

INSURANCE • INVESTMENTS

CORPORATE OFFICE: BOX 1633 • OAK HILL, WV 25901 • (304) 465-5685



November 6, 2008

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

RECEIVED

09 NOV -6 PM 12:39

PURCHASING DIVISION  
STATE OF WV

RE: LOT# 447  
West Virginia Video Lottery Bond  
Bid Opening: 11-06-08  
Bid Opening Time: 1:30pm

Dear Ms. Murray,

Enclosed you will find an alternative bid for the Video Lottery Bond for the permit holders of the West Virginia Lottery. We are proposing Accredited Property and Casualty Insurance as an alternative bid for this bond. They meet or exceed the qualifications of an "A" rating or better with the A.M. Best Company and are the incumbent bond company. I trust you will find everything in order.

If you have any questions, you may reach me at (304)768-1234 or by email at: [jmarshall.livel01@insuremail.net](mailto:jmarshall.livel01@insuremail.net).

We appreciate having the opportunity to serve the Lottery Commission in the past and welcome the opportunity to serve them in the future.

Sincerely,

John R. Marshall, Jr.  
Branch Manager, South Charleston Office



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  
 LOT447

PAGE  
 1

ADDRESS CORRESPONDENCE TO ATTENTION OF  
 SHELLY MURRAY  
 304-558-8801

**VENDOR**  
 \*324103509      304-465-5685  
 JIM LIVELY INSURANCE INC  
 PO BOX 1633  
 OAK HILL WV 25901

**SHIP TO**  
 LOTTERY COMMISSION  
 312 MACCORKLE AVENUE, SE  
 CHARLESTON, WV  
 25314-1143      558-0500

| DATE PRINTED | TERMS OF SALE | SHIP VIA | FOB | FREIGHT TERMS |
|--------------|---------------|----------|-----|---------------|
| 10/22/2008   |               |          |     |               |

BID OPENING DATE: 11/06/2008      BID OPENING TIME 01:30PM

| LINE  | QUANTITY | UOP | CAT NO | ITEM NUMBER | UNIT PRICE | AMOUNT |
|---|----------|-----|--------|-------------|------------|--------|
| ----- ADDENDUM NO. 1 -----                              |          |     |        |             |            |        |
| THIS ADDENDUM IS ISSUED TO EXTEND THE BID OPENING DATE  |          |     |        |             |            |        |
| FROM: 10/23/2008  |          |     |        |             |            |        |
| TO : 11/06/2008   |          |     |        |             |            |        |
| ANOTHER ADDENDUM WILL BE ISSUED TO ADDRESS THE          |          |     |        |             |            |        |
| QUESTIONS RECEIVED PRIOR TO THE QUESTION SUBMISSION     |          |     |        |             |            |        |
| DEADLINE OF 10/07/2008.                                 |          |     |        |             |            |        |
| 0001  | 1        | LS  |        | 962-47      |            |        |
| BONDING (INSURANCE SERVICES)                            |          |     |        |             |            |        |
| EXHIBIT 10  |          |     |        |             |            |        |
| REQUISITION NO.: LOT447                                 |          |     |        |             |            |        |
| ADDENDUM ACKNOWLEDGEMENT                                |          |     |        |             |            |        |
| I HEREBY ACKNOWLEDGE RECEIPT OF THE FOLLOWING CHECKED   |          |     |        |             |            |        |
| ADDENDUM(S) AND HAVE MADE THE NECESSARY REVISIONS TO MY |          |     |        |             |            |        |
| PROPOSAL, PLANS AND/OR SPECIFICATION, ETC.              |          |     |        |             |            |        |
| ADDENDUM NO.'S:   |          |     |        |             |            |        |

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

|                              |                        |                                   |
|------------------------------|------------------------|-----------------------------------|
| SIGNATURE <i>[Signature]</i> | TELEPHONE 304/768-1234 | DATE 10-28-08                     |
| TITLE Branch Manager         | FEIN 55-0570408        | 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  
 LOT447

PAGE  
 2

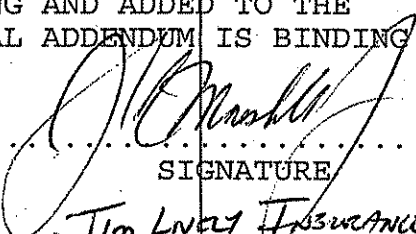
ADDRESS CORRESPONDENCE TO ATTENTION OF  
 SHELLY MURRAY  
 804-558-8801

\*324103509      304-465-5685  
 JIM LIVELY INSURANCE INC  
 PO BOX 1633  
  
 OAK HILL WV 25901

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 |
|--------------|---------------|----------|--------|---------------|
| 10/22/2008   |               |          |        |               |

BID OPENING DATE: 11/06/2008      BID OPENING TIME 01:30PM

| LINE  | QUANTITY | UOP | CAT NO | ITEM NUMBER | UNIT PRICE | AMOUNT |
|---|----------|-----|--------|-------------|------------|--------|
|   | NO. 1    |     |        |             |            |        |
|   | NO. 2    |     |        |             |            |        |
|   | NO. 3    |     |        |             |            |        |
|   | NO. 4    |     |        |             |            |        |
|   | NO. 5    |     |        |             |            |        |
| <p>I UNDERSTAND THAT FAILURE TO CONFIRM THE RECEIPT OF THE ADDENDUM(S) MAY BE CAUSE FOR REJECTION OF BIDS.</p> <p>VENDOR MUST CLEARLY 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.</p> <p style="text-align: center;"> <br/>           .....<br/>           SIGNATURE<br/>           Jim Lively Insurance<br/>           .....<br/>           COMPANY<br/>           10-28-08<br/>           .....<br/>           DATE         </p> |          |     |        |             |            |        |
| REV. 11/96  |          |     |        |             |            |        |
| ----- END OF ADDENDUM NO. 1 -----   |          |     |        |             |            |        |

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'



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  
 LOT447

PAGE  
 1

ADDRESS CORRESPONDENCE TO ATTENTION OF  
 SHELLY MURRAY  
 304-558-8801

PROPOSAL

\*324103509      304-465-5685  
 JIM LIVELY INSURANCE INC  
 PO BOX 1633  
  
 OAK HILL WV 25901

SHIP TO

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

| DATE PRINTED | TERMS OF SALE | SHIP VIA | FOB | FREIGHT TERMS |
|--------------|---------------|----------|-----|---------------|
| 10/23/2008   |               |          |     |               |

