract positions and estimated hours. The estimated hours for each position represents the approximate volume of hours only. No future use of the Contract or any individual item is guaranteed or implied.

**Proposal to Provide**

**Consulting Services to Assist in the Rebid of the  
West Virginia Alcohol Beverage Control  
Administration Retail Liquor Licenses for 2020**

to the

**West Virginia Alcohol Beverage Control  
Administration**

**CRFQ# ABC1900000003**



Smith, Cochran and Hicks, LLC  
3510 MacCorkle Avenue, SE  
Charleston, WV 25301  
(304) 345-1151

Submitted by:

A handwritten signature in black ink, appearing to read 'Patrick Smith'. The signature is fluid and cursive, with a large initial 'P' and 'S'.

Patrick Smith, Managing Member



**smithcochranhicks** PLLC  
CERTIFIED PUBLIC ACCOUNTANTS

March 5, 2019

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

Dear Ms. Ingraham,

Smith Cochran and Hicks, P.L.L.C. ("SCH") appreciates the opportunity to assist the State of West Virginia and the West Virginia Alcohol Beverage Control Administration ("WVABCA" or the "Administration") with the 2020 rebid of its retail liquor license outlets. The following proposal outlines the terms of the engagement proposed by SCH to perform certain agreed-upon tasks as described in your Request for Quotation No. ABC1900000003.

SCH will work closely with WVABCA staff and other individuals assisting in this project. Patrick C. Smith, CPA, will direct and oversee the engagement to coordinate the efforts of SCH to ensure timely and accurate completion. It should be noted that Mr. Smith was also the member-in-charge of the 2010 WVABCA retail liquor license rebid process so he is inherently familiar with the entire rebid process as well as the needs of the Administration. Details of his experience and our other professionals selected for this engagement are included as appendices to this proposal.

We thank you for the opportunity to be of service to the West Virginia Alcohol Beverage Control Administration. If you have any questions regarding this proposal, please contact either Mr. Smith, or Newton Nichols, at 304-345-1151.

Respectfully,

Patrick Smith, CPA  
Managing Member

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## VENDOR CONTACT INFORMATION

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3510 MacCorkle Avenue, SE  
Charleston, WV 25304  
(304) 345-1151 Telephone  
(304) 346-6731 Fax  
<http://www.schcpa.com>

**Designated Contact/Contract Manager:**

Patrick Smith, CPA, CVA  
Managing Member  
(304) 345-1151 Telephone  
(304) 346-6731 Fax  
[psmith@schcpa.com](mailto:psmith@schcpa.com)

**Alternate Contact/Contract Personnel:**

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(304) 346-6731 Fax  
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**Additional Personnel:**

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## FIRM OVERVIEW

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Smith, Cochran & Hicks, P.L.L.C. (SCH) and its predecessor firms have provided quality accounting and consulting services to clients throughout West Virginia since 1979. SCH is comprised of two offices throughout the state, with locations in Charleston and Montgomery. SCH currently employs approximately twenty-five professionals which provide significant accounting, auditing and consulting services.

SCH has always devoted a large portion of its practice to serving governmental entities. Our professionals have assisted governmental bodies achieve a broad range of objectives by providing quality professional attestation and consultation services through the years.

***It should first be noted that SCH was the consultant responsible for assisting the WVABA with both its 2000 and 2010 liquor license rebid processes. As noted in our introductory letter, Patrick C. Smith, CPA was the firm member in charge of the 2010 retail liquor license rebid process and he will serve in the same role for the 2020 retail liquor license rebid process should SCH be the successful bidder.***

SCH currently devotes over half of the firm to settlement administration and litigation support. As an independent third party administrator, we add credibility to the implementation and distribution of settlement benefits. Since each settlement is unique, SCH designs claims management systems specifically to satisfy the requirements of each particular settlement agreement. The fluidity of our development allows us to make changes rapidly to accommodate any additional data analytics needed.

Additionally, SCH has significant experience providing services to Government offices for West Virginia. For several years, we served the West Virginia State Treasurer's Office ("STO") under a contract to provide unclaimed property audit services. We conducted approximately seventy-five (75) unclaimed property examinations and one-hundred-sixty (160) desk reviews over that time period. We have performed examinations on a wide range of entity types including financial institutions, healthcare providers, automobile dealerships, wholesalers, manufacturers, colleges and universities, food service providers, oil and gas companies, and insurance companies, among others.

Our firm provides a wide range of services to not-for-profit and private sector clients. One of our most recent endeavors was the development and creation of a full-service, in-house, settlement administration department.

