

West Virginia Lottery Commission

Proposal for Auditing Services RFQ No. LOT331

June 13, 2006

Prepared by:

Clifton Gunderson LLP

Contact:

James F. Rego, CPA

Partner

Clifton Gunderson LLP

888-778-9588

Jim.Rego@cliftoncpa.com

53 offices across the country, including —

Timonium Corporate Center, 9515 Deereco Road, Suite 500, Timonium, Maryland 21093

www.cliftoncpa.com

June 13, 2006

Mr. David Tincher, Director, CPPO
West Virginia Lottery Commission
Department of Administration
Purchasing Division
Building 15
2019 Washington Street East
Charleston, WV 25305-0130

Dear Mr. Tincher:

We are pleased to submit the following response to Request for Quote #LOT331 to perform annual auditing services for the West Virginia Lottery Commission (the "Commission") for fiscal year ending June 30, 2006, with the option of auditing its financial statements for each of the two subsequent fiscal years.

The Commission will benefit from our firm's size and organization. As the nation's 13th largest accounting and consulting firm, Clifton Gunderson offers tremendous resources in terms of experienced professionals, highly specialized services and extensive expertise in providing audit and accounting services to similar state and local government entities.

Locally, the firm has used these substantial resources to expand our services into several neighboring states, and has designated West Virginia as a focused sector of growth. We currently serve the West Virginia University Department of Athletics, as well as over 70 other state and local government entities in the Mid-Atlantic region. With our national presence and depth of resources, as well as our local client service policy, we are confident that Clifton Gunderson will add value to your operations and assist you in reaching your goals.

In addition, Clifton Gunderson is well suited to serve the Commission due to the following factors:

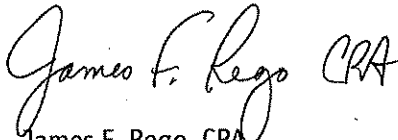
- Careful and comprehensive coordination of services
- Close monitoring on how regulators implement the provisions in Sarbanes-Oxley
- Active involvement of partners and senior management on the engagement
- Easy access to experienced local and national resources
- Commitment to staff continuity
- Reasonable fees

As requested, we have addressed each element of the Request for Quote (RFQ), and have laid out the proposal in a manner so as to be easily compared to the RFQ requirements. Sections of the RFQ that do not imply and/or require a vendor response have been omitted, and can be assumed as understood and agreed upon.

We appreciate being considered for this engagement. I would be pleased to discuss it in greater detail or make a presentation to the Commission as you prepare to select a CPA firm to serve your needs. I can be reached at 888-778-9588 or Jim.Rego@cliftoncpa.com should you have any questions or require additional information.

Sincerely,

CLIFTON GUNDERSON LLP



James F. Rego, CPA
Partner

CC:
State Auditor's Office
Bid Observer
Building 1, Room W114
1900 Kanawha Boulevard, East
Charleston, WV 25305-0230

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3.2 Scope of Work

3.2.1 Independence

Clifton Gunderson is independent of the West Virginia Lottery as defined by generally accepted auditing standards and the U.S. General Accounting Office's Government Auditing Standards (1988). The firm is also independent of the state of West Virginia and any other component unit of the State.

3.2.2 Auditing Standards

Clifton Gunderson will perform the audit in accordance with generally accepted auditing standards, as set forth by the American Institute of Certified Public Accountants.

3.2.3 Reports

Following the completion of the audit of the fiscal year's financial statements, Clifton Gunderson will issue a report on the fair presentation of the financial statements in conformity with generally accepted accounting principles. In addition, the firm will provide an "in-relation-to" report on the supporting schedules based on the auditing procedures applied during the audit of the general purpose financial statements.

Reports to management will include oral and/or written reports regarding audit scopes, changes in significant accounting policies or their application, unusual transactions, significant audit adjustments, disagreements with management, if any, and internal control reportable conditions. We will make the required communications, where applicable, to the Commission or its designated audit committee including our responsibility under auditing standards generally accepted in the United States of America, significant accounting policies and unusual transactions, management judgments and accounting estimates, significant audit adjustments, other information contained in documents containing the audited financial statements, disagreements with management, managements consultations with other accountants, major issues discussed with management prior to retention, difficulties encountered in performing the audit, and, irregularities and illegal acts.

