

Proposal to Serve

West Virginia Lottery

CRFQ 0705 LOT1500000006

Buyer:	Evelyn Melton
Bid Opening Date:	March 17, 2015
Bid Opening Time:	1:30pm
Gibbons & Kawash phone:	304-345-8400
Gibbons & Kawash fax:	304-345-8451
Contact:	Timothy J. Gibbons

03/12/15 11:52:42  
WV Purchasing Division

March 17, 2015

West Virginia Lottery  
900 Pennsylvania Avenue  
Charleston, WV 25302

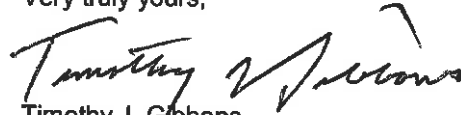
We appreciate the opportunity to present our qualifications to serve as drawing auditors for the West Virginia Lottery (the Lottery). We recognize the Lottery as a leading Institution in the State of West Virginia and we consider you a most valued client of our firm.

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

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

We again thank you for the opportunity to present this proposal and we look forward to serving the West Virginia Lottery. If you have any questions or need additional information please call Timothy J. Gibbons, Robert R. Denyer, or Robert E. Adams at (304) 345-8400.

Very truly yours,

  
Timothy J. Gibbons  
Director

PROPOSAL TO SERVE  
WEST VIRGINIA LOTTERY  
CRFQ 0705 LOT1500000006

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## EXECUTIVE SUMMARY

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Gibbons & Kawash will provide the West Virginia Lottery with **ultimate value**:

- **Resources.** Gibbons & Kawash is one of the area's leading CPA firms, and our talented people and state-of-the-art technology provide a distinct client service advantage. Combine our local capabilities with the power of the BDO Alliance USA, a nationwide association of independent CPA firms with the strength of 10,000 professionals and \$1.5 billion in revenues, and our resources are unsurpassed.
- **Experience.** The depth and breadth of our experience in serving state and local governments is extensive and unmatched, couple that with the experience of the BDO Alliance USA and we become the obvious choice. But more importantly, our experience in serving the West Virginia Lottery affords us a comprehensive understanding that simply cannot be matched.
- **Quality.** To ensure the consistent delivery of superior quality service, we have developed a comprehensive system of quality control which covers every aspect of our practice. External quality control review reports have demonstrated that we maintain, on a continuing basis, the highest professional standards.
- **Accessibility.** Clear, proactive communication is our most important tool for maximizing efficiency and effectiveness, and is a year-round process. We will keep you informed about audit and accounting issues that could affect the West Virginia Lottery. And we encourage you to contact us, your engagement team is accessible.
- **Commitment.** From the first day of our relationship through today, the West Virginia Lottery has been a valued client. We will continue to be committed to meeting the timelines you establish, to actively seek to add value to the services we provide, and to ensuring that we exceed your expectations.
- **No surprises - ever.** Not in the delivery of service, not in our deliverables, and not in our fees. As the West Virginia Lottery tackles its challenges and opportunities, you can rest assured that our firm will be there to offer dependable, superior quality service.

# PROFILE OF GIBBONS & KAWASH

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## OVERVIEW

Our experience in serving governmental entities, including previously provided services to the West Virginia Lottery will enable us to effectively and efficiently meet the Lottery's needs for quality and timely professional services.

## GIBBONS & KAWASH'S PRACTICE

Gibbons & Kawash is a professional independent accounting firm which provides a full range of accounting and auditing, tax and management consulting services to clients throughout West Virginia, as well as portions of Ohio, Pennsylvania, Kentucky and Virginia, and is a leading firm in providing auditing, accounting, and consulting services to governmental clients. Our governmental services practice professionals have many years of experience in providing competent, high quality audit services to State of West Virginia component units and local governments.

## AN INDEPENDENT MEMBER OF THE BDO ALLIANCE USA

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

As a member, we have access to vast resources and technical expertise, outstanding audit, tax and consulting professionals, and their specialty niche expertise with BDO USA, LLP serving clients through 40 offices and more than 400 alliance firm locations across the United States. BDO, USA, LLP serves as an additional technical resource to your engagement team.

As an independent member of the BDO Alliance USA we offer the resources of a national firm, yet we remain autonomous so you are assured of a local presence of highly trained and knowledgeable experts with your needs in the forefront.

## COMMITMENT TO QUALITY

At Gibbons & Kawash, an uncompromising commitment to provide superior quality service is the overarching principle which governs the administration of every engagement.

To ensure the consistent delivery of quality services, we have developed a comprehensive system of quality control which covers virtually every aspect of our practice. This system is formalized in a written quality control document to which every staff member is expected to adhere. The elements of our quality control system are as follows:

- Leadership responsibilities for quality
- Relevant ethical requirements
- Acceptance and continuance of clients and engagements
- Human resources
- Engagement performance
- Monitoring

## PROFILE OF GIBBONS & KAWASH

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Gibbons & Kawash is a member of the American Institute of Certified Public Accountants' Peer Review Program. The Program has established a self-regulatory process which includes requirements for peer review of the member firms every three years. These reviews, which are performed by knowledgeable independent CPAs from other firms, periodically evaluate and test systems of quality control of member firms. Our system of quality control provides assurance that we maintain, on a continuing basis, the highest professional standards to which we are committed. Our most recent external quality control review, which was completed on July 10, 2012, was performed by Rea & Associates, Inc. Their opinion, which was "pass" (the highest possible rating under the peer review standards), is on file with the AICPA and is included as **Appendix C**. This quality control review included governmental audit engagements.

Gibbons & Kawash is licensed and in compliance with all requirements to practice public accounting in the State of West Virginia. Furthermore, we have never been subject to any disciplinary or legal actions resulting from audit or assurance services, nor are there pending or threatened actions against the Firm as a result of such services. There have been no federal or state field reviews of audits performed by Gibbons & Kawash in the past three years and all desk reviews have been accepted.