We are also unique in that we have a division that specializes in providing services to our public utility clients throughout the State. Our professionals provide accounting and auditing services, rate analysis, project management and coordination, financing assistance, receivership services, and general consulting. Our professionals are also recognized as expert witnesses with the West Virginia Public Service Commission and have provided expert testimony at a number of official hearings. Our firm also

participates in annual training programs for these clients that address accounting, financial and regulatory reporting requirements, and general construction financing and project management issues.

We also have experience in the health care, manufacturing, retail, and service industries, organizations providing services to seniors and other non-profit entities.

These services include financial statement review and compilations, CFO services, cost allocation and management plans, internal control assessments and implementation, compilation and review of forecasted or projected financial information, business plans and financing packages, debt coverage certifications, agreed-upon procedures, assistance in budgeting and planning, and other consulting and management advisory services.

SCH successfully completed its most recent peer review in 2018 sponsored by the American Institute of Certified Public Accountants (AICPA). The review, administered every three years meets the objectives of quality control standards established by the AICPA. The AICPA standards require that our system of quality control be adequately documented, communicated to our professional personnel, and complied with to provide reasonable assurance of conforming to professional and firm standards.

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## PROPOSED SCOPE OF WORK

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SCH is prepared to meet the following WVABCA specification for scope of work:

- SCH will help to process approximately 180 licenses in zones throughout WV for 10 years beginning July 1, 2020;
- SCH recognizes that certain qualified licensees may elect purchase option and certain bidders who meet the requirements in the West Virginia Code will bid with certain preferences applied to calculating successful bids but not actually reducing the value of the bid;
- SCH will assist in the 2020 bid of license process, including purchase options, deferred payment financing, calculating minimum bids, determining and recommending successful license bidders, and any extended or additional phases of license bidding or future bids authorized by the Retail Liquor Licensing Board (RLLB) for never issued, abandoned, or split licenses for the term of contract and any authorized renewals;
- SCH recognizes and will commit resources to meet the anticipated public start of the 2020 bid and license process for prospective bidders on July 9, 2019;
- SCH understands that the 2020 Rebid involves the consultant, at the direction of the RLLB and the WVABCA, assessing economics and demographics of licenses currently available and determining if any licenses should be moved, added or removed from market zones; calculating minimum bids; calculating purchase option amounts; calculating deferred payment financing and amortized payment amounts for the deferred payment financing agreement and notes; processing current licensees who select the purchase option and agree to meet all the Class A license requirements; reviewing and analyzing submitted purchase option packets; reviewing and calculating payments for parties electing deferred payment option financing; bidding any licenses not electing the purchase option, such as any remaining Class A licenses, Class B licenses, new licenses, moved licenses, added licenses or licenses that have not been issued; applying preferences to determine successful bids, and possibly bidding some additional licenses at the RLLB's direction.

SCH understands the following in regards to the 2020 bid and licensing process to be, at the discretion of the RLLB and the WVABCA:

- SCH will use the RLLB approved formulas to calculate the ten year minimum bids for the 2020 bid and licensing process for Phase One, Phase Two and any extended phases of bidding and any subsequent interim license bids for the term of the contract and any renewals.

### **Prior to Phase One and Two;**

- SCH will Calculate the 2020 minimum bids established per the formula specified in 175 CSR 5 §5.1.g., purchase option amounts and license minimum bid amounts;
- SCH will review, advise and calculate, with respect to the 2020 Class A deferred payment/financing option agreement, the note and any amortization schedules for individual borrowers;
- SCH will work with WVABCA staff to develop purchase option packets and license bid packets to be mailed;
- SCH will research and provide data, analysis and recommendations with respect to moving, adding and/or removing any license from a market zone to another market zone and any other analysis and recommendations as required by the RLLB or the WV ABCA based on economic and demographic factors related to W. Va. Code §60-3A-7, specifically §60- 3A-7(d).

### **Phase One;**

- The RLLB and the WVABCA will use their authority to offer a purchase option to all current licensees who either currently operate a Class A freestanding retail liquor outlet or who will seek to operate a Class A freestanding retail liquor outlet within 90 days of July 1, 2020, all subject to the requirements in the WVA Code §60-3A-1, *et seq.*, as amended made, and, the Rules.
- The 2020 bid and license process and timeline is scheduled to have SCH mail, at the direction of the RLLB and the WVABCA, all purchase option packets in Phase One to all current licensees by July 10, 2019 and have all purchase option packets returned to SCH by August 15, 2019 and have all licenses successful and qualifying for the purchase option presented to the RLLB and the WV ABCA for approval and award by the RLLB and WVABCA on or before September 6, 2019.
- As part of this Phase One, SCH shall also calculate financing and amortization schedules necessary for such awarded purchase option recipients to complete the deferred payment financing option (see W.Va. Code §60-3A-1 *et seq.* and 175 CSR5, see Exhibit C for Legislative Rule).