3.2.4 Special Considerations

Clifton Gunderson will provide special assistance to the Commission to meet requirements of the Certificate of Achievement for Excellence in Financial Reporting program, run by the Government Finance Officers Association of the United States and Canada. Tom Heseltine, the designated Quality Assurance Partner for your engagement, currently serves as a Technical Reviewer for the Government Finance Officers Association of the United States and Canada.

Clifton Gunderson understands that the financial statements of the West Virginia Lottery are to be included as a component unit of the financial statements of the State of West Virginia, and will provide special assistance to the State's auditors.

3.2.5 Working Paper Retention and Access to Working Papers

Clifton Gunderson has adopted the Sarbanes-Oxley Law retention requirement of seven years for retaining all working papers, unless notified in writing by the West Virginia Lottery of the need to extend the retention period. The working papers for our engagements are the sole and exclusive property of Clifton Gunderson LLP and constitute confidential, proprietary information. While we do not provide access to our work papers to you or anyone else in the normal course of business, we will provide access when requested by certain governmental agencies for the purpose of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities.

3.2.12 Schedule for Fiscal Year Audit

Clifton Gunderson will have drafts of the audit reports and recommendations to management available for review by the deputy director of finance and administration, controller, and internal auditors by August 31, 2006. In addition, the firm will prepare the final financial statements, notes, management letter and all required supplementary schedules and statistical data by the second Friday of September 2006.

3.3 Special Terms and Conditions

3.3.1 License Requirements

Clifton Gunderson and key professional staff assigned to your engagement will have a license to practice in the State of West Virginia upon award certification.

3.4 General Terms and Conditions

3.4.1 Conflict of Interest

Clifton Gunderson affirms that our officers, members, and employees presently have no interest and shall not acquire any interest, direct or indirect, which would conflict or compromise in any manner or degree with the performance of our services hereunder. The firm affirms that in the performance of the contract, we will periodically inquire of our officers, members, and employees concerning such interests. Any such interests discovered will be promptly presented in detail to the Commission.

3.4.2 Prohibition Against Gratuities

Clifton Gunderson has not employed any company or person other than a bona fide employee working solely for the firm or a company regularly employed as its marketing agent to solicit or secure the contract. Furthermore, the firm has not paid or agreed to pay any company or person any fee, commission, percentage, brokerage fee, gifts, or any other consideration contingent upon or resulting from the award of this contract.

3.4.3 Certifications Related to Lobbying

Clifton Gunderson certifies that no federal appropriated funds have been paid or will be paid, by or on behalf of the firm or an employee thereof, to any person for purposes of influencing or attempting to influence an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any Federal contract, grant, loan, or cooperative agreement.

3.4.4 Vendor Relationship

The relationship of Clifton Gunderson to the State of West Virginia will be that of an independent contractor, and no principal-agent relationship or employer-employee relationship is contemplated or created by the parties to this contract. Clifton Gunderson is solely liable for the acts and omissions of our employees and agents.

Clifton Gunderson will not assign, convey, transfer or delegate any of our responsibilities and obligations under this contract to any person, corporation, partnership, association or entity without expressed written consent of the Commission.

3.4.5 Indemnification

Indemnification rules in regards to certified personal accounting include certain relationships with clients, among which are guarantees of results and certain guarantees against loss. We will comply with this section, 3.4.5 Indemnification, within the constraints of ethics rules as currently exist and as change from time to time.

3.4.7 Governing Law

Clifton Gunderson agrees to comply with the Civil Rights Act of 1964 and all other applicable Federal, State and local Government regulations during this engagement, and understands that the contract shall be governed by the laws of the State of West Virginia.

3.4.9 Partner, Supervisory, and Staff Qualifications

We have structured your engagement team to ensure the Commission access to the individuals with the most relevant backgrounds and expertise. The client service team we have assembled for you includes key individuals from our Office of Governmental Services—one of the firm's largest groups with a governmental audit staff of over 300 professionals.