### CONTINUING PROFESSIONAL EDUCATION

One of the best measures of a firm's commitment to its audit practice is the depth of specialized training provided to its professionals. Gibbons & Kawash provides internal and external training on governmental accounting, auditing, reporting, and operations in excess of the GAO requirements. We continually monitor the issuance of technical auditing and accounting pronouncements and provide our personnel with specialized training in these areas. Professionals at the in charge level and above receive specialized training in seminars and courses presented by nationally recognized experts in governmental and nonprofit accounting, auditing and financial reporting. Gibbons & Kawash's professional staff has met all continuing professional education requirements within the proceeding two years.

### EXPERTISE IN COMPUTERIZED SYSTEMS

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

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

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

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

## PROFILE OF GIBBONS & KAWASH

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



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



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



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



**ProSystemfx Portal** - Our client portal offers convenient online storage space in which your confidential information can be uploaded, downloaded, stored and shared in a safe and secure environment.

### **Encryption**

All data on Gibbons & Kawash computers, including our workpapers in our computerized audit documentation management system, is encrypted using a 256-bit algorithm. The data encryption ensures that in the unlikely event that one of our computers were to be lost or stolen, your data and our workpapers would be unreadable to anyone other than Gibbons & Kawash personnel.

### **OUR EXPERIENCED PROFESSIONALS**

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

### **OUR CONSULTING AND BUSINESS PRACTICE**

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

# PROFILE OF GIBBONS & KAWASH

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## **SPECIALIZED SERVICES**

Our full range of accounting, assurance, tax and consulting professional services is enhanced by the vision and expertise to deliver forward-looking, custom-tailored procedures and reports which meet your service needs. The following list represents our core menu of service options:

### **Accounting Services**

- Bookkeeping services
- Payroll services
- Accounts payable processing
- Financial statement analysis and accounting advice
- New business start-up services

### **Assurance Services**

- Financial statement audits, reviews, and compilations
- Internal audit services and internal control evaluations
- Financial forecasts and projections

### **Business Advisory Services**

- Evaluating choice of business entity
- Internal control analysis
- Business valuations
- Evaluating and implementing employee benefit plans
- Developing business succession plans
- Evaluating merger, acquisition, and sale opportunities
- Negotiating business transactions
- Developing business strategies
- Financial executive recruiting Training accounting personnel
- Assistance with obtaining debt and equity financing
- Litigation support
- Fraud investigation and forensic accounting

### **Tax Services**

- Corporate tax planning
- Personal tax planning for owners, executives, and their families
- Estate and gift tax planning
- Tax return preparation
- Succession planning
- Sale, merger, and acquisition planning
- Tax strategies for particular transactions
- Representation before the IRS and other agencies

### **Technology Services**

- Accounting software selection and implementation
- Software support services
- Networking
- Hardware procurement and installation
- Independent consulting services
- Telecommunications consulting
- Planning, development, and review of systems



## PROFILE OF GIBBONS & KAWASH

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### GOVERNMENTAL PRACTICE

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

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

Gibbons & Kawash began serving the West Virginia Lottery Commission as drawing auditors in 1996, and our experience is unmatched.

## OUR UNDERSTANDING OF YOUR EXPECTATIONS AND REQUIREMENTS

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

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

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

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

Individuals providing drawing audit services will be full time employees of Gibbons & Kawash with an active permit to practice or under the direct supervision of a licensed West Virginia certified public accountant, with an active permit to practice.

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

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

## OUR UNDERSTANDING OF YOUR EXPECTATIONS AND REQUIREMENTS

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

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

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

### **Back-Up Procedures**

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

- Gibbons & Kawash will provide the West Virginia Lottery with a list of emergency back-up auditors who live within a ten minute driving distance of the TV Studio.
- Each back-up auditor will have a cell phone. The drawing auditor will call the back-up auditor at the Studio no later than 6:10 p.m. to verify the drawing auditor's arrival at the studio.
- If the back-up auditor has not been contacted by the primary auditor by 6:10, the back-up auditor will go to the studio immediately.

## OUR UNDERSTANDING OF YOUR EXPECTATIONS AND REQUIREMENTS

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- If the drawing auditor has not arrived by 6:15 p.m. and the studio has not received a call from the back-up auditor, the drawing manager will be instructed to immediately call the back-up auditor's cell phone number and then the list of emergency back-up auditors in numerical order.
- Gibbons & Kawash will provide a coordinator. As such, they are responsible for scheduling and schedule revisions. Any changes to the Lottery work schedule will be forwarded to Lottery officials. In addition, they will contact the drawing and back-up auditors to verify their assignments.

### Corporate Information

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

Gibbons & Kawash, A.C.  
300 Chase Tower  
707 Virginia Street, East  
Charleston, WV 25301

FEIN: 55-0738985

#### Place of Incorporation and Organization

Charleston, West Virginia

### General Information

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

Gibbons & Kawash  
Charleston, WV

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

Timothy J. Gibbons  
300 Chase Tower  
707 Virginia St., East  
Charleston, WV 25301  
(304)345-8400 O  
(304)344-9500 H  
(304)545-7640 C

Robert R. Denyer  
300 Chase Tower  
707 Virginia St., East  
Charleston, WV 25301  
(304)345-8400 O  
(304)744-5147 H  
(304)543-1226 C

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

Gibbons & Kawash is properly licensed in the State of West Virginia for public practice as a certified public accounting firm.

## **OUR UNDERSTANDING OF YOUR EXPECTATIONS AND REQUIREMENTS**

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

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

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

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

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

## CLIENT SERVICE TEAM

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

The apparent successful Vendor shall also furnish proof of any additional licenses or certifications contained in the specifications prior to Contract award regardless of whether or not that requirement is listed above. See **Appendix D** for firm and individual licenses.