### **Phase Two;**

- For Licensees not electing the purchase option, remaining Class A licensees, all Class B licensees or any additional licenses added by the RLLB, the RLLB and WVABCA are authorized to bid those licenses to the highest

bidder subject to certain preferences. The law provides for the following preferences (See also W. Va. Code §60-3A-1 et seq. and 175 CSR 5):

- (1) Current licenses will have a 5% current Licensee preference for the retail outlets licensed and operated by them;
  - (2) WV residents that meet the resident criteria will have a 5% resident preference; and
  - (3) Unsuccessful current licensees will have the right to match the highest bidder for the retail outlets licensed and operated by them, all subject to the requirements in W.Va. Code §60-3A-1, et seq., as amended.
- The 2020 license process is scheduled to have the WVABCA advertise all licenses being bid in Phase Two (in the appropriate market zone) for 1<sup>st</sup> publication on September 22, 2019 and the 2<sup>nd</sup> publication on September 29, 2019. All licenses being bid will be mailed to current licensees on September 23, 2019 with all bids due by November 7, 2019 and all successful bids awarded on or before November 22, 2019.

**During Phase One and Phase Two;**

- SCH will assist the RLLB and WVABCA in developing the Purchase Option packets, deferred payment financing option (financing agreement, note and amortization schedules) and License Bid packets that meet the requirements of W.Va. Code §60-1-1 , et seq. and specifically outlined W.Va. Code §60-3A-1 , et seq., as amended;
- SCH will assist in mailing the Purchase Option and License Bid packets on the set dates;
- SCH will receive and hold the completed and sealed Purchase Option and License Bid packets in a secured storage area on set return dates at our address;
- SCH will open and review the Purchase Options and Licenses Bids on set opening dates; and
- SCH will provide to the RLLB and WVABCA the Purchase Option and License Bid information submitted by licensees. Assist the RLLB and WVABCA in determining the successful purchase option and license bidders, as approved by the RLLB and WVABCA;
- SCH shall conduct, receive, process and recommend the award, with the RLLB's and WVABCA's approval, the 2020 Purchase Options and License

Bids, and any additional license bids for the term of the contract and any renewals.

**Extended Phases:**

- If needed, the 2020 bid and license process will continue in Extended Phases (after initial timelines) until the RLLB determines the maximum number of retail liquor outlets have been issued, which may or may not be less than the currently authorized 181.

**Other Specifications:**

- SCH shall attend, in person, RLLB Meetings and attend, either in person or by phone, daily/weekly meetings with WVABCA staff and consult with the RLLB, the WVABCA Commissioner, General Counsel, and WVABCA staff as needed.
- Patrick Smith, as he did during the 2010 rebid process, will serve as the contract manager and will be directly providing services for the 2020 rebid process. Furthermore, SCH will assign three (3) additional staff to provide services under this contract, of which at least two (2) of the total assigned employees will meet the requirements in Section 3.4.
- SCH is a partnership authorized to do business in West Virginia and in good standing with the State of West Virginia who will be available to attend and participate in meetings located in Charleston, WV for the duration of the project.
- The office of SCH is located at 3510 MacCorkle Avenue, SE, Charleston, West Virginia 25304 and all staff assigned to this contract shall be able to respond in person, within 2.75 hours, to facilitate attendance and participation in meetings. Additionally, all assigned staff can be contacted by phone at 304-345-1151:
- SCH staff who will be responsible for providing services per this response to the RFQ have more than five years' experience as accountants with an accounting degree and are Certified Public Accountants licensed to perform and provide services in West Virginia.
  - Patrick Smith, CPA (WV 003987)
  - J. Darden Greene, CPA (WV 004708)
  - Tonya Whitehair, CPA (WV004351)
  - Tyler Shamblin, CPA (WV005236)

Additionally, Newton Nichols will be available to perform services under this contract. Mr. Nichols provided approximately 40% of the labor during the 2010 retail liquor license rebid process.

- SCH is submitting the following client references for whom related work was performed in the last 10 years:
  - Smith, Cochran & Hicks, P.L.L.C. performed similar services during the 2010 rebid process for the WVABCA and the RLLB. Patrick Smith, Newton Nichols and Tonya Whitehair all participated in that rebid process and worked closely with WVABCA staff. In total, these staff members contributed 92% of the provided time and each will be available to contribute on the 2020 rebid process.
  - Smith, Cochran & Hicks, P.L.L.C. currently serves as the settlement administrator in the WV Water Contamination Litigation (Good, et al., v. WV American Water Company, et al. Case No.:2:14-CV-01374).

This complex settlement provides for eight different types of claims payments from four separate Settlement Funds. Notices were sent to over 300,000 residents, businesses, and government entities. Claim Forms were filed for over 220,000 claimants.