Clifton Gunderson serves governmental entities at the local, state and federal level, and the Office of Governmental Services works with more than 250 federal, state and local government organizations, including state agencies, cities, counties, towns, housing authorities, public school systems, and institutions of higher education. Some recent state agencies and organizations served include:

Engagement	Scope of Work	Length of Service
West Virginia University Department of Athletics	Audit	2005-Present
Maryland Environmental Service	Audit	2004-Present
Maryland Department of Health and Mental Hygiene	Assurance	1982-Present
Maryland-National Capital Park & Planning Commission	Audit/Consulting	2005-Present
Maryland State Retirement Agency	Assurance	2004
Maryland Teachers & State Employees Supplemental Retirement Plans	Audit	2002-Present
State of Maryland, Maryland Supplemental Retirement Plans	Audit	2002-Present
Virginia Department of Medical Assistance Services	Assurance	1990-Present
Virginia Department of Transportation	Internal Audit/Special Projects	2003 – Present
Pennsylvania Industrial Development Authority	Audit	2005-Present
Pennsylvania Municipal Employees' Retirement System	Audit	2003-Present
Pennsylvania Public School Employees' Retirement System	Audit	2003-Present
Pennsylvania State Employees' Retirement System	Audit	New engagement
Public Employees' Retirement System of Nevada	Audit	New engagement
Virginia Department of Housing and Community Development	Consulting	2003
New York State Deferred Compensation Board	Audit	2005-Present
State of South Carolina	Audit	2005-Present
State of North Carolina's Department of Health and Human Services' Division of Medical Assistance	Assurance	2004-2006

Clients of Clifton Gunderson benefit from the firm's size and organization. Although the firm has more than 50 U.S. locations, Clifton Gunderson is structured according to industry and service specializations. This structure enables our professionals to work seamlessly across different geographies; this ensures easy, more streamlined communication and services for our clients. By having access to the experience, insight, and talent of over 1,500 professionals across the country, Clifton Gunderson has the structure and resources to be able to effectively serve your complete audit needs.

Although Clifton Gunderson is a large firm with a wide array of resources from which you can benefit, you will be served by a local client service team dedicated to serving the Commission. This team of professionals is knowledgeable about the changing rules, regulations, standards, and market trends you face, and they spend 60-100 percent of their time working with the government sector. Furthermore, our national network of CPAs and consultants means that if you need specialized help, we have a professional on staff that can provide it.

James F. Rego, CPA, Engagement Partner – Office of Governmental Services

Jim will serve as the partner-in-charge of your engagement team and will oversee all engagement responsibilities for the audit, including reviewing the audit program and all findings and recommendations, coordinating activities with the audit manager, and directing all meetings with the Commission. He is currently the engagement partner assigned to West Virginia University's Department of Intercollegiate Athletics' annual audit, as well as several other state and local clients, including the City of Aberdeen, Maryland; City of New Carrollton, Maryland; and City of Manchester, Maryland. He will be available to the Commission throughout the engagement and at any time during the year.

Jim is a Certified Public Accountant with more than 25 years of audit and accounting experience. He is a member of the American Institute of Certified Public Accountants and Maryland Association of Certified Public Accountants.

Thomas G. Heseltine, CPA, Quality Assurance Partner – Office of Governmental Services

As the concurring partner of your engagement, Tom will perform the unassociated technical review of the financial statements for the Department. He will also be available to the Commission throughout the engagement and at any time during the year.

Tom has more than 10 years of experience. He is assigned to a significant number of the firm's state governmental audit clients including the State of Maryland Department of Health & Mental Hygiene; Centers for Medicare and Medicaid Services (CMS); Maryland-National Capital Park & Planning Commission; Maryland Environmental Service; State Retirement System of Maryland; Pennsylvania Industrial Development Authority; Public School Employees Retirement System of Pennsylvania; Indiana Public Employees Retirement Fund; State of South Carolina; Public Employees Retirement System of Nevada; and the U.S. Department of the Treasury's Financial Management Service. In addition, he has directed Single Audits for many of the Office of Governmental Service's client base.

Tom's membership in the following professional finance organizations gives him greater insight into the issues and trends affecting state and local government entities:

- Maryland Government Finance Officers Association
- Government Finance Officers Association of the United States and Canada
- Association of Government Accountants
- American Institute of Certified Public Accountants
- Maryland Association of Certified Public Accountants

Thomas Rey, CPA – Senior Manager

Tom will be the senior audit manager assigned to the engagement team and will be your primary day-to-day contact. His will work on the engagement will include the managing of our fieldwork personnel and resolving any technical and reporting issues.

Tom has been actively involved in the performance of financial and compliance audits, reviews, and compilations of state and local government entities for more than nine years. He is the senior manager assigned to a significant number of the firm's governmental and commercial clients including West Virginia University's Department of Intercollegiate Athletics; the State Retirement and Pension System of Maryland; the Maryland-National Capital Park and Planning Commission Employees' Retirement System; Howard County Community College; Schmitz Press; and E. Stewart Mitchell.