Our team to serve the West Virginia Lottery as Drawing Auditors will consist of:

### **Management and Supervision:**

Timothy J. Gibbons, CPA  
Robert R. Denyer, CPA  
Stephen E. Kawash, CPA  
Robert E. Adams, CPA  
Kelli J. Vance, CPA

### **Drawing Auditors:**

Lori Elliot, CPA  
Jonathan Link  
Kevin Forget  
Derek Watt  
Courtney Grove  
Jamie Williams  
Josh Harner  
Emily Watson

## QUOTATION SHEET

CRFQ 0705 LOT 1500000006

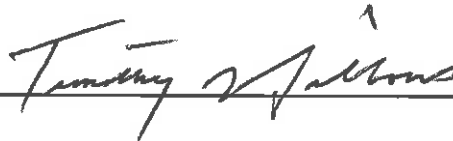
HOURLY RATE FOR ALL BILLABLE SERVICES:

\$ 92 per hour

Print firm name Gibbons & Kawash, A.C.

Print officer name Timothy J. Gibbons

Signature



Title Shareholder

Date March 17, 2015

This hourly rate will be the only compensation allowed under this contract; there will be no additional compensation for travel, report preparation and review of drawing procedures. Compensation for each nightly drawing and TRAVEL keno will be limited to 2 hours. Billings for all other drawings will be for actual time required to observe the drawing.

**Initial Contract Term:** This Contract becomes effective upon award and extends for a period of one year.

**Renewal Term:** This Contract may be renewed upon the mutual written consent of the Agency, and the Vendor, with approval of the Purchasing Division and the Attorney General's office (Attorney General approval is as to form only). Any request for renewal should be submitted to the Purchasing Division thirty (30) days prior to the expiration date of the initial contract term or appropriate renewal term. A Contract renewal shall be in accordance with the terms and conditions of the original contract. Renewal of this Contract is limited to three (3) successive one (1) year periods or multiple renewal periods of less than one year, provided that the multiple renewal periods do not exceed 36 months in total. Automatic renewal of this Contract is prohibited. Notwithstanding the foregoing, Purchasing Division approval is not required on agency delegated or exempt purchases. Attorney General approval may be required for vendor terms and conditions.

# APPENDIX A

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## REQUEST FOR QUOTATION





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

State of West Virginia  
 Request for Quotation

Proc Folder: 75219

Doc Description: ADDENDUM NO. 2 - NIGHTLY DRAWING AUDITOR

Proc Type: Central Master Agreement

Date Issued	Solicitation Closes	Solicitation No	Version
2015-03-04	2015-03-17 13:30:00	CRFQ 0705 LOT1500000006	3

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

Vendor Name, Address and Telephone Number:

Gibbons & Kawash, A.C.  
 300 Chase Tower  
 707 Virginia Street, East  
 Charleston, WV 25301  
 304-345-8400

FOR INFORMATION CONTACT THE BUYER

Evelyn Melton  
 (304) 558-7023  
 evelyn.p.melton@wv.gov

Signature X

FEIN # 55-0738985

DATE 3/11/15

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

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

Line	Comm Ln Desc	Qty	Unit Issue	Unit Price	Total Price
1	CPA AUDIT SERVICES	1.00000	HOUR	\$92 per hour	

Comm Code	Manufacturer	Specification	Model #
84111600			

**Extended Description :**

AUDITING SERVICES BY AN INDEPENDENT CPA FIRM TO WITNESS PUBLIC DRAWINGS, VERIFY DISPOSAL OF INSTANT TICKETS, AND AUDIT TRAVEL KENO DRAWINGS PER ATTACHED SPECIFICATIONS. CONTRACT TO COMMENCE ON 7/1/2015.

**ADDENDUM NO. 2 IS ISSUED:**

- TO PROVIDE CLARIFICATION TO THE ANSWER OF QUESTION NO. 3 THAT IS ISSUED FOR ADDENDUM NO. 1
- TO PROVIDE ADDENDUM ACKNOWLEDGMENT.

--- END OF ADDENDUM NO. 2 ---

**ADDENDUM NO. 1 ISSUED:**

- TO PROVIDE RESPONSES TO VENDORS' QUESTIONS REGARDING THE ABOVE SOLICITATION.
- TO PROVIDE ADDENDUM ACKNOWLEDGMENT

--- END OF ADDENDUM NO. 1 ---

LOT1500000006	<b>Document Phase</b> Final	<b>Document Description</b> ADDENDUM NO. 2 - NIGHTLY DRAWI NG AUDITOR	<b>Page 3</b> of 3
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**ADDITIONAL TERMS AND CONDITIONS**

See attached document(s) for additional Terms and Conditions

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**SPECIFICATIONS**

1. **PURPOSE AND SCOPE:** The West Virginia Purchasing Division is soliciting bids on behalf of the West Virginia Lottery to establish a contract for an independent certified public accounting firm: *a.)* to witness televised public drawings which determine winning numbers for the West Virginia Lottery's on-line lottery games on a daily basis, with the exception of the TRAVEL keno game; *b.)* to audit the results of the TRAVEL keno [random number generator] drawings on a monthly basis; and *c.)* to witness special drawings as they may occur for promotional activities.
  
2. **DEFINITIONS:** The terms listed below shall have the meanings assigned to them below. Additional definitions can be found in section 2 of the General Terms and Conditions.
  - 2.1 "Contract Services" means auditing services detailed herein.
  
  - 2.2 "Pricing Section" means the pages upon which Vendor should list its proposed price for the Contract Services
  
  - 2.3 "RFQ" means the official request for quotation published by the Purchasing Division and identified as CRFQ\_LOT150000006.
  