As settlement administrator, we are responsible for: developing and preparing the Claim forms, both hard copy and on-line; verifying the identity and class membership of Claimants; identifying duplicate claims and maintaining quality control; evaluating all claim forms in accordance with the terms of the settlement agreements; determining the appropriate source of funds to pay each compensable claim; establishing, managing, and closing necessary bank/trust accounts.

**Contact information:** Anthony Majestro, (304) 346-2889

- Charles Smith currently serves as the court appointed CPA in all seven Pelvic Repair Systems Product Liability Litigation MDLs in the United States District Court, Southern District of West Virginia, which include: *In re American Medical Systems, Inc. MDL No. 2325*; *In Re C.R. Bard, Inc. MDL No. 2187*; *In Re Boston Scientific Corp MDL No. 2326*; *In Re Ethicon, Inc. MDL No. 2327*; *In Re Coloplast Corp MDL No. 2387*; *In Re Cook Medical, Inc. MDL No. 2440*; *In Re Neomedic MDL No. 2511*. As court appointed CPA, our responsibilities include oversight of common benefit matters including: escrow account management for settlement assessments; cost reimbursement; PSC time and expense review and data management.

SCH processes all common benefit time and expense submissions from Plaintiff law firms working on any of the seven MDLs. This consists of approximately 75 law firms submitting time and expense records (for each of the seven MDLs) every six weeks. SCH then reviews this data per the terms of the Court's timekeeping PTO and maintains all of this data. SCH works very closely with the Fee and Cost Committee to provide customized analytics on this large amount of data. SCH's custom designed data system for this project currently maintains several hundred thousand data entries.

SCH's escrow account management and accounting of all of the common benefit funds consists of managing and accounting for daily receipts from various funding sources (defendant, QSF administrators, settlement counsel, etc.). SCH works with the Court to reconcile quarterly reporting requirements to ensure completeness and accuracy.

**Contact information:** Harry Bell, (304) 345-1715

- SCH currently serve as the settlement administrator in Kay Company v. EQT Production Company in United States District Court, Northern District. There are three different groups/subclasses included in the lawsuit with approximately 9,000 class members.

As settlement administrator, we are responsible for: tracking and verifying the identity and class membership of Claimants; evaluating all claim forms in accordance with the terms of the settlement agreements; establishing, managing, and closing necessary bank/trust accounts; reporting weekly the status of the claims and payments made.

**Contact information:** Marvin Masters, (304) 342-3106

- Additional references for private sector clients:
  - Garlow Insurance Agency, Inc., Phil Garlow, President & CEO, (304) 347-8972
  - J.H.S. Inc. dba Hardings Family Restaurant, Kelsey Harding, President & CEO, (304) 344-5044
  - Bailey & Wyant, PLLC, Charles R. Bailey, Managing Member, (304) 345-4222
  - Charleston Area Alliance, Matthew G. Ballard, President & CEO, (304) 340-4253
  - West Virginia Baseball, LLC dba West Virginia Power, Tim Wilcox, Managing Member, (304) 344-2287
- The SCH persons responsible and directly providing services per this response to RFQ do not have a conflict of interest and will not advise any current retail liquor outlets, clients or potential clients who could choose the Purchase Options or potentially bid on licenses. All services performed for the RLLB and WVABCA will be considered confidential;
- SCH will provide any documentation requested by the State to assist in confirmation of compliance with all provisions. References, documentation, or other information to confirm compliance with this experience requirement may be requested after bid opening and prior to contract award.
- SCH will include all expenses in its total bid.

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## PRICING PAGE

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Consultant understands that the quantity below is a general estimate only and shall only be used for evaluation purposes. The WVABCA makes no guarantee to the actual quantity of hours that will be required. Price shall include hourly rates and all expenses, including travel, overhead, secure storage of bids, other expenses, etc. Per Section 5, the Contract shall be awarded to the Vendor that provides the Contract Services meeting the required specifications and the lowest Total Bid Amount as shown on this page.

### Item/Service as listed in Section 4

<b>Position</b>	<b>Estimated Hours*</b>		<b>Hourly Rate</b>		<b>Extended Cost</b>
Contract Manager	Qty: 400 hours	x	\$225.00 hourly rate	=	\$90,000 (A)
Secondary Responsible Person	Qty: 325 hours	x	\$105.00 hourly rate	=	\$34,125 (B)
Other Contract Personnel	Qty: 150 hours	x	\$95.00 hourly rate	=	\$14,250 (C)
Other Contract Personnel	Qty: 125 hours	x	\$45.00 hourly rate	=	<u>\$5,625</u> (D)
TOTAL BID AMOUNT (A+ B + C + D =)					<u>\$144,000</u>

\*The Pricing Pages contain a list of the Contract positions and estimated hours. The estimated hours for each position represents the approximate volume of hours only. No future use of the Contract or any individual item is guaranteed or implied.