Staff Assigned to the Engagement Team

In addition to the partners and senior manager, we will also assign John Yeager, an experienced senior associate. John has extensive state and local agency audit experience, and serves as the current senior associate on the West Virginia University's Department of Intercollegiate Athletics annual audit. Additional staff members may also be assigned as deemed necessary, and will be determined based on the final scheduling of engagement tasks with management.

It is Clifton Gunderson's practice to actively involve partners and senior managers on every engagement. The partners and senior manager assigned to your engagement team will spend a considerable amount of time with the Commission's management. It is this close, personal attention from our senior level personnel, combined with our low partner-to-staff ratio that sets Clifton Gunderson apart from many other CPA firms.

It is also the firm's practice to consistently maintain the same staff on engagements to ensure continuity to the client. This will allow us to maximize efficiencies, and reduce the learning curve of a new engagement team. The professionals assigned to the Commission's engagement team are knowledgeable about the changing rules, regulations, standards, and trends affecting state agencies and organizations.

3.4.16 Liquidated Damages

Clifton Gunderson understands that liquidated damages will not be imposed in this contract.

Why Choose Clifton Gunderson?

We would like to be a part of the Commission's future success. Clifton Gunderson has earned a justifiable reputation for helping similar clients meet their goals and fulfill their missions. With our hands-on approach to serving clients, the experience of our staff, our quality and timely service, and responsiveness to clients' needs, Clifton Gunderson can help you accomplish your goals. Your engagement team will be dedicated to not only meeting, but exceeding, your expectations.

The benefits of the Commission choosing Clifton Gunderson are as follows:

- **INSIGHT BASED ON RELEVANT EXPERIENCE.** The most effective way to receive insightful advice is to work with someone skilled in serving others in your industry. The firm has a proven track record of delivering dependable, quality and cost effective service to a variety of state agencies and organizations across the nation. The Commission will be served by highly experience professionals serving government clients of all sizes, and will no doubt benefit from this relevant industry experience.
- **SARBANES-OXLEY ACT.** In response to the Sarbanes-Oxley Act, we closely monitor how regulators implement the provisions in Sarbanes-Oxley; we modify our firm policies when required to ensure compliance. We make every effort to maintain our independence in fact and appearance.
- **ACTIVE INVOLVEMENT OF PARTNERS AND SENIOR MANAGERS ON THE ENGAGEMENT.** The partners and senior manager on the Commission's engagement team will spend a considerable amount of time with the Commission's management. Many Clifton Gunderson clients say they enjoy the close, personal attention they receive from senior level personnel; our low partner-to-staff ratio sets Clifton Gunderson apart from many other CPA firms.
- **SIGNIFICANT DEPTH OF RESOURCES.** In addition to the firm's local engagement team, the Commission will have easy access to national resources that only a large national firm – without the high fees often associated with larger, international firms – can offer. As a national firm, Clifton Gunderson is backed by national and international resources, yet serves its clients in a cost effective manner through local professionals who know the local business climate.
- **STAFF AVAILABILITY.** Clifton Gunderson is well-balanced when it comes to workload issues. Our practice is very well-rounded in terms of industries served and services provided. Therefore, we do not experience the workload compression that other firms might experience during

particularly busy seasons. This means better client service and closer, personal attention for the Commission.

Most successful professionals choose a career in accounting to help dynamic organizations grow and succeed. We look forward to bringing our enthusiasm and drive to the West Virginia Lottery Commission.

We truly appreciate the opportunity to present this proposal. If you have any questions or require additional information, please contact Jim Rego at 888-778-9588. Jim can also be reached via email at Jim.Rego@cliftoncpa.com.

Attachment A: Cost Bid Schedule

Cost Bid Schedule

Schedule of total professional fees and expenses for the annual financial audit.

	<u>Hours</u>	<u>Hourly Rates</u>	<u>Total</u>
Partners	60	\$200	\$12,000
Senior Managers	82	\$150	\$12,350
Managers	121	\$120	\$14,550
Staff	235	\$90	\$21,100
Other (travel costs)			<u>\$4,000</u>
Total all-inclusive maximum price for the annual audit and other services as required in this request for quotation			<u>\$65,000</u>

Subsequent years, if renewed, will incur an increase of five percent over the previous year's fee.