3. **QUALIFICATIONS:** Vendor shall have the following minimum qualifications:
  - 3.1. Certified Public Accountant licensed in the State of West Virginia
  
  - 3.2. Individuals providing drawing audit services must be employees of the accounting firm and must either be a certified public accountant with an active permit to practice, or be under the direct supervision of a certified public accountant with an active permit to practice.
  
  - 3.3. The West Virginia Lottery reserves the right to approve all individuals assigned to this project. Individuals may be required to submit to a criminal background check prior to being approved to provide these services.
  
4. **MANDATORY REQUIREMENTS:**
  - 4.1 **Mandatory Contract Services Requirements and Deliverables:** Contract Services must meet or exceed the mandatory requirements listed below.

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

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

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

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

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

**4.1.5** Audit results of *TRAVEL* keno drawings monthly on a sample basis.

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

**4.2 Time Requirements of Lottery Drawing Auditor**

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

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

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

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

4.4 **PROCEDURAL RULES FOR WEST VIRGINIA LOTTERY DRAWINGS.** To aid each potential vendor's understanding of the requirements of all parties participating in lottery drawing events, a copy of the *West Virginia Lottery Drawing Rules* is attached (Attachment I). By law, these rules are **confidential** and not subject to discovery under the West Virginia Freedom of Information Act. Each receiving accounting firm is instructed not to copy or share these *West Virginia Lottery Drawing Rules* with anyone outside the firm. Once the contract has been awarded for this Request For Quotation, each receiving accounting firm is instructed to destroy all sets of the *West Virginia Lottery Drawing Rules* in the firm's possession.

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

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

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

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

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

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**5 CONTRACT AWARD:**

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

**5.2 Pricing Section:** Vendor should complete the Pricing Section by quoting one hourly rate for all services performed under this contract. This hourly rate will be the only compensation allowed under this contract; there will be no additional compensation for travel, report preparation and review of drawing procedures.

**5.2.1 Nightly Drawings:** The quoted hourly rate is applied to the hours of service during the nightly drawing events and does not increase if the firm chooses to assign more than one accountant to the task. For example, Firm X, with the approval of the Lottery, decides to assign Mr. Y and Ms. Z to audit a nightly drawing show; if the quoted rate is \$100 per hour, the firm's billing will be \$100 times two hours, or \$200, not \$100 times two hours, times two people, or \$400. Compensation for each nightly drawing event will be limited to the stated rate times two (2) hours.

**5.2.2 TRAVEL keno:** Billings for auditing the results of the TRAVEL keno computer-generated drawings on a monthly basis will be the quoted hourly rate times one person required to observe the drawing, not to exceed two (2) hours, which includes travel time and report preparation.

**5.2.3 Special Drawings:** Billings for special drawings will be for actual time required to observe the drawing. Vendor should complete the Pricing Page in full as failure to complete the Pricing Page in its entirety may result in Vendor's bid being disqualified.

**5.2.4 Notwithstanding the foregoing,** the Purchasing Division may correct errors as it deems appropriate. Vendor should type or electronically enter the information into the Pricing Page to prevent errors in the evaluation.

**6 PERFORMANCE:** Vendor and Agency shall agree upon a schedule for performance of Contract Services and Contract Services Deliverables, unless such a schedule is already included herein by Agency. In the event that this Contract is designated as an open-end contract, Vendor shall perform in accordance with the release orders that may be issued against this Contract.

- 
- 7 **PAYMENT:** Agency shall pay an hourly rate, as shown on the Pricing Section, for all Contract Services performed and accepted under this Contract. Vendor shall accept payment in accordance with the payment procedures of the State of West Virginia.
- 8 **TRAVEL:** Vendor shall be responsible for all mileage and travel costs, including travel time, associated with performance of this Contract. Any anticipated mileage or travel costs may be included in the flat fee or hourly rate listed on Vendor's bid, but such costs will not be paid by the Agency separately.
- 9 **FACILITIES ACCESS:** Performance of Contract Services may require access cards and/or keys to gain entrance to Agency's facilities. In the event that access cards and/or keys are required:
- 9.4 Vendor must identify principal service personnel which will be issued access cards and/or keys to perform service.
  - 9.5 Vendor will be responsible for controlling cards and keys and will pay replacement fee, if the cards or keys become lost or stolen.
  - 9.6 Vendor shall notify Agency immediately of any lost, stolen, or missing card or key.
  - 9.7 Anyone performing under this Contract will be subject to Agency's security protocol and procedures.
  - 9.8 Vendor shall inform all staff of Agency's security protocol and procedures.
- 10 **VENDOR DEFAULT:**
- 10.4 The following shall be considered a vendor default under this Contract.
    - 10.4.1 Failure to perform Contract Services in accordance with the requirements contained herein.
    - 10.4.2 Failure to comply with other specifications and requirements contained herein.
    - 10.4.3 Failure to comply with any laws, rules, and ordinances applicable to the Contract Services provided under this Contract.



REQUEST FOR QUOTATION  
CRFQ\_LOT1500000006 - Audit Services

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**10.4.4 Failure to remedy deficient performance upon request.**

**10.5 The following remedies shall be available to Agency upon default.**

**10.5.1 Cancellation of the Contract.**

**10.5.2 Cancellation of one or more release orders issued under this Contract.**

**10.5.3 Any other remedies available in law or equity.**

**11 MISCELLANEOUS:**

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

**Contract Manager:** Timothy J. Gibbons

**Vendor's Address:** 707 Virginia St. E. Ste. 300  
Charleston, WV 25301

**Telephone Number:** 304-345-8400

**Fax Number:** 304-345-8451

**Email Address:** tgibbons@gandkcpas.com

**CERTIFICATION AND SIGNATURE PAGE**

By signing below, or submitting documentation through wvOASIS, I certify that I have reviewed this Solicitation in its entirety; understand the requirements, terms and conditions, and other information contained herein; that I am submitting this bid, offer or proposal for review and consideration; that I am authorized by the vendor to execute and submit this bid, offer, or proposal, or any documents related thereto on vendor's behalf; that I am authorized to bind the vendor in a contractual relationship; and that to the best of my knowledge, the vendor has properly registered with any State agency that may require registration.