BID OPENING DATE: 11/06/2008      BID OPENING TIME 01:30PM

| LINE   | QUANTITY | UOP | CAT NO | ITEM NUMBER | UNIT PRICE | AMOUNT |
|--|----------|-----|--------|-------------|------------|--------|
| ADDENDUM NO. 2   |          |     |        |             |            |        |
| THIS ADDENDUM IS ISSUED TO ADDRESS THE QUESTIONS RECEIVED PRIOR TO THE QUESTION SUBMISSION DEADLINE OF 10/07/2008.                                       |          |     |        |             |            |        |
| ATTACHMENT: QUESTIONS AND RESPONSES  |          |     |        |             |            |        |
| 0001   | 1        | LS  |        | 962-47      |            |        |
| BONDING (INSURANCE SERVICES)   |          |     |        |             |            |        |
| EXHIBIT 10   |          |     |        |             |            |        |
| REQUISITION NO.: LOT447  |          |     |        |             |            |        |
| ADDENDUM ACKNOWLEDGEMENT   |          |     |        |             |            |        |
| I HEREBY ACKNOWLEDGE RECEIPT OF THE FOLLOWING CHECKED ADDENDUM(S) AND HAVE MADE THE NECESSARY REVISIONS TO MY PROPOSAL, PLANS AND/OR SPECIFICATION, ETC. |          |     |        |             |            |        |
| ADDENDUM NO.'S:  |          |     |        |             |            |        |
| NO. 1 .....  |          |     |        |             |            |        |
| NO. 2 .....  |          |     |        |             |            |        |
| NO. 3 .....  |          |     |        |             |            |        |

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

|                         |                           |                                   |
|-------------------------|---------------------------|-----------------------------------|
| SIGNATURE<br>           | TELEPHONE<br>304/768-1234 | DATE<br>10-28-08                  |
| TITLE<br>BRANCH MANAGER | FEIN<br>55-0570408        | 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**

LOT447

PAGE  
2

ADDRESS CORRESPONDENCE TO ATTENTION OF:  
 SHELLY MURRAY  
 304-558-8801

ROBERTY

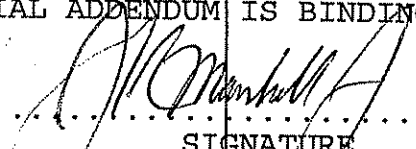
\*324103509      304-465-5685  
 JIM LIVELY INSURANCE INC  
 PO BOX 1633  
  
 OAK HILL WV 25901

SHIP TO

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

| DATE PRINTED | TERMS OF SALE | SHIP VIA | FOB | FREIGHT TERMS |
|--------------|---------------|----------|-----|---------------|
| 10/23/2008   |               |          |     |               |

BID OPENING DATE: 11/06/2008      BID OPENING TIME 01:30PM

| LINE  | QUANTITY    | UOP | CAT NO | ITEM NUMBER | UNIT PRICE | AMOUNT |
|---|-------------|-----|--------|-------------|------------|--------|
|   | NO. 4 ..... |     |        |             |            |        |
|   | NO. 5 ..... |     |        |             |            |        |
| <p>I UNDERSTAND THAT FAILURE TO CONFIRM THE RECEIPT OF THE ADDENDUM(S) MAY BE CAUSE FOR REJECTION OF BIDS.</p> <p>VENDOR MUST CLEARLY 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.</p> <p style="text-align: center;"> <br/>           .....<br/>           SIGNATURE<br/>           Jim Lively Insurance<br/>           .....<br/>           COMPANY<br/>           10-28-08<br/>           .....<br/>           DATE         </p> |             |     |        |             |            |        |
|   | REV. 11/96  |     |        |             |            |        |
| ----- END OF ADDENDUM NO. 2 -----   |             |     |        |             |            |        |

|   |           |                                   |
|---|-----------|-----------------------------------|
| 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'

Addendum No. 2

1. Do you have copy of the/a bond form(s) that would be acceptable?

*A. The bond form used is that which is standard for the insurance industry. We do not have a form that we want them to follow. The requirement for a bond is statutory and all previous successful bidders have been able to provide an acceptable bond document.*

2. Can you supply at least 3 or as many years as possible of loss history for the obligations?

*A. There have not been any losses under the bond since the inception of the program.*

3. Can you tell me if there has been any bond losses paid under the State deductible since the inception of this program?

*A. There have not been any losses under the bond since the inception of the program.*

4. What collection efforts are undertaken by the State prior to turnover of the matter to surety? Will they notify us of losses that occurred on licensees below the deductible? It is an annual deductible correct?

*A. The State sweeps the retailers bank account in the amount of the retailers balance due. If the sweep returns NSF, the Lottery Commission is notified and fines are assessed. If the debt is not paid in a timely manner the machines will be turned off. In the event that the Lottery is unable to collect the debt for 3 months, the file is turned over to the State Finance Division who will utilize a third party collection agency to collect the debt. In the event the third party collection agency is unable to collect the debt, it is at the discretion of the Lottery Director to file the debt against the bond.*

5. What is the reinstatement provision and does that process include full reimbursement of the state and the surety for any paid claims? Does the surety get a vote on reinstatement of a licensee?

*A. Reinstatement is at the sole discretion of the Lottery Director.*

6. What triggers termination of a license? How quickly is the machine turned-off?

*A. Unpaid NSF along with all applicable fines and penalties will trigger termination of license.*

7. If there is an "NSF" event, will that terminate the Lottery license immediately? If a vendor has multiple machine will a claim on one of their machines terminate all of the licenses of the vendor? (A single vendor can have up to 675 machines). We need to evaluate the credit and financial detail on those entities with a large concentration of bond liability? For example there are approximately 30 vendors which have more than 100 machines which we would want to review. Is that level of underwriting provided for in the program format?

*A. A retailer's first NSF results in an NSF fee and interest until the sweep is collected. If a retailer NSF's a second time, they face the NSF fee and interest along with a possible 100% civil penalty at the discretion of the Lottery Commission. A third NSF in a twelve month period will result in an NSF fee and interest and possible loss of LVL license at the discretion of the Lottery Commission.*

8. What security measures are required? i.e. safe etc., Does the lottery advance prize money? If so How much?

*A. All Limited Video Lottery retailers have security cameras located on site for surveillance of the video lottery machines. The Lottery does not advance any prize money.*

9. Are credit and criminal backgrounds of each applicant checked on a regular basis?

*A. Yes, annually.*

10. Is crime coverage required on the locations?

A. No

11. What are the residency requirements for the licensees?

*Majority ownership of the retailer location must have West Virginia residency.*

12. Please provide the premium and loss detail for the past three years.

*A. The premium information may be obtained from the previous contract LOT328 by contacting the Purchasing Division's File Room at 304-558-2336. There is no loss detail to provide.*

12. The Lottery collects money monthly. What controls does the Lottery require for bank accounts and physical security on the premise? What is the typical revenue per machines?