**Signature:**



**Printed Name:** Patrick C. Smith

**Title:** Managing Member

**Telephone:** 304-345-1151

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## **ADDENDUM I – CONFIRMATION OF RECEIPT**

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**ADDENDUM ACKNOWLEDGEMENT FORM**  
**SOLICITATION NO.: CRFQ ABC19\*03**

**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.

Smith, Cochran & Hicks, PLLC



Company

Authorized Signature

March 5, 2019

Date

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

Revised 6/8/2012

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## **ADDENDUM II – PURCHASING AFFIDAVIT**

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STATE OF WEST VIRGINIA  
Purchasing Division  
**PURCHASING AFFIDAVIT**

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

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

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

**DEFINITIONS:**

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

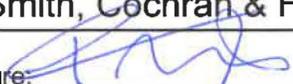
**"Employer default"** means having an outstanding balance or liability to the old fund or to the uninsured employers' fund or being in policy default, as defined in W. Va. Code § 23-2c-2, failure to maintain mandatory workers' compensation coverage, or failure to fully meet its obligations as a workers'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

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

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

**WITNESS THE FOLLOWING SIGNATURE:**

Vendor's Name: Smith, Cochran & Hicks, PLLC

Authorized Signature:  Date: March 5, 2019

State of West Virginia

County of Kanawha, to-wit:

Taken, subscribed, and sworn to before me this 5<sup>th</sup> day of March, 2019.

My Commission expires April 9, 2022.

AFFIX SEAL HERE  NOTARY PUBLIC 

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**ADDENDUM III – VENDOR PREFERENCE CERTIFICATE**

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# VENDOR PREFERENCE CERTIFICATE

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

**1. Application is made for 2.5% vendor preference for the reason checked:**

- Bidder is an individual resident vendor and has resided continuously in West Virginia, or bidder is a partnership, association or corporation resident vendor and has maintained its headquarters or principal place of business continuously in West Virginia, for four (4) years immediately preceding the date of this certification; **or**,
- Bidder is a resident vendor partnership, association, or corporation with at least eighty percent of ownership interest of bidder held by another entity that meets the applicable four year residency requirement; **or**,
- Bidder is a nonresident vendor which has an affiliate or subsidiary which employs a minimum of one hundred state residents and which has maintained its headquarters or principal place of business within West Virginia continuously for the four (4) years immediately preceding the date of this certification; **or**,

**2. Application is made for 2.5% vendor preference for the reason checked:**

- Bidder is a resident vendor who certifies that, during the life of the contract, on average at least 75% of the employees working on the project being bid are residents of West Virginia who have resided in the state continuously for the two years immediately preceding submission of this bid; **or**,

**3. Application is made for 2.5% vendor preference for the reason checked:**

- Bidder is a nonresident vendor that employs a minimum of one hundred state residents, or a nonresident vendor which has an affiliate or subsidiary which maintains its headquarters or principal place of business within West Virginia and employs a minimum of one hundred state residents, and for purposes of producing or distributing the commodities or completing the project which is the subject of the bidder's bid and continuously over the entire term of the project, on average at least seventy-five percent of the bidder's employees or the bidder's affiliate's or subsidiary's employees are residents of West Virginia who have resided in the state continuously for the two immediately preceding years and the vendor's bid; **or**,

**4. Application is made for 5% vendor preference for the reason checked:**

- Bidder meets either the requirement of both subdivisions (1) and (2) or subdivision (1) and (3) as stated above; **or**,

**5. Application is made for 3.5% vendor preference who is a veteran for the reason checked:**

- Bidder is an individual resident vendor who is a veteran of the United States armed forces, the reserves or the National Guard and has resided in West Virginia continuously for the four years immediately preceding the date on which the bid is submitted; **or**,

**6. Application is made for 3.5% vendor preference who is a veteran for the reason checked:**

- Bidder is a resident vendor who is a veteran of the United States armed forces, the reserves or the National Guard, if, for purposes of producing or distributing the commodities or completing the project which is the subject of the vendor's bid and continuously over the entire term of the project, on average at least seventy-five percent of the vendor's employees are residents of West Virginia who have resided in the state continuously for the two immediately preceding years.

**7. Application is made for preference as a non-resident small, women- and minority-owned business, in accordance with West Virginia Code §5A-3-59 and West Virginia Code of State Rules.**

- Bidder has been or expects to be approved prior to contract award by the Purchasing Division as a certified small, women- and minority-owned business.

**8. Application is made for reciprocal preference.**

- Bidder is a West Virginia resident and is requesting reciprocal preference to the extent that it applies.