Gibbons & Kawash, A.C.

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



Timothy J. Gibbons, Director

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

304-345-8400/304-345-8451

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

## **APPENDIX B**

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### **DIRECTOR, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE**

## APPENDIX B



Timothy J. Gibbons, CPA/ABV, CVA, CFF

**DIRECTOR**

304-345-8400 ph  
304-345-8451 fax  
tgibbons@gandkcpas.com

### **Engagement Responsibilities**

Tim will be the primary decision-maker on this engagement. He has the ultimate responsibility for the planning and execution of the engagement. Specifically,

Tim will be responsible for scheduling all Drawing Auditors and insuring that they are properly trained and supervised. In addition, he will be responsible for all communication to management regarding this engagement and will be available to serve as a drawing auditor.

### **Experience**

Tim has over 30 years of professional experience. He has been responsible for review of accounting systems, review and evaluation of internal controls and consulting with clients on various management issues. He has supervised and managed audits of many large governmental entities, colleges and universities and other nonprofit organizations. His clients include the following:

- West Virginia Lottery
- West Virginia Economic Development Authority
- West Virginia Department of Transportation - Division of Highways
- West Virginia Water Development Authority
- West Virginia State Rail Authority
- West Virginia Regional Jail and Correctional Facility Authority
- School Building Authority of West Virginia
- City of Charleston
- Kanawha Valley Regional Transportation Authority
- Private Industry Council of West Virginia, Inc.
- The University of Charleston, Inc.
- West Virginia Wesleyan College
- Appalachian Bible College
- Tech Foundation, Inc.

### **Professional Activities**

Tim is a member of the American Institute of Certified Public Accountants, the West Virginia Society of Certified Public Accountants, the Charleston Chapter of the West Virginia Society of CPAs (Past President), and the National Association of Certified Valuation Analysts.

Tim is a member and past president of the Charleston Rotary Club and has served on the boards of the Charleston Regional Chamber of Commerce, West Virginia Symphony, Berry Hills Country Club, United Way of Kanawha Valley, and the Boy Scouts of America--Buckskin Council. He has served as chairman of the Boy Scout Leadership Gifts Dinner and is past chairman of the finance committee of Sacred Heart Co-Cathedral.

### **Education**

Tim graduated from Xavier University with a Bachelor of Science degree in business administration and from West Virginia College of Graduate Studies with a master's degree in business administration.

### **Continuing Professional Education**

Tim is in compliance with all applicable CPE requirements.

## APPENDIX B



Robert R. Denyer, CPA

**DIRECTOR**

304-345-8400 ph  
304-345-8451 fax  
rdenyer@gandkcpas.com

### **Experience**

Bob has over 30 years of professional experience in providing audit, tax, and consulting services to public sector entities, including state agencies, local governments and nonprofit organizations.

His in-depth industry knowledge includes such areas as governmental financial reporting, federal grant compliance, indirect cost reimbursement and internal control and operational matters. Many of Bob's clients have extensive investment portfolios and he has significant experience auditing these investment arrangements. Bob's government financial reporting expertise has been

demonstrated by his involvement with numerous successful submissions to the Government Finance Officers Association under the Certificate of Achievement for Excellence in Financial Reporting Program. His service to public sector entities includes the following:

- City of Charleston, West Virginia
- Kanawha County, West Virginia
- Kanawha Valley Regional Transportation Authority
- Marion County, West Virginia
- School Building Authority of West Virginia
- West Virginia Bureau of Employment Programs (in connection with KPMG)
- West Virginia Consolidated Public Retirement Board
- West Virginia Department of Transportation
- West Virginia Drinking Water Treatment Revolving Loan Fund
- West Virginia Economic Development Authority
- West Virginia Educational Broadcasting Authority
- West Virginia Housing Development Fund
- West Virginia Infrastructure and Jobs Development Council
- **West Virginia Lottery**
- West Virginia Parkways, Economic Development and Tourism Authority
- West Virginia Regional Jail and Correctional Facility Authority
- West Virginia Racing Commission
- West Virginia Solid Waste Management Board
- West Virginia State Rail Authority
- West Virginia Water Development Authority
- West Virginia Water Pollution Control Revolving Fund

### **Professional Activities**

Bob is a member of the American Institute of Certified Public Accountants, West Virginia Society of Certified Public Accountants, and the Charleston Chapter of the West Virginia Society of CPAs.

Bob is a board member and past president of the South Charleston Rotary Club and a member of the South Charleston Chamber of Commerce.

### **Education**

Bob graduated from West Virginia University with a Bachelor of Science degree in business administration.

### **Continuing Professional Education**

Bob is in compliance with all applicable CPE requirements.

## APPENDIX B

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Stephen E. Kawash, CPA

**DIRECTOR**

304-345-8400 ph  
304-345-8451 fax  
skawash@gandkcpas.com

### *Experience*

Steve has over 30 years of professional experience. He co-founded Gibbons & Kawash in 1992 after spending 15 years with local and national firms. Steve has extensive experience with all aspects of tax planning and compliance, with an emphasis on serving privately-owned businesses and their owners. Steve's specialized areas of practice include business valuation; sale, merger, and acquisition planning; succession planning; and estate and gift tax planning.

