



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
LOT448

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
12/23/2008				

BID OPENING DATE: 01/29/2009 BID OPENING TIME 01:30PM

LINE	QUANTITY	UOP	CAT. NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
<p>THE WV PURCHASING DIVISION, FOR THE AGENCY, THE WV LOTTERY, IS SOLICITING BIDS TO PROVIDE AUDITING SERVICES IN ACCORDANCE WITH SAS 70 REQUIREMENTS PER THE ATTACHED SPECIFICATIONS.</p> <p>TECHNICAL QUESTIONS MUST BE SUBMITTED IN WRITING TO SHELLY MURRAY IN THE WV PURCHASING DIVISION VIA MAIL AT THE ADDRESS SHOWN AT THE TOP OF THIS RFQ, VIA FAX AT 304-558-4115, OR VIA EMAIL AT SHELLY.L.MURRAY@WV.GO DEADLINE FOR ALL TECHNICAL QUESTIONS IS 01/13/2008 AT THE CLOSE OF BUSINESS. ALL TECHNICAL QUESTIONS RECEIVED, IF ANY, WILL BE ANSWERED BY ADDENDUM AFTER THE DEADLINE.</p> <p>QUESTIONS CONCERNING THE ACTUAL PROCESS BY WHICH A VENDOR MAY SUBMIT A BID TO THE STATE OF WV ARE NOT CONSIDERED TO BE TECHNICAL QUESTIONS AND MAY BE SUBMITTED AT ANY TIME PRIOR TO THE RFQ OPENING DATE AND IN ANY FORMAT.</p>						
0001	1	LS		946-20		
<p>AUDITING SERVICES</p> <p>EXHIBIT 3</p> <p>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</p>						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

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

**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



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<p>ORIGINAL CONTRACT. THE "REASONABLE TIME" PERIOD SHALL NOT EXCEED TWELVE (12) MONTHS. DURING THIS "REASONABLE TIME" THE VENDOR MAY TERMINATE THIS CONTRACT FOR ANY REASON UPON GIVING THE DIRECTOR OF PURCHASING 30 DAYS WRITTEN NOTICE.</p> <p>UNLESS SPECIFIC PROVISIONS ARE STIPULATED ELSEWHERE IN THIS CONTRACT DOCUMENT, THE TERMS, CONDITIONS AND PRICING SET HEREIN ARE FIRM FOR THE LIFE OF THE CONTRACT.</p> <p>RENEWAL: THIS CONTRACT MAY BE RENEWED UPON THE MUTUAL WRITTEN CONSENT OF THE SPENDING UNIT AND VENDOR, SUBMITTED TO THE DIRECTOR OF PURCHASING THIRTY (30) DAYS PRIOR TO THE EXPIRATION DATE. SUCH RENEWAL SHALL BE IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE ORIGINAL CONTRACT AND SHALL BE LIMITED TO TWO (2) ONE (1) YEAR PERIODS.</p> <p>CANCELLATION: THE DIRECTOR OF PURCHASING RESERVES THE RIGHT TO CANCEL THIS CONTRACT IMMEDIATELY UPON WRITTEN NOTICE TO THE VENDOR IF THE COMMODITIES AND/OR SERVICES SUPPLIED ARE OF AN INFERIOR QUALITY OR DO NOT CONFORM TO THE SPECIFICATIONS OF THE BID AND CONTRACT HEREIN.</p> <p>OPEN MARKET CLAUSE: THE DIRECTOR OF PURCHASING MAY AUTHORIZE A SPENDING UNIT TO PURCHASE ON THE OPEN MARKET, WITHOUT THE FILING OF A REQUISITION OR COST ESTIMATE, ITEMS SPECIFIED ON THIS CONTRACT FOR IMMEDIATE DELIVERY IN EMERGENCIES DUE TO UNFORESEEN CAUSES (INCLUDING BUT NOT LIMITED TO DELAYS IN TRANSPORTATION OR AN UNANTICIPATED INCREASE IN THE VOLUME OF WORK.)</p> <p>BANKRUPTCY: IN THE EVENT THE VENDOR/CONTRACTOR FILES FOR BANKRUPTCY PROTECTION, THIS CONTRACT IS AUTOMATICALLY TERMINATED.</p>						