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

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

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

**Bidder:** Smith, Cochran & Hicks, PLLC

**Signed:** 

**Date:** March 5, 2019

**Title:** Patrick Smith, CPA, Managing Member

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**ADDENDUM IV – RESUMES**

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# PATRICK C. SMITH, CPA

## EXPERIENCE

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1997-2000

2003-Present     **Smith, Cochran & Hicks, PLLC**

*Member*

*Managing Member*

- Member-in-Charge of the Firm's Accounting and Assurance Division. Responsible for all compilation, review and other attestation engagements, including examinations and agreed-upon procedure engagements, conducted by the Firm.
- Oversees the Firm's Abandoned Property Division. The Firm serves as the preferred examination vendor for the West Virginia State Treasurer's Office, Division of Unclaimed Property ("STO"). Since 2003, the Firm has conducted approximately seventy-five (75) unclaimed property examinations and hundreds of "desk audits" on behalf of the STO.
- Responsible for designing and maintaining the firm's Quality Control (QC) System to ensure compliance with the AICPA Code of Professional Conduct.
- Management of personnel, including organization of work schedules and delegation of tasks.
- Define staffing guidelines and perform recruitment and training of new employees.
- Evaluate employee performance, financial standing of the organization, and the overall activity of the firm to assess productivity and goal achievement.
- Develop budgets and allocate work flow to ensure optimal productivity and to generate growth.

2000-2003     **Brantley, Boucher & Farr, LLC**

*Senior Accountant*

- In-charge auditor on local government and private sector audit engagements. Responsible for the planning and development of audit programs and procedures, the performance of tests of controls and substantive tests of transactions, the performance of analytical procedures, and upon completion of audit fieldwork, the drafting of the final audit report and related financial statements.
- Significant interaction with a diverse client base involving matters ranging from personal income tax and retirement planning for individual tax clients to budgeting, tax projections and assisting with the design of employee benefit and qualified plans for business clients.
- Preparation and review of individual, corporate, partnership, and estate and trust income tax returns; preparation of annual returns of employee benefit plans (Federal Form 5500); preparation of returns of organizations exempt from income taxes (Federal Form 990); preparation and review of interim and annual financial statements; preparation and review of monthly, quarterly and annual payroll tax returns; preparation and review of monthly and annual sales and use tax returns.

## EDUCATION

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- Bachelor of Science Business Administration, Major in Accounting, University of Kentucky, Lexington, Kentucky
- Certified Public Accountant (CPA), State of West Virginia
- Certified Valuation Analyst (CVA), State of West Virginia

## MEMBERSHIPS

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- American Institute of Certified Public Accountants
- West Virginia Society of Certified Public Accountants

# CHARLES S. SMITH, CPA

## EXPERIENCE

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**1982-Present**      **Smith, Cochran and Hicks, PLLC**

*Managing Member 1990-2010*

*Managing Partner 1982-1990*

- Responsible for overall management and administration of the firm.
- Coordination of the delivery of services between the various divisions of SCH
- Directs strategic planning and practice development.
- Oversight of firm marketing, recruiting and management.
- Provide services primarily to consulting and auditing groups.

**1979-1982**      **Penix & Smith**

*Partner*

- Specialized in auditing, consulting, implementation of accounting systems, creation of policies and procedures manuals, and compliance auditing primarily for state and local governments and governmental agencies.
- Responsible for tax planning and consulting, and the preparation of financing and packages.

**1973-1982**      **Fayette Credit and Adjustment Bureau**

*Owner and President*

**1977-1978**      **State of West Virginia**

*Deputy Secretary of State*

- Played a major role in reorganizing the office of Secretary of State.
- Supervised all departments under the Secretary on a daily basis.
- Responsible for all phases of office finance including budgetary items, payrolls, and approval of all expenditures.
- Acted as advisor to the Secretary of State in regards to all technical matters concerning the office.
- Responsible for promulgations of rules and regulations, and drafting proposed legislation from the office.

## EDUCATION

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- Bachelor of Science, Major in Accounting, West Virginia Institute of Technology, Montgomery, West Virginia

## MEMBERSHIPS

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- American Institute of Certified Public Accountants
- West Virginia Society of Certified Public Accountants
- Charleston Chapter of WVSCP
- WVSCPA Legislative Committee for Good Government

# J. DARDEN GREENE, CPA

## EXPERIENCE

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**2008–Present**     **Smith, Cochran & Hicks, PLLC**

*Project Manager*

- Large Scale Class Action Administration
- Calculation of settlement payments
- Verification/Analysis of voluminous data sets
- Class member dispute resolution
- Budget development and implementation