### *Professional Activities*

Steve is a member of the American Institute of CPAs, and the West Virginia Society of CPAs. Steve serves on the board of the Clay Center for the Arts and Sciences, is past president and Board member of the Charleston Exchange Club, Treasurer of Edgewood Country Club, Treasurer of MATRIC, and Board Member of the Kanawha County Soccer Foundation.

### *Education*

Steve graduated from Morris Harvey College with a Bachelor's degree in business administration, and obtained an MBA from the West Virginia College of Graduate Studies.

### *Continuing Professional Education*

Steve is in compliance with all applicable CPE requirements.

## APPENDIX B



Robert E. Adams, CPA, CGMA

**DIRECTOR**

304-345-8400 ph  
304-345-8451 fax  
radams@gandkcpas.com

### ***Experience***

Rob's professional experience during the past 18 years has included significant responsibilities providing audit, tax, and consulting services to numerous public sector entities. Rob has supervised and

managed audits of several large state governmental entities, local governments, and nonprofit organizations. Bob's government financial reporting expertise has been demonstrated by his involvement with numerous successful submissions to the Government Finance Officers Association under the Certificate of Achievement

for Excellence in Financial Reporting Program. His service to governmental and nonprofit organizations includes the following:

- Charleston Urban Renewal Authority
- City of Charleston, West Virginia
- Kanawha County, West Virginia
- Kanawha County Parks and Recreation Commission
- Kanawha Valley Regional Transportation Authority
- Metro Emergency Operations Center of Kanawha County
- Region VII Planning and Development Council
- Tobacco Settlement Finance Authority of West Virginia
- West Virginia Department of Transportation - Division of Highways
- West Virginia Department of Transportation
- West Virginia Board of Treasury Investments
- West Virginia Drinking Water Treatment Revolving Loan Fund
- West Virginia Economic Development Authority
- West Virginia Educational Broadcasting Authority
- West Virginia Independent Colleges and Universities
- West Virginia Infrastructure and Jobs Development Council
- West Virginia Jobs Investment Trust
- **West Virginia Lottery**
- West Virginia Regional Jail and Correctional Facility Authority
- West Virginia Solid Waste Management Board
- West Virginia State Rail Authority
- West Virginia Water Development Authority
- West Virginia Water Pollution Control Revolving Fund

### ***Professional Activities***

Rob is a member of the American Institute of Certified Public Accountants, the West Virginia Society of Certified Public Accountants, and the Charleston Chapter of the West Virginia Society of CPAs. Rob is the Firm's Director assigned to the Government Audit Quality Center, and is a board member of West Virginia Kids Count.

### ***Education***

Rob graduated from the West Virginia Wesleyan College with a Bachelor of Science degree in business administration.

### ***Continuing Professional Education***

Rob is in compliance with all applicable CPE requirements.

## APPENDIX B

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Kelli J. Vance, CPA

**DIRECTOR**  
304-345-8400 ph  
304-345-8451 fax  
kvance@gandkcpas.com

### *Experience*

Kelli has 15 years of experience in providing accounting, tax, and consulting services to individuals and businesses. She specializes in income tax preparation and planning for individuals, corporations, partnerships, and trusts as well as financial statement services. She also consults with clients regarding accounting software applications. She has extensive experience in dealing with interrelated business entities and individuals, including a family-owned group of seventeen interrelated retail, wholesale, and real estate companies. Kelli also holds the Personal financial Specialist credential through the American Institute of CPAs.

### *Professional Activities*

Kelli is a member of the American Institute of CPAs, the West Virginia Society of CPAs, and serves as the board treasurer of the Charleston Chapter of the West Virginia Society of CPAs. Kelli is also a member of the Charleston Estate Planning Council.

### *Education*

Kelli graduated from Marshall University with a Bachelor of Science degree in business administration with a concentration in accounting.

### *Continuing Professional Education*

Kelli is in compliance with all applicable CPE requirements.



## APPENDIX B



Lori Elliott, CPA

**ASSOCIATE**

304-345-8400 ph  
304-345-8451 fax  
lelliott@gandkcpas.com

### ***Experience***

Lori has 4 years of professional experience as a management team member of a State of West Virginia institution of higher education, 5 years of experience in providing compliance audits for the State of West Virginia Legislative Auditor's Office, and 1 year of experience providing audit and consulting services to non-profit organizations and local and state governmental agencies. Her service to public sector entities includes the following:

- City of Charleston, West Virginia
- Kanawha County, West Virginia
- West Virginia Consolidated Public Retirement Board
- West Virginia Solid Waste Management Board
- West Virginia Tobacco Settlement Finance Authority

### ***Professional Activities***

Lori is a member of the American Institute of Certified Public Accountants, the West Virginia Society of CPAs, and the Charleston Chapter of the West Virginia Society of CPAs.

### ***Education***

Lori graduated from West Virginia State University with a Bachelor of Science degree in business administration with a concentration in accounting.

### ***Continuing Professional Education***

Lori is in compliance with all applicable CPE requirements.

## APPENDIX B

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**Jonathan Link**

**IT Consultant**  
304-345-8400 ph  
304-345-8451 fax  
jlink@gandkcpas.com

### ***Experience***

Jonathan has 9 years of professional experience providing audit and tax, services. His clients as a professional staff member include the following:

- **Jefferds Corporation**
- **Pray Construction Company**
- **West Virginia Lottery**
- **West Virginia Parkways, Economic Development and Tourism Authority**
- **West Virginia Regional Jail & Correctional Facility Authority**
- **West Virginia State Bar**

### ***Education***

Jonathan graduated from Marshall University with a bachelor's degree in accounting.

## APPENDIX B

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Kevin Forget

**SENIOR**

304-345-8400 ph  
304-345-8451 fax  
kforget@gandkcpas.com

### ***Experience***

Kevin has 7 years of experience in providing accounting, tax, and consulting services to individuals and businesses. He specializes in income tax preparation and planning for individuals, corporations, partnerships, and trusts as well as financial statement services. He also consults with clients regarding accounting software applications.