*A. The state treasurer's office processes monthly sweeps of the retailer's bank accounts for collection of the lottery admin fee and the state share of revenue.*

13. Is a surety allowed to price other options than the four shown in the Request for Quotation?

A. No.



**GENERAL TERMS & CONDITIONS  
REQUEST FOR QUOTATION (RFQ) AND REQUEST FOR PROPOSAL (RFP)**

1. Awards will be made in the best interest of the State of West Virginia.
2. The State may accept or reject in part, or in whole, any bid.
3. All quotations are governed by the *West Virginia Code* and the *Legislative Rules* of the Purchasing Division.
4. Prior to any award, the apparent successful vendor must be properly registered with the Purchasing Division and have paid the required \$125 fee.
5. All services performed or goods delivered under State Purchase Order/Contracts are to be continued for the term of the Purchase Order/Contracts, contingent upon funds being appropriated by the Legislature or otherwise being made available. In the event funds are not appropriated or otherwise available for these services or goods, this Purchase Order/Contract becomes void and of no effect after June 30.
6. Payment may only be made after the delivery and acceptance of goods or services.
7. Interest may be paid for late payment in accordance with the *West Virginia Code*.
8. Vendor preference will be granted upon written request in accordance with the *West Virginia Code*.
9. The State of West Virginia is exempt from federal and state taxes and will not pay or reimburse such taxes.
10. The Director of Purchasing may cancel any Purchase Order/Contract upon 30 days written notice to the seller.
11. The laws of the State of West Virginia and the *Legislative Rules* of the Purchasing Division shall govern all rights and duties under the Contract, including without limitation the validity of this Purchase Order/Contract.
12. Any reference to automatic renewal is hereby deleted. The Contract may be renewed only upon mutual written agreement of the parties.
13. **BANKRUPTCY:** In the event the vendor/contractor files for bankruptcy protection, this Contract may be deemed null and void, and terminated without further order.
14. **HIPAA BUSINESS ASSOCIATE ADDENDUM:** The West Virginia State Government HIPAA Business Associate Addendum (BAA), approved by the Attorney General, and available online at the Purchasing Division's web site (<http://www.state.wv.us/admin/purchase/vrc/hipaa.htm>) is hereby made part of the agreement. Provided that, the Agency meets the definition of a Cover Entity (45 CFR §160.103) and will be disclosing Protected Health Information (45 CFR §160.103) to the vendor.
15. **WEST VIRGINIA ALCOHOL & DRUG-FREE WORKPLACE ACT:** If this Contract constitutes a public improvement construction contract as set forth in Article 1D, Chapter 21 of the West Virginia Code ("The West Virginia Alcohol and Drug-Free Workplace Act"), then the following language shall hereby become part of this Contract: "The contractor and its subcontractors shall implement and maintain a written drug-free workplace policy in compliance with the West Virginia Alcohol and Drug-Free Workplace Act, as set forth in Article 1D, Chapter 21 of the West Virginia Code. The contractor and its subcontractors shall provide a sworn statement in writing, under the penalties of perjury, that they maintain a valid drug-free work place policy in compliance with the West Virginia and Drug-Free Workplace Act. It is understood and agreed that this Contract shall be cancelled by the awarding authority if the Contractor: 1) Fails to implement its drug-free workplace policy; 2) Fails to provide information regarding implementation of the contractor's drug-free workplace policy at the request of the public authority; or 3) Provides to the public authority false information regarding the contractor's drug-free workplace policy."

---

**INSTRUCTIONS TO BIDDERS**

1. Use the quotation forms provided by the Purchasing Division.
2. **SPECIFICATIONS:** Items offered must be in compliance with the specifications. Any deviation from the specifications must be clearly indicated by the bidder. Alternates offered by the bidder as **EQUAL** to the specifications must be clearly defined. A bidder offering an alternate should attach complete specifications and literature to the bid. The Purchasing Division may waive minor deviations to specifications.
3. Complete all sections of the quotation form.
4. Unit prices shall prevail in case of discrepancy.
5. All quotations are considered F.O.B. destination unless alternate shipping terms are clearly identified in the quotation.
6. **BID SUBMISSION:** All quotations must be delivered by the bidder to the office listed below prior to the date and time of the bid opening. Failure of the bidder to deliver the quotations on time will result in bid disqualifications: Department of Administration, Purchasing Division, 2019 Washington Street East, P.O. Box 50130, Charleston, WV 25305-0130



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

LOT447

1

ADDRESS CORRESPONDENCE TO ATTENTION OF:  
 SHELLY MURRAY  
 304-558-8801

VENDOR

\*324103509 304-465-5685  
 JIM LIVELY INSURANCE INC  
 PO BOX 1633  
 OAK HILL WV 25901

SHIP TO

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

| DATE PRINTED | TERMS OF SALE | SHIP VIA | FOB | FREIGHT TERMS |
|--------------|---------------|----------|-----|---------------|
| 09/18/2008   |               |          |     |               |

BID OPENING DATE: 10/23/2008

BID OPENING TIME 01:30PM

| LINE  | QUANTITY | UOP | CAT NO | ITEM NUMBER | UNIT PRICE | AMOUNT |
|---|----------|-----|--------|-------------|------------|--------|
| 0001  | 1        | LS  |        | 962-47      |            |        |
| <p>THE WV PURCHASING DIVISION, FOR THE AGENCY, THE WV LOTTERY, IS SOLICITING BIDS FOR A CONTRACT TO PROVIDE THE AGENCY WITH BLANKET BONDING OF WV LOTTERY LIMITED VIDEO LOTTERY (LVL) PERMIT HOLDERS.</p> <p>ATTACHMENTS: SPECIFICATIONS<br/>           PERMIT HOLDERS<br/>           PURCHASING AFFIDAVIT<br/>           VENDOR PREFERENCE CERTIFICATE</p> <p>INQUIRIES:<br/>           WRITTEN QUESTIONS SHALL BE ACCEPTED THROUGH CLOSE OF BUSINESS ON 10/07/2008. QUESTIONS MAY BE SENT VIA USPS, FAX, COURIER, OR EMAIL. IN ORDER TO ASSURE NO VENDOR RECEIVES AN UNFAIR ADVANTAGE, NO SUBSTANTIVE QUESTIONS WILL BE ANSWERED ORALLY. IF POSSIBLE, EMAIL QUESTIONS ARE PREFERRED. ADDRESS INQUIRES TO:</p> <p>SHELLY MURRAY<br/>           DEPARTMENT OF ADMINISTRATION<br/>           PURCHASING DIVISION<br/>           2019 WASHINGTON STREET, EAST<br/>           CHARLESTON, WV 25311<br/>           FAX: 304-558-4115<br/>           EMAIL: SHELLY.L.MURRAY@WV.GOV</p> |          |     |        |             |            |        |
| BONDING (INSURANCE SERVICES)  |          |     |        |             |            |        |

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

|                |                |          |
|----------------|----------------|----------|
| SIGNATURE      | TELEPHONE      | DATE     |
|                | (304) 768-1234 | 10/23/08 |
| TITLE          | FEIN           |          |
| Branch Manager | 55-0570408     |          |

ADDRESS CHANGES TO BE NOTED ABOVE

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



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

LOT447

2

ADDRESS CORRESPONDENCE TO ATTENTION OF  
**SHELLY MURRAY**  
**304-558-8801**

VENDOR

\*324103509 304-465-5685  
**JIM LIVELY INSURANCE INC**  
**PO BOX 1633**  
**OAK HILL WV 25901**

SHIP TO

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

|                                     |               |          |     |               |
|-------------------------------------|---------------|----------|-----|---------------|
| DATE PRINTED<br><b>09/18/2008</b>   | TERMS OF SALE | SHIP VIA | FOB | FREIGHT TERMS |
| BID OPENING DATE: <b>10/23/2008</b> |               |          |     |               |

|      |  |          |     |        |             |            |        |
|------|--|----------|-----|--------|-------------|------------|--------|
| LINE |  | QUANTITY | UOP | CAT NO | ITEM NUMBER | UNIT PRICE | AMOUNT |
|------|--|----------|-----|--------|-------------|------------|--------|