SIGNATURE			TELEPHONE		DATE
TITLE		FEIN		ADDRESS CHANGES TO BE NOTED ABOVE	

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<p>CALLY 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>NOTICE</p> <p>A SIGNED BID MUST BE SUBMITTED TO:</p> <p>DEPARTMENT OF ADMINISTRATION PURCHASING DIVISION BUILDING 15 2019 WASHINGTON STREET, EAST CHARLESTON, WV 25305-0130</p> <p>THE BID SHOULD CONTAIN THIS INFORMATION ON THE FACE OF THE ENVELOPE OR THE BID MAY NOT BE CONSIDERED:</p> <p>SEALED BID</p> <p>BUYER: SHELLY MURRAY / FILE 31</p> <p>RFQ. NO.: LOT448</p> <p>BID OPENING DATE: 01/29/2009</p> <p>BID OPENING TIME: 1:30 PM</p>						

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PLEASE PROVIDE A FAX NUMBER IN CASE IT IS NECESSARY TO CONTACT YOU REGARDING YOUR BID: ----- CONTACT PERSON (PLEASE PRINT CLEARLY): ----- ***** THIS IS THE END OF RFQ LOT448 ***** TOTAL: _____						

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WEST VIRGINIA LOTTERY

STATEMENT ON AUDITING STANDARDS NO. 70 (SAS 70)

REVIEW OF SCIENTIFIC GAMES CORPORATION

REQUEST FOR QUOTATION

LOT448

WEST VIRGINIA LOTTERY

312 MACCORKLE AVE. S.E.

P O BOX 2067

CHARLESTON, WV 25327

WEST VIRGINIA LOTTERY

1.0 THE WEST VIRGINIA LOTTERY AND SCIENTIFIC GAMES CORP.

1.1 The West Virginia Lottery

The West Virginia Lottery (Lottery) was created and organized in April 1985 to generate revenue to benefit the citizens of the state. Through the years, the mission has evolved to include the specific funding of programs benefiting education, senior citizens, tourism, and other programs as the Legislature may determine. To meet this requirement to generate revenues, the Lottery began selling instant game tickets on January 9, 1986, and began selling on-line game tickets on November 25, 1986.

The Lottery contracted with Scientific Games Corporation of Alpharetta, Georgia, (Scientific Games) for the Instant and On-line Gaming System on July 2, 2000. The primary functions of the Instant and On-line Gaming System are as follows:

Transaction processing of Instant and On-line Products:

- Powerball (Multi-state Lottery (MUSL) product)
- Hot Lotto (started 4/7/02) (MUSL product)
- Daily 3
- Daily 4
- Cash 25
- Travel Keno

Transactions for each product offered:

- Sales
- Validations
- Terminal Reports
- Instant Ticket Validation
- Retrieval of report data
- Instant Product Inventory movement
- ICS processing

WEST VIRGINIA LOTTERY

- Billing functions

Scientific Games utilizes the master link gaming system to process and track the following Lottery products: Instant (Scratch Tickets) and On-line. Scientific Games uses a Windows NT based operating system to support their LAN/WAN network infrastructure.