### ***Professional Activities***

Kevin is Treasurer of the Kanawha-Charleston Soccer Foundation and former Board Member of the Charleston Young Professional Kiwanis.

### ***Education***

Kevin graduated from Marshall University with a Bachelor of Science degree in business administration with a concentration in accounting.

### ***Continuing Professional Education***

Kevin is in compliance with all applicable CPE requirements.

## APPENDIX B

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Derek Watt

**SENIOR**

304-345-8400 ph  
304-345-8451 fax  
dwatt@gandkcpas.com

***Experience***

Derek has 4 years of professional experience providing audit, tax, and consulting services. Derek will be available to serve as a drawing auditor on this engagement.

***Education***

Derek graduated from West Virginia University with a Bachelor of Science degree in accounting and a master's of professional accountancy.

***Continuing Professional Education***

Derek is in compliance with all applicable CPE requirements.

## APPENDIX B



Courtney Grove

**SENIOR**

304-345-8400 ph  
304-345-8451 fax  
cgrove@gandkcpas.com

### ***Experience***

Courtney has two years of experience providing audit, tax, and consulting services to numerous nonprofit organizations, including foundations, healthcare and various religious organizations. Her professional and

supervisory service to government and nonprofit organizations includes the following:

- Eastridge Health Systems, Inc.
- Harrison County Young Men's Christian Association, Inc.
- Logan-Mingo Area Mental Health, Inc.
- Nicholas Community Action Partnership
- Region VII Planning and Development Council
- Seneca Health Services, Inc.
- Valley HealthCare System
- Various Catholic Schools and Parishes within the Diocese of Wheeling-Charleston
- West Virginia Consolidated Public Retirement Board
- Young Men's Christian Association of Kanawha Valley, Inc.

### ***Professional Activities***

Courtney is a member of the West Virginia Society of CPAs, and the Charleston Young Professional Kiwanis Club.

### ***Education***

Courtney graduated from Kent State University with a Bachelor's degree in Business Administration and received a Master of Science in Accountancy from Marshall University.

### ***Continuing Professional Education***

Courtney is in compliance with all applicable CPE requirements.

## APPENDIX B



**Jamie Williams**

**ASSOCIATE**  
304-345-8400 ph  
304-345-8451 fax  
jwilliams@gandkcpas.com

### ***Experience***

Jamie has 2 years of professional experience providing audit, tax, and consulting services to several non-profit organizations, local and state governmental agencies, retirement plans, and privately

held businesses. Her service to public sector entities, as well as some for-profit/nonpublic companies includes the following:

- Charleston Area Alliance
- Cith of Charleston, West Virginia
- EastRidge Health Systems
- Kanawha County, West Virginia
- Kanawha Valley Regional Transportation Authority
- Seneca Health Services
- Valley Healthcare System
- West Virginia Consolidated Public Retirement Board
- West Virginia Housing Development Fund
- West Virginia Solid Waste Management Board
- West Virginia Board of Treasury Investments

### ***Professional Activities***

Jamie is a member of the Charleston Alumni Chapter of Alpha Chi Omega.

### ***Education***

Jamie graduated from Marshall University with a Bachelor of Business Administration degree in Accounting.

### ***Continuing Professional Education***

Jamie is in compliance with all applicable CPE requirements.

## APPENDIX B

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**Josh Harner**

**ASSOCIATE**

304-345-8400 ph  
304-345-8451 fax  
jharner@gandkcpas.com

### ***Experience***

Josh has 1 year of professional experience providing audit, tax, and consulting services to several non-profit organizations, local and state governmental agencies, retirement plans, and privately held businesses. His

service to public sector entities, as well as some for-profit/nonpublic companies includes the following:

- Charleston Area Alliance
- City of Charleston, West Virginia
- Kanawha County, West Virginia
- West Virginia Consolidated Public Retirement Board

### ***Education***

Josh graduated from Tennessee Temple University in Chattanooga, TN with a Bachelor of Science degree in Business Management and received a Master of Arts degree in Accounting from Liberty University.

### ***Continuing Professional Education***

Josh is in compliance with all applicable CPE requirements.

## APPENDIX B

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Emily Watson

**ASSOCIATE**  
304-345-8400 ph  
304-345-8451 fax  
ewatson@gandkcpas.com

### ***Experience***

Emily has 4 years of experience providing accounting, tax, and consulting services to a variety of not-for-profit organizations and closely held businesses. She has experience in financial reporting while offering ongoing support with bookkeeping, payroll, and tax return preparation.

### ***Education***

Emily graduated from Marshall University with a Bachelor of Business Administration in Accounting and a Bachelor of Business Administration in Finance.

### ***Continuing Professional Education***

Emily is in compliance with all applicable CPE requirements.



# APPENDIX C

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## EXTERNAL PEER REVIEW REPORT



Rea & associates *a brighter way*

## System Review Report

July 10, 2012

To the Partners of Gibbons & Kawash, A.C.  
and the AICPA National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Gibbons & Kawash, A.C. (the firm) in effect for the year ended February 29, 2012. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary).

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

In our opinion, the system of quality control for the accounting and auditing practice of Gibbons & Kawash, A.C., in effect for the year ended February 29, 2012, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Gibbons & Kawash, A.C. has received a peer review rating of *pass*.