Attachment B: Client References

Client References

Below is a list of other similarly sized clients of the partner and senior manager assigned to the Commission's engagement. We encourage you to contact them to learn more about Clifton Gunderson's experience and commitment to quality client service.

References for Jim Rego, Engagement Partner

Mr. Russ Sharp, Associate Athletic Director
West Virginia University Department of Intercollegiate Athletics
Internal Administrative Affairs Department
One Waterfront Place
Morgantown, West Virginia 26506
304-293-2101, x5513

Ms. Barbara Brozen, Director of Finance
Naval Academy Athletic Association
U. S. Naval Academy
566 Brownson Road
Annapolis, Maryland 21402
410-293-2700

Ms. Kelly Baldwin
City of Manchester
3208 York Street
P.O. Box 830
Manchester, Maryland 21102
410-239-3200

References for Tom Rey, Senior Audit Manager

Mr. Donald Halke, Internal Auditor
Pennsylvania Public School Employees' Retirement System
5 North 5th Street
Harrisburg, Pennsylvania 17101
717-720-4610

Sandra Balcer
Howard County Community College
10901 Little Patuxent Parkway
Columbia, Maryland 21044
410-772-4918

Mr. Roland L. Unger
State of Maryland, Maryland Supplemental Retirement Plans
William Donald Schaefer Tower, 6 Saint Paul Street, Suite 200
Baltimore, Maryland 21202
410-767-8715

Attachment C: Vendor Disclosure Form

West Virginia Lottery

048

Vendor Disclosure Form

Please use this format to disclose all information your company must disclose to the West Virginia Lottery under WV code §29-22-23 and to the Secretary of State under WV code §29-22-24.

- (1) If the vendor is a corporation, list the officers, directors and each stockholder in such corporation; except that, in the case of stockholders of publicly held equity securities of a publicly traded corporation, only the names and addresses of those known to the corporation to own beneficially five percent or more of such securities need be disclosed.

Not applicable.

- (2) If the vendor is a partnership or joint venture, list all of the general and limited partners or joint venturers; if such general and limited partners or joint venturers are themselves a partnership, joint venture, trust, association, corporation, subsidiary or intermediary corporation, the same information required by this section shall be supplied for such entities.

Clifton Gunderson is a limited liability partnership. General partners are: H. Terry Hancock, MACSC Managing Partner; David E. Bailey, C.O.O.; and Carl R. George, C.E.O.

- (3) If the vendor is a trust, list the name of the trustees.

not applicable.

- (4) If the vendor is an association, list the members, officers and directors.

Not applicable.

- 5) If the vendor intends to or does subcontract to another person or entity any integral or substantial portion of the work to be performed in supplying such materials or equipment, then the vendor shall supply the above-mentioned information for all such persons or entities.

Not applicable.

- 6) The following information shall also be submitted;

(A) List all jurisdictions in which the vendor has contracts to supply gaming materials or equipment and the types of gaming materials or equipment involved therewith.

None.

- (B) List the details of any felony conviction of a criminal offense, state or federal, of the vendor or any person whose name and address are required by this section.

None.

- (C) List all details of any disciplinary action of a judicial nature relating to gaming taken by any state or person against the vendor or any person whose name and address are required by this section.

None.

- (D) List the number of years the vendor has been in the business of supplying gaming materials or equipment.

None.

- (E) List a disclosure of each state and jurisdiction in which the vendor has been denied, or has had revoked a gaming license of any kind, and the disposition of such in each state or jurisdiction. If any gaming license has been revoked or has not been renewed or any gaming license application has been either denied or is pending for more than six months, all of the facts and circumstances underlying such failure to receive such license must be disclosed.

Not applicable.

- (F) List a disclosure of the details of any bankruptcy, insolvency, reorganization or any pending litigation relating to gaming of each vendor.

Not applicable.

- (G) Complete a signed authorization by each vendor and officer thereof allowing the deputy director for security to conduct a background investigation of such person. (Attached)

Upon award.

- (H) Complete such other information, accompanied by such documents, as the commission, by rule or contract procurement documents, may require as being necessary or appropriate in the public interest to accomplish the purposes of this section. (Attached)

See attached documents.