**2011-2017**     **West Virginia Consolidated Public Retirement Board**

*Chief Financial Officer*

- Responsible for overseeing all financial transactions and reporting
- Preparation of comprehensive annual financial reports
- Preparation of financial statements
- Oversee annual independent audits
- Five-time recipient of the Government Finance Officers Association Certificate of Achievement in Excellence in Financial

**2008-2011**     **Arnett and Foster, LLP**

*Manager*

- Led class action claims administration division
- Responsible for set up of Qualified Settlement Fund, distribution of participant claim notices, calculation of award allocation and award distribution
- Answered class member questions and communicated with both plaintiff and defense counsel
- Distributed over \$30 million in awards

**1999-2008**     **The Employee Benefit Service Center, Medical Claims Administrator**

*Chief Financial Officer*

- Responsible for all financial reporting
- Prepared all client account reconciliations
- Reported directly to company President
- Prepared all reinsurance contract claim reconciliations

**1998-1999**     **West Virginia Bureau of Employment Programs**

*Chief Financial Officer*

- Responsible for all financial reporting
- Evaluated and approved all client account reconciliations
- Reported directly to company President
- Responsible for reinsurance contract claim reconciliation and premium negotiation

## EDUCATION

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- Bachelor of Business Administration, Accounting, Marshall University

## MEMBERSHIPS

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- American Institute of Certified Public Accountants
- West Virginia Society of Certified Public Accountants

# NEWTON NICHOLS

## EXPERIENCE

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2006–Present     **Smith, Cochran & Hicks, PLLC**  
2000 - 2004

*Manager, 2016 to present*

*Supervising Senior Accountant, 2006-2015*

*Senior Accountant, 2002-2004*

*Staff Accountant, 2000-2002*

- Manages the Firm's accounting and payroll department
- Serves as Chief Financial Officer for clients of various sizes in both not-for profit and for profit industries.
- Assists in the updating and monitoring of the firm's Quality Control (QC) System to ensure compliance with the AICPA *Code of Professional Conduct*.
- Preparation of interim and year-end financial statements, evaluation and testing of internal control structures, and implementation of fraud detection procedures.
- Responsible for planning, execution and supervision of unclaimed property examinations.
- Responsible for planning, supervision and review of audit engagements for clients of various sizes and financial complexity, including state and local governments, and not-for-profit organizations.
- Control and compliance testing on the Single Audit of the State of West Virginia, including work with the State Auditor's Office, Department of Tax & Revenue, Purchasing Division, Adjutant General's Office, and various Higher Education institutions.
- Extensive work on Single Audits in accordance with OMB Circular A-133.

2005                     **West Virginia Alcohol Beverage Administration**

*Accountant, July to December, 2005*

- Performed month bank reconciliations
- Monitored the general ledger, adjusted as necessary, reconciled accounts to subsidiary ledgers

2005                     **Dearien & Company, AC**

*Senior Accountant, January to June, 2005*

- Responsible for planning, supervision and review of audit engagements for clients of various sizes and financial complexity, including state and local governments, and not-for-profit organizations.
- Control and compliance testing on the Single Audit of the State of West Virginia, including work with the State Auditor's Office, Department of Tax & Revenue, Purchasing Division, Adjutant General's Office, and various Higher Education institutions.
- Performed extensive work on Single Audits in accordance with OMB Circular A-133.

## EDUCATION

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- Bachelor of Science in Accounting, West Virginia Wesleyan College, Buckhannon, West Virginia, 2000
- Bachelor of Science in Computer Information Science, West Virginia Wesleyan College, Buckhannon, West Virginia, 2000
- Accredited Fraud Investigator (AFI), University of Charleston, 2008
- Certified QuickBooks Pro-Advisor

# TONYA R. WHITEHAIR, CPA

## EXPERIENCE

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### 2006–Present     **Smith, Cochran & Hicks, PLLC**

*Senior Associate, 2008-Present*

*Premium Audit Reviewer, 2007-2008*

*Premium Auditor, 2006-2007*

- Prepare monthly, quarterly, and annual write-up work and bank reconciliations.
- Preparation of interim and year-end financial statements.
- Preparation of monthly, quarterly, and annual payroll and sales taxes.
- Preparation of annual reviews of financial statements.

### 2005-2006     **Omega World Travel/Cruise.Com**

*Quality Control Auditor*

- Examine accounts receivable invoices, verify information with various cruise lines and instruct travel agents of necessary adjustments to be made.

### 2004     **Marine Federal Credit Union**

*Credit Card Coordinator*

- Processed credit card applications and payments, researched discrepancies and adjusted accounts as needed, assisted in handling numerous customer service calls.

### 2000-2003     **Woomer, Nistendirk & Associates, PLLC**

*Staff Accountant*

- Perform monthly, quarterly, and annual write-up services and prepared related financial statements.
- Prepare personal and business tax returns, quarterly and annual payroll, B&O returns, sales and use returns, and other miscellaneous tax returns.
- Prepare and review client payroll and assist with related tax deposits and payments.