*Rea & Associates, Inc.*

## **APPENDIX D**

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### **CPA LICENSE FOR FIRM AND INDIVIDUAL CPA'S**

# APPENDIX D




State of West Virginia  
West Virginia Board of Accountancy  
106 Capitol Street, Suite 100  
Charleston, WV 25301  
(304) 558-3557

*The entity listed below was issued a  
**FIRM PERMIT**  
for the period beginning  
July 1, 2014 through June 30, 2015*

**F0152A  
GIBBONS & KAWASH CPAS  
707 VIRGINIA ST E STE 300  
CHARLESTON WV 25301-2710**

  
Board President

  
Executive Director




State of West Virginia  
West Virginia Board of Accountancy  
106 Capitol Street, Suite 100  
Charleston, WV 25301  
(304) 558-3557

*The person indicated below is  
licensed as a  
**Certified Public Accountant**  
for the period beginning  
July 1, 2014 through June 30, 2015*

**TIMOTHY J. GIBBONS  
GIBBONS & KAWASH CPAS  
707 VIRGINIA ST E STE 300  
CHARLESTON WV 25301-2710**

  
Board President

  
Executive Director

# APPENDIX D



State of West Virginia  
West Virginia Board of Accountancy  
106 Capitol Street, Suite 100  
Charleston, WV 25301  
(304) 558-3557

*The person indicated below is  
licensed as a  
Certified Public Accountant  
for the period beginning  
July 1, 2014 through June 30, 2015*

WV001290  
ROBERT R. DENYER  
GIBBONS & KAWASH CPAS  
707 VIRGINIA ST E STE 300  
CHARLESTON WV 25301-2710

  
Board President

  
Executive Director



State of West Virginia  
West Virginia Board of Accountancy  
106 Capitol Street, Suite 100  
Charleston, WV 25301  
(304) 558-3557

*The person indicated below is  
licensed as a  
Certified Public Accountant  
for the period beginning  
July 1, 2014 through June 30, 2015*

  
STEPHEN E KAWASH  
GIBBONS & KAWASH CPAS  
707 VIRGINIA ST E STE 300  
CHARLESTON WV 25301-2710

  
Board President

  
Executive Director

# APPENDIX D




State of West Virginia  
West Virginia Board of Accountancy  
106 Capitol Street, Suite 100  
Charleston, WV 25301  
(304) 558-3557

*The person indicated below is  
licensed as a  
Certified Public Accountant  
for the period beginning  
July 1, 2014 through June 30, 2015*

WV004405  
ROBERT E ADAMS  
GIBBONS & KAWASH CPAS  
707 VIRGINIA ST E STE 300  
CHARLESTON WV 25301-2710

  
Board President

  
Executive Director




State of West Virginia  
West Virginia Board of Accountancy  
106 Capitol Street, Suite 100  
Charleston, WV 25301  
(304) 558-3557

*The person indicated below is  
licensed as a  
Certified Public Accountant  
for the period beginning  
July 1, 2014 through June 30, 2015*


  
**KELLI JANE VANCE**  


  
Board President

  
Executive Director


# APPENDIX D

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 West Virginia Board of Accountancy  
106 Capitol Street, Suite 100  
Charleston, WV 25301-2610  
(304) 558-3557

*The person indicated below is  
licensed as a*  
**Certified Public Accountant**  
*for the period beginning  
July 1, 2014 through June 30, 2015*

**LORI BETH ELLIOTT**

  
\_\_\_\_\_  
Board President

  
\_\_\_\_\_  
Executive Director

# APPENDIX E

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## PURCHASING AFFIDAVIT



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

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

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

**DEFINITIONS:**

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

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

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

**AFFIRMATION:** By signing this form, the vendor's authorized signer affirms and acknowledges under penalty of law for false swearing (W. Va. Code §61-5-3) that neither vendor nor any related party owe a debt as defined above and that neither vendor nor any related party are in employer default as defined above, unless the debt or employer default is permitted under the exception above.

**WITNESS THE FOLLOWING SIGNATURE:**

Vendor's Name: Gibbons & Kawash, A.C.

Authorized Signature: *Trinity Johnson* Date: 3/11/15

State of WV

County of Kanawha, to-wit:

Taken, subscribed, and sworn to before me this 11 day of March, 2015.

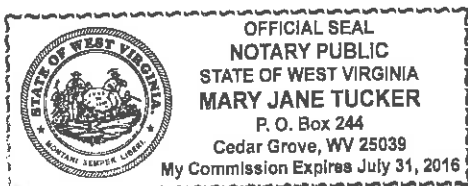
My Commission expires July 31, 2016

**AFFIX SEAL HERE**

**NOTARY PUBLIC**

*Mary Jane Tucker*

*Purchasing Affidavit (Revised 07/01/2012)*



# APPENDIX F

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## VENDOR PREFERENCE CERTIFICATE

## State of West Virginia

# VENDOR PREFERENCE CERTIFICATE

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

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

- Bidder is an individual resident vendor and has resided continuously in West Virginia for four (4) years immediately preceding the date of this certification; or,
- Bidder is a partnership, association or corporation resident vendor and has maintained its headquarters or principal place of business continuously in West Virginia for four (4) years immediately preceding the date of this certification; 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% vendor preference for the reason checked:**

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

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

- Bidder is a nonresident vendor 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% vendor preference for the reason checked:**

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

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

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

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

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

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

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

Bidder understands if the Secretary of Revenue determines that a Bidder receiving preference has failed to continue to meet the requirements for such preference, the Secretary may order the Director of Purchasing to: (a) 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: Gibbons & Kawash, A.C.

Signed: *Timothy J. Johnson*

Date: 3/11/15

Title: Director

## **APPENDIX G**

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### **ADDENDUM ACKNOWLEDGEMENT**

ADDENDUM ACKNOWLEDGEMENT FORM  
SOLICITATION NO.: CRFQ\_LOT150000006

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

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

Addendum Numbers Received:  
(Check the box next to each addendum received)

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

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

Gibbons & Kawash, A.C.

Company \_\_\_\_\_

*Jonathan J. Sullivan*  
Authorized Signature \_\_\_\_\_

3/11/15  
Date \_\_\_\_\_

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