**BID OPENING TIME 01:30PM**

**EXHIBIT 3**

**LIFE OF CONTRACT: THIS CONTRACT BECOMES EFFECTIVE 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.**

**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.**

**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.**

**CANCELLATION: THE DIRECTOR OF PURCHASING RESERVES THE RIGHT TO CANCEL THIS CONTRACT IMMEDIATELY UPON WRITTEN NOTICE TO THE VENDOR IF THE COMMODITIES AND/OR SERVICES SUPPLIED ARE OF AN INFERIOR QUALITY OR DO NOT CONFORM TO THE SPECIFICATIONS OF THE BID AND CONTRACT HEREIN.**

**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**

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

|                                |                                    |                         |
|--------------------------------|------------------------------------|-------------------------|
| SIGNATURE<br>                  | TELEPHONE<br><b>(304) 768-1234</b> | DATE<br><b>10/23/08</b> |
| TITLE<br><b>Branch Manager</b> | FAX<br><b>55-0570408</b>           |                         |

**WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'**  
**ADDRESS CHANGES TO BE NOTED ABOVE**



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

L01447

3

ADDRESS CORRESPONDENCE TO ATTENTION OF  
**SHELLY MURRAY**  
**304-558-8801**

VENDOR

\*324103509 304-465-5685  
**JIM LIVELY INSURANCE INC**  
**PO BOX 1633**  
  
**OAK HILL WV 25901**

SHIP TO

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

| DATE PRINTED                 | TERMS OF SALE | SHIP VIA                 | FOB | FREIGHT TERMS |
|------------------------------|---------------|--------------------------|-----|---------------|
| 09/18/2008                   |               |                          |     |               |
| BID OPENING DATE: 10/23/2008 |               | BID OPENING TIME 01:30PM |     |               |

| LINE   | QUANTITY | UOP | CAT NO | ITEM NUMBER | UNIT PRICE | AMOUNT |
|--|----------|-----|--------|-------------|------------|--------|
| <p>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 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>EXHIBIT 6</p> |          |     |        |             |            |        |

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE:  TELEPHONE: (304) 768-1234 DATE: 10/23/08

TITLE: Branch Manager FEIN: 55-0570408

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



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

LOT447

4

ADDRESS CORRESPONDENCE TO ATTENTION OF:  
 SHELLY MURRAY  
 304-558-8801

\*324103509 304-465-5685  
 JIM LIVELY INSURANCE INC  
 PO BOX 1633  
 OAK HILL WV 25901

SHIP TO

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

|                                     |               |          |     |               |
|-------------------------------------|---------------|----------|-----|---------------|
| DATE PRINTED<br><b>09/18/2008</b>   | TERMS OF SALE | SHIP VIA | FOB | FREIGHT TERMS |
| BID OPENING DATE: <b>10/23/2008</b> |               |          |     |               |

| LINE   | QUANTITY | UOP | CAT NO | ITEM NUMBER | UNIT PRICE | AMOUNT |
|--|----------|-----|--------|-------------|------------|--------|
| <b>BID OPENING TIME 01:30PM</b>  |          |     |        |             |            |        |
| <p><b>PRICE ADJUSTMENT PROVISION:</b><br/>         THE STATE OF WEST VIRGINIA WILL CONSIDER BIDS THAT CONTAIN PROVISIONS FOR PRICE ADJUSTMENTS PRIOR TO THE ORIGINAL EXPIRATION OF THE CONTRACT, PROVIDED THAT SUCH PRICE ADJUSTMENT COVERS BOTH UPWARD AND DOWNWARD MOVEMENT OF THE COMMODITY PRICE, AND THAT ADJUSTMENT IS BASED ON THE "PASS THROUGH" INCREASE OR DECREASE OF RAW MATERIALS AND/OR LABOR, WHICH MAKE UP ALL OR A SUBSTANTIAL PART OF A PRODUCT. ADJUSTMENTS ARE TO BE BASED UPON AN ACTUAL DOLLAR FIGURE, NOT A PERCENTAGE. ALL PRICE ADJUSTMENT REQUESTS MUST BE SUBSTANTIATED IN A MANNER ACCEPTABLE TO THE DIRECTOR PURCHASING, E.G. GOVERNMENTAL BENCH MARKS, GENERAL MARKET INCREASE, PUBLISHED PRICE LISTS. SUCH REQUESTS FOR AND INCREASE SHOULD BE RECEIVED IN WRITING BY THE DIRECTOR OF PURCHASING AT LEAST 30 DAYS IN ADVANCE OF THE EFFECTIVE DATE OF THE INCREASE. ANY TIME THE VENDOR REQUESTS A PRICE ADJUSTMENT, THE PURCHASING DIVISION MAY EITHER ACCEPT THE PRICE ADJUSTMENT AND AMEND THE CONTRACT ACCORDINGLY OR REJECT THE ADJUSTMENT IN ITS ENTIRETY AND CANCEL THE CONTRACT.</p> <p><b>PREFERRED TERMS:</b><br/>         IT IS PREFERRED THAT THE PRICES ON THIS CONTRACT ARE FIRM FOR LIFE OF THE CONTRACT, AS INDICATED IN THE LIFE OF CONTRACT CLAUSE CONTAINED HEREIN, NOT TO EXCEED ONE (1) YEAR.</p> <p>PASS THROUGH PRICE INCREASES WILL BE CONSIDERED AT TIME OF CONTRACT RENEWAL ONLY.</p> <p style="text-align: center;"><b>NOTICE</b></p> <p><b>A SIGNED BID MUST BE SUBMITTED TO:</b></p> |          |     |        |             |            |        |

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

|                         |                             |                  |
|-------------------------|-----------------------------|------------------|
| SIGNATURE<br>           | TELEPHONE<br>(304) 768-1234 | DATE<br>10/23/08 |
| TITLE<br>Branch Manager | FAX<br>55-0570408           |                  |

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



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

LOT447

5

ADDRESS CORRESPONDENCE TO ATTENTION OF:  
 SHELLY MURRAY  
 304-558-8801

VENDOR

\*324103509 304-465-5685  
 JIM LIVELY INSURANCE INC  
 PO BOX 1633  
 OAK HILL WV 25901

SHIP TO

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

|                                     |               |          |     |               |
|-------------------------------------|---------------|----------|-----|---------------|
| DATE PRINTED<br><b>09/18/2008</b>   | TERMS OF SALE | SHIP VIA | FOB | FREIGHT TERMS |
| BID OPENING DATE: <b>10/23/2008</b> |               |          |     |               |

| LINE  | QUANTITY | UOP | CAT NO | ITEM NUMBER | UNIT PRICE | AMOUNT |
|---|----------|-----|--------|-------------|------------|--------|
| <p align="center"><b>BID OPENING TIME 01:30PM</b></p> <p>DEPARTMENT OF ADMINISTRATION<br/>           PURCHASING DIVISION<br/>           BUILDING 15<br/>           2019 WASHINGTON STREET, EAST<br/>           CHARLESTON, WV 25305-0130</p> <p>THE BID SHOULD CONTAIN THIS INFORMATION ON THE FACE OF<br/>           THE ENVELOPE OR THE BID MAY NOT BE CONSIDERED:<br/>           SEALED BID</p> <p>BUYER: SHELLY MURRAY / FILE 31<br/>           RFQ. NO.: LOT447<br/>           BID OPENING DATE: 10/23/2008<br/>           BID OPENING TIME: 1:30 PM</p> <p>PLEASE PROVIDE A FAX NUMBER IN CASE IT IS NECESSARY<br/>           TO CONTACT YOU REGARDING YOUR BID:<br/>           ----- (304) 766-7172 -----</p> <p>CONTACT PERSON (PLEASE PRINT CLEARLY):<br/>           ----- John R. Marshall, Jr. -----</p> |          |     |        |             |            |        |