Attachment D: Miscellaneous Forms



State of West Virginia
 Department of Administration
 Purchasing Division
 2019 Washington Street East
 Post Office Box 50130
 Charleston, WV 25305-0130

Request for Quotation

RFQ NUMBER
LOT331

PAGE
1

ADDRESS CORRESPONDENCE TO ATTENTION OF:
CHUCK BOWMAN
304-558-2157

RFQ COPY

TYPE NAME/ADDRESS HERE
 Clifton Gunderson LLP
 Timonium Corporate Center
 9515 Deereco Road, Suite 500
 Timonium, MD 21093

SHIP TO
LOTTERY COMMISSION

312 MACCORKLE AVENUE, SE
CHARLESTON, WV
25314-1143 558-0500

DATE PRINTED	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
05/03/2006				

BID OPENING DATE: **06/06/2006** BID OPENING TIME **01:30PM**

LINE	QUANTITY	UOP	CAT NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
0001	1	HR		946-20		
<p>AUDITING SERVICES</p> <p>THE WEST VIRGINIA PURCHASING DIVISION, ON BEHALF OF THE AGENCY, THE WEST VIRGINIA LOTTERY COMMISSION, IS SOLICITING BIDS FOR A CPA FIRM TO PROVIDE ANNUAL AUDIT SERVICES FOR THE FISCAL YEAR ENDING JUNE 30, 2006, PER THE ATTACHED SPECIFICATIONS, BID REQUIREMENTS, AND TERMS AND CONDITIONS.</p> <p>PLEASE SEE THE ATTACHED SPECIFICATIONS AND FORMS. VENDORS ARE ENCOURAGED TO INDICATE THEIR ALL-INCLUSIVE MAXIMUM PRICE FOR THE ANNUAL AUDIT AND OTHER SERVICES AS REQUIRED IN THIS RFQ IN THE SPACE PROVIDED ON THE COST BID SCHEDULE INCLUDED HEREIN.</p> <p>EXHIBIT 3</p> <p>LIFE OF CONTRACT: THIS CONTRACT BECOMES EFFECTIVE ON UPON AWARD AND EXTENDS FOR A PERIOD OF ONE (1) YEAR OR UNTIL SUCH "REASONABLE TIME" THEREAFTER AS IS NECESSARY TO OBTAIN A NEW CONTRACT OR RENEW THE ORIGINAL CONTRACT. THE "REASONABLE TIME" PERIOD SHALL NOT EXCEED TWELVE (12) MONTHS. DURING THIS "REASONABLE TIME" THE VENDOR MAY TERMINATE THIS CONTRACT FOR ANY REASON UPON GIVING THE DIRECTOR OF PURCHASING 30 DAYS WRITTEN NOTICE.</p> <p>UNLESS SPECIFIC PROVISIONS ARE STIPULATED ELSEWHERE IN THIS CONTRACT DOCUMENT, THE TERMS, CONDITIONS AND PRICING SET HEREIN ARE FIRM FOR THE LIFE OF THE CONTRACT.</p>						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE	TELEPHONE	DATE
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TITLE	FEIN	ADDRESS CHANGES TO BE NOTED ABOVE
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WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'



State of West Virginia
 Department of Administration
 Purchasing Division
 2019 Washington Street East
 Post Office Box 50130
 Charleston, WV 25305-0130

Request for Quotation

RFQ NUMBER
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2

ADDRESS CORRESPONDENCE TO ATTENTION OF
CHUCK BOWMAN 304-558-2157

VENDOR

RFQ COPY
TYPE NAME/ADDRESS HERE
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05/03/2006				
BID OPENING DATE: 06/06/2006		BID OPENING TIME 01:30PM		

