



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

RFQ COPY
 TYPE NAME/ADDRESS HERE

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
10/23/2008				

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

LINE	QUANTITY	UOP	CAT NO	ITEM NUMBER	UNIT PRICE	AMOUNT
0001	1	LS		962-47		
----- 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 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	TELEPHONE	DATE
TITLE	FEIN	ADDRESS CHANGES TO BE NOTED ABOVE

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

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



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

VENDOR

RFQ COPY
 TYPE NAME/ADDRESS HERE

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>..... SIGNATURE</p> <p>..... COMPANY</p> <p>..... DATE</p> <p>REV. 11/96</p> <p>----- END OF ADDENDUM NO. 2 -----</p>						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE	TELEPHONE	DATE
TITLE	FEIN	ADDRESS CHANGES TO BE NOTED ABOVE

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

LOT447

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.