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

|                         |                             |                                   |
|-------------------------|-----------------------------|-----------------------------------|
| SIGNATURE<br>           | TELEPHONE<br>(304) 768-1234 | DATE<br>10/23/08                  |
| TITLE<br>Branch Manager | FEN<br>55-0570408           | ADDRESS CHANGES TO BE NOTED ABOVE |

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

1. Awards will be made in the best interest of the State of West Virginia.
2. The State may accept or reject in part, or in whole, any bid.
3. All quotations are governed by the *West Virginia Code* and the *Legislative Rules* of the Purchasing Division.
4. Prior to any award, the apparent successful vendor must be properly registered with the Purchasing Division and have paid the required \$125 fee.
5. All services performed or goods delivered under State Purchase Order/Contracts are to be continued for the term of the Purchase Order/Contracts, contingent upon funds being appropriated by the Legislature or otherwise being made available. In the event funds are not appropriated or otherwise available for these services or goods, this Purchase Order/Contract becomes void and of no effect after June 30.
6. Payment may only be made after the delivery and acceptance of goods or services.
7. Interest may be paid for late payment in accordance with the *West Virginia Code*.
8. Vendor preference will be granted upon written request in accordance with the *West Virginia Code*.
9. The State of West Virginia is exempt from federal and state taxes and will not pay or reimburse such taxes.
10. The Director of Purchasing may cancel any Purchase Order/Contract upon 30 days written notice to the seller.
11. The laws of the State of West Virginia and the *Legislative Rules* of the Purchasing Division shall govern all rights and duties under the Contract, including without limitation the validity of this Purchase Order/Contract.
12. Any reference to automatic renewal is hereby deleted. The Contract may be renewed only upon mutual written agreement of the parties.
13. **BANKRUPTCY:** In the event the vendor/contractor files for bankruptcy protection, this Contract may be deemed null and void, and terminated without further order.
14. **HIPAA BUSINESS ASSOCIATE ADDENDUM:** The West Virginia State Government HIPAA Business Associate Addendum (BAA), approved by the Attorney General, and available online at the Purchasing Division's web site (<http://www.state.wv.us/admin/purchase/vrc/hipaa.htm>) is hereby made part of the agreement. Provided that, the Agency meets the definition of a Cover Entity (45 CFR §160.103) and will be disclosing Protected Health Information (45 CFR §160.103) to the vendor.
15. **WEST VIRGINIA ALCOHOL & DRUG-FREE WORKPLACE ACT:** If this Contract constitutes a public improvement construction contract as set forth in Article 1D, Chapter 21 of the West Virginia Code ("The West Virginia Alcohol and Drug-Free Workplace Act"), then the following language shall hereby become part of this Contract: "The contractor and its subcontractors shall implement and maintain a written drug-free workplace policy in compliance with the West Virginia Alcohol and Drug-Free Workplace Act, as set forth in Article 1D, Chapter 21 of the West Virginia Code. The contractor and its subcontractors shall provide a sworn statement in writing, under the penalties of perjury, that they maintain a valid drug-free work place policy in compliance with the West Virginia Alcohol and Drug-Free Workplace Act. It is understood and agreed that this Contract shall be cancelled by the awarding authority if the Contractor: 1) Fails to implement its drug-free workplace policy; 2) Fails to provide information regarding implementation of the contractor's drug-free workplace policy at the request of the public authority; or 3) Provides to the public authority false information regarding the contractor's drug-free workplace policy."

---

## INSTRUCTIONS TO BIDDERS

1. Use the quotation forms provided by the Purchasing Division.
2. **SPECIFICATIONS:** Items offered must be in compliance with the specifications. Any deviation from the specifications must be clearly indicated by the bidder. Alternates offered by the bidder as **EQUAL** to the specifications must be clearly defined. A bidder offering an alternate should attach complete specifications and literature to the bid. The Purchasing Division may waive minor deviations to specifications.
3. Complete all sections of the quotation form.
4. Unit prices shall prevail in case of discrepancy.
5. All quotations are considered F.O.B. destination unless alternate shipping terms are clearly identified in the quotation.
6. **BID SUBMISSION:** All quotations must be delivered by the bidder to the office listed below prior to the date and time of the bid opening. Failure of the bidder to deliver the quotations on time will result in bid disqualifications: Department of Administration, Purchasing Division, 2019 Washington Street East, P.O. Box 50130, Charleston, WV 25305-0130

WEST VIRGINIA LOTTERY

LIMITED VIDEO LOTTERY

BLANKET BONDING OF PERMIT HOLDERS

REQUEST FOR QUOTATION (RFQ) FOR AN OPEN-END CONTRACT

LOT447

I. INTRODUCTION

House Bill 102 was enacted in April 2001. Included in the Bill was the establishment of new Article 29-22B which is known as the Limited Video Lottery Act. The Act provided for up to 9,000 Limited Video Lottery (LVL) terminals to be placed in limited licensed retailer areas restricted for adult amusement.

In addition to licensing persons and activities, the Act provides for two kinds of permits. A limited video lottery "permit" is a document that allows the holder to purchase a specified number of video lottery terminals for use in licensed retail locations. Licensed "operators" (sometimes called "distributors" or "route operators" in other gaming states) are able to own up to 675 video lottery terminals through the permit process. These operators enter into contracts with bars and fraternal clubs for the placement and operation of the video lottery terminals and are liable for the net gaming revenue generated by their video lottery terminals and owed to the State Lottery Commission each month. This is the relationship that applies to most of the operating limited video lottery terminals.

The Act also allows bars and fraternal clubs to acquire permits and with them the ownership of limited video lottery terminals in their establishments. Retailers normally are limited to five video lottery terminals, but fraternal and veteran clubs may operate up to ten video lottery terminals. These permit holders are liable for their own net gaming revenue owed to the State Lottery Commission each month.



The West Virginia Lottery collects net revenue from each permit holder on the tenth day of each month. Both retailers and operator may be permit holders.

As prescribed in LVL Rule 179-5-5.1.a., each permit holder was initially required to post a \$1,500 bond per terminal issued to each permit holder, and the permit holder paid the premium cost of such bond. LVL Rule 179-5-5.1.b. provides that the West Virginia Lottery is to acquire a blanket bond for at least \$2,000 per video lottery terminal to become effective March 1, 2006.