LINE	QUANTITY	UOP	CAT NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
<p>RENEWAL: THIS CONTRACT MAY BE RENEWED UPON THE MUTUAL WRITTEN CONSENT OF THE SPENDING UNIT AND VENDOR, SUBMITTED TO THE DIRECTOR OF PURCHASING THIRTY (30) DAYS PRIOR TO THE EXPIRATION DATE. SUCH RENEWAL SHALL BE IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE ORIGINAL CONTRACT AND SHALL BE LIMITED TO TWO (2) ONE (1) YEAR PERIODS.</p> <p>CANCELLATION: THE DIRECTOR OF PURCHASING RESERVES THE RIGHT TO CANCEL THIS CONTRACT IMMEDIATELY UPON WRITTEN NOTICE TO THE VENDOR IF THE COMMODITIES AND/OR SERVICE SUPPLIED ARE OF AN INFERIOR QUALITY OR DO NOT CONFORM TO THE SPECIFICATIONS OF THE BID AND CONTRACT HEREIN.</p> <p>OPEN MARKET CLAUSE: THE DIRECTOR OF PURCHASING MAY AUTHORIZE A SPENDING UNIT TO PURCHASE ON THE OPEN MARKET, WITHOUT THE FILING OF A REQUISITION OR COST ESTIMATE, ITEMS SPECIFIED ON THIS CONTRACT FOR IMMEDIATE DELIVERY IN EMERGENCIES DUE TO UNFORESEEN CAUSES (INCLUDING BUT NOT LIMITED TO DELAYS IN TRANSPORTATION OR AN UNANTICIPATED INCREASE IN THE VOLUME OF WORK.)</p> <p>QUANTITIES: QUANTITIES LISTED IN THE REQUISITION ARE APPROXIMATIONS ONLY, BASED ON ESTIMATES SUPPLIED BY THE STATE SPENDING UNIT. 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.</p> <p>ORDERING PROCEDURE: SPENDING UNIT(S) SHALL ISSUE A WRITTEN STATE CONTRACT ORDER (FORM NUMBER WV-39) TO THE VENDOR FOR COMMODITIES COVERED BY THIS CONTRACT. THE ORIGINAL COPY OF THE WV-39 SHALL BE MAILED TO THE VENDOR AS AUTHORIZATION FOR SHIPMENT, A SECOND COPY</p>						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE	TELEPHONE	DATE
TITLE	FEIN	ADDRESS CHANGES TO BE NOTED ABOVE

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'



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DATE PRINTED 05/03/2006	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
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BID OPENING DATE: **06/06/2006** BID OPENING TIME **01:30PM**

LINE	QUANTITY	UOP	GAT NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
<p>MAILED TO THE PURCHASING DIVISION, AND A THIRD COPY RETAINED BY THE SPENDING UNIT.</p> <p>BANKRUPTCY: IN THE EVENT THE VENDOR/CONTRACTOR FILES FOR BANKRUPTCY PROTECTION, THIS CONTRACT IS AUTOMATICALLY NULL AND VOID, AND IS TERMINATED WITHOUT FURTHER ORDER.</p> <p>THE TERMS AND CONDITIONS CONTAINED IN THIS CONTRACT SHALL SUPERSEDE ANY AND ALL SUBSEQUENT TERMS AND CONDITIONS WHICH MAY APPEAR ON ANY ATTACHED PRINTED DOCUMENTS SUCH AS PRICE LISTS, ORDER FORMS, SALES AGREEMENTS OR MAINTENANCE AGREEMENTS, INCLUDING ANY ELECTRONIC MEDIUM SUCH AS CD-ROM.</p> <p>REV. 04/11/2001</p> <p>VENDOR PREFERENCE CERTIFICATE</p> <p>CERTIFICATION AND APPLICATION* IS HEREBY MADE FOR PREFERENCE IN ACCORDANCE WITH WEST VIRGINIA CODE, 5A-3-37 (DOES NOT APPLY TO CONSTRUCTION CONTRACTS).</p> <p>A. APPLICATION IS MADE FOR 2.5% PREFERENCE FOR THE REASON CHECKED:</p> <p>() BIDDER IS AN INDIVIDUAL RESIDENT VENDOR AND HAS RESIDED CONTINUOUSLY IN WEST VIRGINIA FOR FOUR (4) YEARS IMMEDIATELY PRECEDING THE DATE OF THIS CERTIFICATION; OR</p> <p>() BIDDER IS A PARTNERSHIP, ASSOCIATION OR CORPORATION RESIDENT VENDOR AND HAS MAINTAINED ITS HEAD-QUARTERS OR PRINCIPAL PLACE OF BUSINESS CONTINUOUSLY IN WEST VIRGINIA FOR FOUR (4) YEARS IMMEDIATELY PRECEDING THE DATE OF THIS CERTIFICATION; OR 80% OF THE OWNERSHI</p>						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

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TITLE	FEIN	ADDRESS CHANGES TO BE NOTED ABOVE

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'



State of West Virginia
 Department of Administration
 Purchasing Division
 2019 Washington Street East
 Post Office Box 50130
 Charleston, WV 25305-0130