### 1998-2000     **West Virginia Bureau of Employment Programs**

*Tax Examiner*

- Examine employer's records for compliance with Unemployment Compensation laws and regulation.
- Assist employers to meet compliance and collected delinquent taxes as necessary.

### 1997-1998     **Kanawha Regional Transportation Authority**

*Staff Accountant*

- Prepared monthly bank reconciliations.
- Managed dispatchers cash and ticket drawers; payroll backup.

## EDUCATION

---

- Bachelor of Science in Accounting, West Virginia State University
- Associate of Applied Science in Legal Studies, Marshall University
- Certified Public Accountant (CPA), State of West Virginia
- Accredited Fraud Investigator (AFI), University of Charleston

## MEMBERSHIPS

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- American Institute of Certified Public Accountant

# TYLER M. SHAMBLIN, CPA

## EXPERIENCE

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**2017 – Present**

**2013 – 2016**      **Smith, Cochran & Hicks, PLLC**

*Senior Associate, 2017-Present*

*Associate, 2013-2016*

- Personal, corporate & partnership tax return preparation.
- Write-up work for businesses
- Financial statement preparation
- Unclaimed Property audits
- Payroll processing for clients
- Preparation of quarterly payroll returns
- Accounting software set-up for clients

**2016 – 2017**      **Gray, Griffith & Mays, A.C.**

*Auditor, 2016-2017*

- Performed financial statement audits for the following types of entities:
  - Not-for-profit entities (including Uniform Guidance)
  - Nonpublic entities in a variety of industries
  - Employee Benefit Plans
  - Low-Income Housing
- Personal, corporate, partnership, not-for-profit and employee benefit plan tax return preparation
- Preparation of both compiled and reviewed financial statements
- Agreed-upon procedures engagements

**2010 – 2013**      **EnerVest Operating, LLC**

*Accountant, Treasury Department, 2010 - 2013*

*Accounting Intern, 2010*

- Sole contact to over 4,500 house gas users
- Invoice over 4,500 customers monthly
- Through my demonstrated work ethic and reliability, I was given the approval to setup financial payment plans for users
- Setup applications for company credit requests and W-9's
- All administrative company accounting (i.e. - employee benefits, executive credit cards, etc.)
- Deposit and apply cash
- Bank reconciliations
- Account reconciliations
- General Ledger Maintenance
- Journal entries and account adjustments
- Funding entries
- Joint Interest Billing settlements
- Intercompany entries
- Assisting in payments for damages

**2009-2011**      **YMCA of Kanawha Valley**

*Member Services Employee, Member Services*

- Register members for membership & programs
- Process transactions
- Greet customers and help with general information

2008-2009      WVDOT

*Engineering Intern, Highways Department*

- Use Auto CADD programs to assist engineers in designing roadways
- Surveying
- Use maps to make ensure location placement of safety equipment
- Fill in maps with property rights boundaries
- Multiple field experiences

## EDUCATION

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- Bachelor of Science in Accounting, West Virginia State University
- Certified Public Accountant (CPA), State of West Virginia

# JENNIFER SCOTT, CPA

## EXPERIENCE

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2016-Present      **Smith, Cochran & Hicks, PLLC**

*Associate*

- Provide support with class action claims administration projects.

2010-2016      **West Virginia Center for Professional Development**

*Finance Manager*

*Accounts Payable Coordinator*

- Plan, organize, and direct state agency fiscal operations.
- Supervise: AP/AR, purchasing, accounting, and contracts.
- Forecast budgetary needs and prepare agency's appropriation request.
- Brief Board of Directors, government officials, and legislative bodies.
- Advise CEO on fiscal matters.
- Manage and report state, federal, and private grants.
- Examine and revise internal controls.
- Organize records for financial and performance audits.
- Coordination and implementation of ERP system agency-wide (wvOASIS and Kronos).
- Other roles and assignments: Procurement Officer, P-Card Coordinator, Privacy Officer, Equal Employment Opportunity (EEO) Officer, Leave Coordinator, Inventory Management Coordinator.
- Audit, prioritize, and process agency accounts payable ensuring timely payment.
- Track and record expenditures; recognize revenues.
- Review grant applications and reports; account for and issue grant funds.
- Generate periodic and ad-hoc reports for agency CEO.
- Provide in office and training site customer service.

## EDUCATION

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- Bachelor of Science Business Administration, with Honors, Major in Accounting, West Virginia State University, Institute, West Virginia
- Bachelor of Arts in Economics, with Honors, West Virginia State University, Institute, West Virginia
- Certified Public Accountant (CPA), State of West Virginia