The West Virginia Lottery is soliciting quotes through this Request For Quotation (RFQ) to bond its LVL permit holders under a blanket bond. Four (4) separate quotes are being solicited with only one being awarded. They are as follows:

1. Quote should be made on the premium cost per one thousand dollars (\$1,000) of coverage.
2. Quote should be made on the premium cost per one thousand dollars (\$1,000) of coverage. The Lottery will be responsible for the first \$10,000 of total losses.
3. Quote should be made on the premium cost per one thousand dollars (\$1,000) of coverage. The Lottery will be responsible for the first \$25,000 of total losses.
4. Quote should be made on the premium cost per one thousand dollars (\$1,000) of coverage. The Lottery will be responsible for the first \$50,000 of total losses.

It is the Lottery's intention to purchase a minimum of \$2,000 of coverage for each LVL permit.

The maximum number of permits that can be held by one permit holder is 675. Therefore, the maximum exposure for any one permit holder would be \$1,350,000 (675 X \$2,000).

The successful vendor will execute a master bond containing a computerized list supplied by the Lottery, of all covered LVL permit

holders indicating the number of video lottery terminals for each permit holder and a total of all video lottery terminals. This listing will serve as a basis for calculation of the premium to be paid by the Lottery from collections received from LVL permit holders. This listing will be updated on a quarterly basis to reflect all changes and/or deletions. A new master listing will be generated by the Lottery on a quarterly basis (March 1, June 1, September 1, and December 1 of each year).

## II. MANDATORY QUALIFICATIONS OF VENDOR

- A. Bidder must be licensed to do business in the State of West Virginia and in good standing with the Insurance Commissioner's Office in West Virginia.
- B. The Bidder must be a Best's "A+" or "A" rated insurance company and must maintain that rating throughout the term of the contract.
- C. Each bidder's quote should include:
  - 1. The name, address, telephone number, and contact person for the bidder.
  - 2. The names, addresses and telephone numbers of three current or past client references who the Lottery may contact.
  - 3. Letter of good standing from the Office of the State Insurance Commissioner of the State of domicile.
  - 4. Copy of the Best Trend Report for the current year.

## III. PRE-BID CONFERENCE

N/A

## IV. GENERAL PROVISIONS

- A. Life of Contract – This contract becomes effective on March 1, 2009, 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. The 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.

Unless specific provisions are stipulated in this contract document, the terms, conditions and pricing set herein are firm for the life of the contract.

- B. Basis of Award – The successful bidder that meets all of the mandatory qualifications criteria will be selected on the basis of the lowest premium bid for the one option selected by the Lottery from the quotes required in I. (1–4). In the best interest of the State of West Virginia, the Lottery reserves the right to select the lowest qualified bid from only one of the four bids as the successful vendor. A low bid in a category not selected by the Lottery does not entitle the bidder to the contract under this Request for Quotation (RFQ).
- C. Premium – Vendor must prorate premium charge one-fourth of annual premium for each quarter for adding and deleting permit holders.
- D. Clarification of Bids – The Purchasing Division reserves the right to obtain additional information from any bidder in order to clarify the bidder's bid; however, the bid may not be amended after the bid opening date.

V. COST OF BID SCHEDULE

- A. Cost Per \$1,000 of Coverage; No deductible \$ 35.00
- B. Cost Per \$1,000 of Coverage; \$10,000 deductible \$ 33.00
- C. Cost Per \$1,000 of Coverage; \$25,000 deductible \$ 30.00
- D. Cost Per \$1,000 of Coverage; \$50,000 deductible \$ 28.00

VI. BOND SPECIFICATIONS

**WEST VIRGINIA LOTTERY****Limited Video Lottery**

Permit Holder's as of 08-21-08

| <b>DBA Name</b>           | <b>Total Permits</b> |
|---------------------------|----------------------|
| Worldwide Gaming LLC      | 47                   |
| Ohio Valley Amusement     | 502                  |
| Wheeling Coin, LLC        | 328                  |
| Ohio River Amusements     | 281                  |
| Blue Diamond LLC          | 117                  |
| Viking Vending Services   | 58                   |
| K & K Music Company       | 52                   |
| Southern Amusement Co.    | 675                  |
| Coin Op Vending Corp.     | 20                   |
| Bat's, Inc.               | 40                   |
| Shaffer Amusement Co. LLC | 430                  |
| Ellifritz Amusement Co.   | 46                   |
| S & B Gaming LLC          | 50                   |
| Warden Amusement Inc.     | 34                   |
| Poke, Inc.                | 20                   |
| Action Amusements, LLC    | 80                   |
| Welch LVL Video Service,  | 85                   |
| Valley Coin Mach. Co.,LLC | 12                   |
| Clay Music Company        | 126                  |
| Buck's Inc.               | 40                   |
| Mountaineer Music,LLC     | 93                   |
| Advanced Lottery Tech.    | 558                  |
| Ajax Amusement Machines   | 254                  |
| Game Room Amusements      | 125                  |
| Action Gaming, Inc.       | 515                  |
| Jack's Amusement          | 199                  |
| Viking Video & Music, Inc | 149                  |
| Derrick Video, LLC        | 675                  |
| A-1 Amusement             | 242                  |
| Trans-Allegheny Ent.      | 193                  |
| Woodward Video LLC        | 177                  |
| Al's Novelty & Coin Mach. | 35                   |
| Progressive Video Lottery | 238                  |
| Vast Vending, Inc.        | 58                   |
| LeeJay Amusements         | 92                   |
| Random World, Ltd.        | 456                  |
| Dustyn Enterprises, Inc.  | 100                  |
| Nancy's Restaurant        | 5                    |
| Brianna's Café            | 5                    |
| Mimi's (Ashton)           | 5                    |
| Cold Spot Cross Lanes(Nit | 5                    |
| Same Old Place 2          | 5                    |
| The Club Room             | 5                    |
| Quiet Dell Sports Grill   | 5                    |
| Same Old Place 7          | 5                    |