Request for Quotation

RFQ NUMBER
LOT331

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4

ADDRESS CORRESPONDENCE TO ATTENTION OF
CHUCK BOWMAN 304-558-2157

RFQ COPY

TYPE NAME/ADDRESS HERE

Clifton Gunderson LLP
 Timonium Corporate Center
 9515 Deereco Road, Suite 500
 Timonium, MD 21093

LOTTERY COMMISSION

312 MACCORKLE AVENUE, SE
 CHARLESTON, WV
 25314-1143 558-0500

DATE PRINTED	TERMS OF SALE	SHIP VIA	FOB	FREIGHT TERMS
05/03/2006				

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<p>INTEREST OF BIDDER IS HELD BY ANOTHER INDIVIDUAL, PARTNERSHIP, ASSOCIATION OR CORPORATION RESIDENT VENDOR WHO 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</p> <p>() BIDDER IS A CORPORATION 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.</p> <p>B. APPLICATION IS MADE FOR 2.5% PREFERENCE FOR THE REASON CHECKED:</p> <p>() 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;</p> <p>OR</p> <p>() BIDDER IS A NONRESIDENT VENDOR EMPLOYING A MINIMUM OF ONE HUNDRED STATE RESIDENTS OR IS A NONRESIDENT VENDOR WITH AN AFFILIATE OR SUBSIDIARY WHICH MAINTAINS ITS HEADQUARTERS OR PRINCIPAL PLACE OF BUSINESS WITHIN WEST VIRGINIA EMPLOYING A MINIMUM OF ONE HUNDRED STATE RESIDENTS WHO CERTIFIES THAT, DURING THE LIFE OF THE CONTRACT, ON AVERAGE AT LEAST 75% OF THE EMPLOYEES OR BIDDERS' AFFILIATE'S OR SUBSIDIARY'S EMPLOYEES ARE RESIDENTS OF WEST VIRGINIA WHO HAVE RESIDED IN THE STATE CONTINUOUSLY FOR THE TWO YEARS IMMEDIATELY PRECEDING SUBMISSION OF THIS BID.</p>						

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25314-1143 558-0500

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BIDDER UNDERSTANDS IF THE SECRETARY OF TAX & 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 ISSUED; 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 TAX AND 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.

UNDER PENALTY OF LAW FOR FALSE SWEARING (WEST VIRGINIA CODE 61-5-3), 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: Clifton Gunderson LLP

DATE: June 13, 2006

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 Timonium Corporate Center
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SIGNED: *James F. Reagor CPA*
 TITLE: Partner

* CHECK ANY COMBINATION OF PREFERENCE CONSIDERATION(S) IN EITHER "A" OR "B", OR BOTH "A" AND "B" WHICH YOU ARE ENTITLED TO RECEIVE. YOU MAY REQUEST UP TO THE MAXIMUM 5% PREFERENCE FOR BOTH "A" AND "B". (REV. 12/00)

NOTICE

AN ORIGINAL, SIGNED BID MUST BE SUBMITTED TO:

DEPARTMENT OF ADMINISTRATION
 PURCHASING DIVISION
 BUILDING 15
 2019 WASHINGTON STREET, EAST
 CHARLESTON, WV 25305-0130

AN EXACT DUPLICATE MUST BE SUBMITTED TO:

STATE AUDITOR'S OFFICE
 BID OBSERVER
 BUILDING 1, ROOM W114
 1900 KANAWHA BOULEVARD, EAST
 CHARLESTON, WV 25305-0230

BOTH BIDS MUST CONTAIN THIS INFORMATION ON THE FACE OF THE ENVELOPES OR THE BIDS MAY NOT BE CONSIDERED:

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LINE	QUANTITY	UOP	CAT NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
	SEALED BID					
	BUYER:			CB-23		
	RFQ. NO.:			LOT331		
	BID OPENING DATE:			06/06/2006		
	BID OPENING TIME:			1:30 PM		
PLEASE PROVIDE A FAX NUMBER IN CASE IT IS NECESSARY TO CONTACT YOU REGARDING YOUR BID:						
410-453-0914						
CONTACT PERSON (PLEASE PRINT CLEARLY):						
James F. Rego, CPA						
***** THIS IS THE END OF RFQ LOT331 ***** TOTAL: _____						

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