|                           |    |
|---------------------------|----|
| Patty's (Beckley Crossing | 5  |
| Mimi's (St. Albans)       | 5  |
| Mimi's(Southridge)        | 5  |
| Lewee's I                 | 15 |
| The Smokehouse            | 5  |
| Mimi's (Liberty Square)   | 5  |
| Dick's Swiss Burger       | 5  |
| Abbey's                   | 5  |
| Paula's (University)      | 5  |
| Mimi's (Quincy)           | 5  |
| Moose Lodge #52           | 7  |
| Zeek's Sports Lounge      | 2  |
| Victoria Vaudeville Theat | 5  |
| City Perk Café            | 13 |
| Liar's Lair               | 5  |
| C J's Pub, LLC            | 5  |
| American Legion Post #114 | 10 |
| Same Old Place 1          | 5  |
| Sunset Ellis Restaurant   | 2  |
| Kelly's Kafe II           | 5  |
| Penn Bar & Grill          | 5  |
| OK Lounge                 | 2  |
| Halftime Café             | 5  |
| Mimi's (Pea Ridge)        | 5  |
| Paula's (Clarksburg)      | 5  |
| Palace Lounge             | 5  |
| Spare Time                | 5  |
| Jumpin Jimmy's            | 5  |
| Paula's (Elkins)          | 5  |
| Paula's (Fairmont)        | 5  |
| The Owls Nest 1230        | 4  |
| Paula's (Mileground)      | 5  |
| Must Be 21 To Enter-Lubec | 5  |
| Must Be 21 To Enter - Min | 15 |
| Max's Place               | 5  |
| Paula's (Westover)        | 5  |
| Mimi's (Patrick St.)      | 5  |
| Bradley's Parlor LLC      | 5  |
| Patty's (Sophia)          | 5  |
| Patty's (Oak Hill)        | 5  |
| Members Only              | 5  |
| Patty's (Beckly Plaza)    | 5  |
| Mimi's (Dunbar)           | 5  |
| Lori's Pub II(Hernshaw)   | 5  |
| Stars and Stripes I       | 5  |
| Midtown Lounge            | 5  |
| Patty's (Merchant's Walk) | 5  |
| B.J.'s of Logan           | 5  |
| Sofia's (North Mall)      | 5  |
| Sofia's (Old Courthouse)  | 5  |
| Paula's (Bridgeport)      | 5  |
| Patty's (Gateway)         | 5  |

|                           |    |
|---------------------------|----|
| Patty's (Princeton)       | 5  |
| Patty's (Bluefield)       | 5  |
| Mimi's (Nitro)            | 5  |
| C G's                     | 5  |
| Elks Lodge #1801 - Weirto | 7  |
| Warwood Avenue Club       | 2  |
| Stadium Club, The         | 5  |
| Ernie's Cork & Bottle     | 5  |
| Bette's                   | 5  |
| Sophie's                  | 5  |
| Bourbon Street Café       | 5  |
| South Charleston Athletic | 4  |
| Ye Olde Alpha             | 5  |
| Moose #868 - St. Albans   | 10 |
| Decision                  | 4  |
| American Legion Post #3   | 7  |
| American Legion Post #18  | 3  |
| White Stallion Club       | 5  |
| VPW Post #6450            | 10 |
| Casey's Family Restaurant | 5  |
| Chesterfield House        | 5  |
| Park Mart                 | 2  |
| Coach's Bar & Grille      | 3  |
| McLewie's III             | 5  |
| Lesters Hard Times LLC    | 3  |
| Cottrell's Country Store  | 2  |
| Jesse's Pub               | 10 |
| Schultzie's               | 5  |
| Torlone's                 | 5  |
| Sixtie's                  | 10 |
| The Java Shoppe           | 5  |
| The Last Roundup Club     | 5  |
| Frank's Place             | 5  |
| T-G's Lounge & Café       | 2  |
| Jerry's                   | 5  |
| Plaza Lounge              | 5  |
| Parlor Café               | 4  |
| Strikers Sports Lounge    | 5  |
| Beckley Moose #1606       | 10 |
| Moose Lodge #931 - New Ma | 7  |
| J.P. Henry's              | 5  |
| Club Brass Room           | 4  |
| Jerry's Restaurant & Lng. | 5  |
| Club Lounge               | 5  |
| Moose Lodge # 565 - Nitro | 10 |
| Nick's Lounge             | 4  |
| Classic's 3 Lounge & Rest | 5  |
| American Legion Post #121 | 10 |
| Kegler's Sports Bar       | 5  |
| Suburban Lanes            | 5  |
| Nip N'Cue, Inc.           | 5  |
| Kelly's Hot Spot II       | 5  |

|                           |    |
|---------------------------|----|
| Cozy Corner               | 2  |
| Lazy Dog Saloon           | 5  |
| Lucy's Coffee House II    | 5  |
| Moose Lodge #1444 - Charl | 10 |
| Jericho Inn               | 5  |
| Belmont Restaurant        | 5  |
| Wakim's Sportsman's Club  | 5  |
| The Trop                  | 5  |
| Fraternal Order of Oriole | 10 |
| Nitro Billiards           | 5  |
| Bogies Place              | 5  |
| 3- Ways Inn               | 2  |
| Sofia's (Ranson Square)   | 5  |
| Esquire Supper Club, Inc. | 5  |
| Piggy's Club              | 5  |
| A-Cubed                   | 2  |
| Sassy's (SC #1)           | 5  |
| Winston's Hot Spot        | 5  |
| McLewie's I               | 5  |
| Sofia Rae's Café          | 5  |
| Checkered Flag Café I     | 5  |
| Mary's Café               | 5  |
| Front Street Lounge       | 5  |
| Smokies Ribhouse and Spor | 5  |
| Pirates Cove of Weirton   | 5  |
| Lucille's II              | 5  |
| The WOW Zone              | 5  |
| Hot Spot Express #1       | 5  |
| Sam's Hotdogs             | 5  |
| Stuart's Hot Dawgs        | 5  |
| Mama Lina's               | 5  |
| Linda Lou's               | 5  |
| STARZ                     | 5  |
| STARZ                     | 5  |
| River Side Lunch          | 5  |
| Lucille's                 | 5  |
| Emma's at the Airport     | 5  |
| Sherry's                  | 5  |
| Joli's                    | 5  |
| The Little Perk Café      | 5  |
| TJ's Place                | 5  |
| P.J.'s Getaway            | 5  |
| MiMi's Local Café (KC)    | 5  |
| STARZ                     | 5  |
| Lily's (Wheeling)         | 5  |
| Winston's Hot Spot        | 5  |
| Hollywood Hollywood       | 5  |
| Judy's                    | 5  |
| Same Old Place 4          | 5  |
| Patty's                   | 5  |
| The Point Café            | 5  |
| Misty's Sports Bar @ SC   | 5  |



|                           |   |
|---------------------------|---|
| The Greene Spot           | 5 |
| Same Old Place 3          | 5 |
| Freedom Way Lounge        | 5 |
| Geno's (#2 New Marti)     | 5 |
| Café Primo                | 5 |
| Sub Stop                  | 5 |
| Lily's                    | 5 |
| Big Apple Lounge          | 5 |
| McLewie's II              | 5 |
| Lucy's Coffee House       | 5 |
| WES                       | 5 |
| Kelly's Hot Spot          | 5 |
| The Inn at Pettyjohn      | 5 |
| Eddie's Feed              | 1 |
| Kelly's Kafé              | 5 |
| Maverick's #3             | 5 |
| Lily's                    | 5 |
| Geno's (Benwood)          | 5 |
| Cruiser's Café            | 5 |
| The Homeplate Club        | 5 |
| Eddie's                   | 1 |
| Make Your Day Café        | 5 |
| One Lounge, Inc.          | 5 |
| Sophie's                  | 5 |
| Melissa's                 | 5 |
| Lori's Pub II             | 5 |
| Must Be 21 To Enter at Si | 5 |
| Hillbilly Café            | 5 |
| Geno's (#4 Wheeling)      | 5 |
| Geno's (#3 Glendale)      | 5 |
| Geno's (Moundsville)      | 5 |
| Geno's (#2 Moundsvil)     | 5 |
| Sassy's (SC #2)           | 5 |
| The Burg Café, LLC        | 5 |
| Hot Spot Express #3       | 5 |
| Lewie's Too               | 5 |
| Maverick's #1             | 5 |
| Sam's Hotdogs             | 5 |
| Tusie's                   | 5 |
| Mason Smoke Shak          | 5 |
| Midtown Lounge II         | 5 |
| Kelly's Hot Spot III      | 5 |
| Celebration Place #2      | 5 |
| Maverick's #2             | 5 |
| Main Street Lounge        | 5 |
| Checkered Flag Café II    | 5 |
| Uncle E's Getaway         | 5 |
| The Peoples Choice Café   | 5 |
| Route 2 Café              | 5 |
| Fun Café                  | 5 |
| Owls Nest 1424            | 3 |
| Sam's Hotdogs             | 5 |

|                           |    |
|---------------------------|----|
| Bent Willey's             | 2  |
| The Brass Tree Lounge     | 5  |
| Crickster's Rock-N-Roll C | 5  |
| Bridgette's               | 5  |
| Curt's                    | 1  |
| Mimi's (Hill's Plaza)     | 5  |
| Mimi's Local Café-Beckley | 5  |
| Dee Jay's BBQ Ribs and Gr | 5  |
| Must Be 21 To Enter       | 5  |
| Joli                      | 5  |
| Old Windmill City Perk    | 3  |
| Judy's                    | 5  |
| Smoke Time Sam's #2       | 5  |
| Barney's Sports Bar       | 5  |
| Good Times Café           | 5  |
| Paula's (Weston)          | 5  |
| Steeles Tavern            | 4  |
| Smokin Sam's              | 5  |
| Oh Just One More Café     | 5  |
| Towne 'N Country Lounge   | 5  |
| Waterfront Place Hotel    | 5  |
| Nancy's Lounge            | 5  |
| Club El Dorado            | 3  |
| Goodfellas                | 5  |
| Betty's #1                | 10 |
| EZ-Borderline Hotspot     | 3  |
| Stars and Stripes II      | 5  |
| Sam's Hotdogs             | 4  |
| Brooke Plaza Café         | 5  |
| Wise Guy's                | 5  |
| Texas Jim I               | 5  |
| Opportunity Knocks #1     | 4  |
| Dan O's                   | 5  |
| Pam's #5                  | 5  |
| Casey's II                | 5  |
| Bill's Place              | 5  |
| Coffee Talk Etc           | 5  |
| Max's Place               | 5  |
| Geno's (#2 Wheeling)      | 5  |
| Cold Spot                 | 5  |
| Rt 50 Lounge              | 5  |
| The Billiard Palace       | 3  |
| Rosie's Sub Shop          | 5  |
| New Orleans Coffee House  | 5  |
| West Street Café          | 5  |
| Lucy's II                 | 5  |
| Max's Place               | 5  |
| The Oasis Café            | 5  |
| Franklin's Bar & Grille   | 5  |
| The Coffee Mill           | 5  |
| Cold Spot Glen Jean       | 5  |
| Little Tony's Parlor, LLC | 5  |

|                          |       |
|--------------------------|-------|
| Fabulous 50's Café       | 5     |
| Judy's (Robert Byrd Dr)  | 5     |
| Perks II                 | 5     |
| Tri-County Arcade        | 5     |
| The Holiday Room         | 5     |
| Pop a Topp               | 5     |
| Pam's #6                 | 5     |
| Lisa's                   | 5     |
| New Orleans Coffee House | 5     |
| Sports Grill Lounge      | 5     |
| Darla's Café             | 5     |
| Nawlin's Street #1       | 5     |
| Nawlin's Street #2       | 5     |
| Upper Deck Café          | 5     |
| Big Daddy's Always Hot   | 15    |
| Lewie's                  | 5     |
| Howdy's Owls Nest, Inc.  | 5     |
| Sassy's                  | 5     |
| Melissa's                | 5     |
| Let's Say Café II        | 5     |
| Sassy's (Barboursville)  | 5     |
| Mugsy's Café II          | 40    |
| Lucy's Sports Bar        | 5     |
| Fat Tuesday's            | 5     |
| The Big Easy             | 5     |
|                          | <hr/> |
|                          | 8733  |

# PURCHASING AFFIDAVIT

## VENDOR OWING A DEBT TO THE STATE:

*West Virginia Code* §5A-3-10a provides that: 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 the debt owed is an amount greater than one thousand dollars in the aggregate.

## PUBLIC IMPROVEMENT CONTRACTS & DRUG-FREE WORKPLACE ACT:

*West Virginia Code* §21-1D-5 provides that: Any solicitation for a public improvement construction contract shall require each vendor that submits a bid for the work to submit at the same time an affidavit that the vendor has a written plan for a drug-free workplace policy in compliance with Article 1D, Chapter 21 of the West Virginia Code. A public improvement construction contract may not be awarded to a vendor who does not have a written plan for a drug-free workplace policy in compliance with Article 1D, Chapter 21 of the West Virginia Code and who has not submitted that plan to the appropriate contracting authority in timely fashion. For a vendor who is a subcontractor, compliance with Section 5, Article 1D, Chapter 21 of the West Virginia Code may take place before their work on the public improvement is begun.

## ANTITRUST:

In submitting a bid to any agency for the state of West Virginia, the bidder offers and agrees that if the bid is accepted the bidder will 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 the bidder.

I certify that this bid is made without prior understanding, agreement, or connection with any corporation, firm, limited liability company, partnership or person or entity submitting a bid for the same materials, supplies, equipment or services and is in all respects fair and without collusion or fraud. I further certify that I am authorized to sign the certification on behalf of the bidder or this bid.

## LICENSING:

Vendors 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 agencies or political subdivision. Furthermore, the vendor must provide all necessary releases to obtain information to enable the Director or spending unit to verify that the vendor is licensed and in good standing with the above entities.

## CONFIDENTIALITY:

The vendor agrees that he or she 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. Vendors should visit [www.state.wv.us/admin/purchase/privacy](http://www.state.wv.us/admin/purchase/privacy) for the Notice of Agency Confidentiality Policies.

Under penalty of law for false swearing (West Virginia Code §61-5-3), it is hereby certified that the vendor acknowledges the information in this said affidavit and is in compliance with the requirements as stated.

Vendor's Name: Jim Lively Insurance, Inc.

Authorized Signature:  BRANCH MANAGER Date: 10/23/08

# 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 Resident Vendor Preference, if applicable.

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

Bidder is an individual resident vendor and has resided continuously in West Virginia for four (4) years immediately preceding the date of this certification; or,

Bidder is a partnership, association or corporation resident vendor and has maintained its headquarters or principal place of business continuously in West Virginia for four (4) years immediately preceding the date of this certification; or 80% of the ownership 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,

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% resident 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% resident vendor preference for the reason checked:**

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 Bidder's 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; or,

4. **Application is made for 5% resident 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% resident 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% resident 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.

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) reject the bid; 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.

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: Jim Lively Insurance, Inc.

Signed: 

Date: 10/23/08

Title: Branch Manager

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