Scientific Games operates six IBM RS 6000 H50's using AIX 4.33 to support the Instant and On-line products. These systems are configured in a redundant fault tolerant configuration. Three of the systems reside in Charleston (Scientific Games' primary data center) and three of the systems reside in White Hall (Scientific Games' backup data center). Two of the systems in Charleston are used as the primary and secondary instances of the On-line and Instant gaming modules. The third system is used for the Scientific Games Oracle database. The database utilizes an Oracle server running on an AIX UNIX platform. The same configuration is used in White Hall. The RS 6000's were installed in April 2000 and operational in July 2000. The primary functions of the RS 6000's are as follows:

- Instant & On-line Weekly Accounting
- Telemarketing (Instant Product)
- Sales Tracking (Instant & On-line Products)
- Billing (Instant & On-line Products)
- Prize Payments (Instant & On-line Products)
- Inventory Control (Instant Products)
- Retailer Tracking (Instant & On-line Products)
- Instant Product Reports
- Separate Billing Reports for Instant and On-line Products
- Internal Control System (ICS) used to balance the Instant and On-line Gaming system RS 6000 F40
- Licensing

WEST VIRGINIA LOTTERY

1.2 Scientific Games

Scientific Games is an international company that designs, manufactures, installs, and operates instant and on-line ticket wagering systems for domestic and foreign governments and government-licensed organizations.

Scientific Games is under the local management of the account executive. The organization is divided into the following departments:

- Field Services
- Computer Operations
- Marketing

Scientific Games instant and on-line gaming system includes the following components:

- Central System
- Terminals – Instant (OMNIPOINT) and On-line (INTEGRA)
- Hardware and Software
- Services
- Personnel to manage, operate, support and maintain the systems.

The communication network utilizes Scientific Games' proprietary COM link system for INTEGRA and OMNIPOINT terminals. This includes a dial-up network for OMNIPOINT and a dedicated leased line (Multi-drop) for the On-line terminals. Communications to the Scientific Games data center in Charleston is via high-speed data link (land line) with Verizon. After processing, transactions flow back to the retail location in reverse of the sequence outlined above. This communication equipment enables Scientific Games to communicate with the retailers and process instant/on-line game transactions to the Scientific Games Central Systems.

WEST VIRGINIA LOTTERY

Each retailer location has a Lottery terminal, of which, there are two types, a dial-up (OMNIPOINT 250) or an On-line (INTEGRA 1300).

All Transactions are written real time to the back-up site via high speed line (T1).

1.3 Office Locations

The Lottery operates out of two administrative offices, including a claim center and a warehouse, located at 312 MacCorkle Avenue, SE, Charleston, WV 25314. The West Virginia Lottery hot site is located at 2500 Fairmont Avenue, White Hall, West Virginia.

The Scientific Games office is located at 107 Capitol Street, Suite 210, Charleston, WV 25301.

2.0 GENERAL INFORMATION AND REQUIREMENTS

2.1 Background Investigations

Because of the relationship between the Lottery and Scientific Games, the Lottery will initiate investigations into the background of any firm, officers, principals, investors, owners, subcontractors, employees or any other associates of the vendor(s) it deems necessary at its sole discretion. Such background investigations may include, but not be limited to, financial/credit and criminal matters; other inquiries, as deemed appropriate to verify information and conduct the background investigation, and fingerprint identification by the Lottery, the West Virginia State Police and/or the Federal Bureau of Investigation. As a part of the overall background investigation, the Lottery may conduct site inspections of the vendor's facilities to determine that adequate physical security measures are utilized. Additional periodic background investigations may be conducted by the Lottery at its discretion at anytime.

WEST VIRGINIA LOTTERY

2.2 Staffing

The Lottery reserves the right to reject any of the vendor's personnel that it deems unsuitable to work on the SAS 70 Review. During the performance of this review, the vendor shall not employ or permit the employment of any unfit or unqualified person(s) not skilled in the tasks assigned to them. The vendor shall employ sufficient labor for carrying out work to full completion in the manner and time prescribed by any contract awarded pursuant to this RFQ. The vendor shall be responsible to the Lottery for the acts and omissions of the vendor's employees. In addition, the vendor shall enforce strict discipline among the vendor's employees in performing the services under the contract.

Any person employed by the vendor shall, at the written request of the Lottery, be removed forthwith by the vendor from work relating to the contract. If the person is not removed or if replacement personnel are deemed unsuitable for proper completion of the work, the Lottery may, through the West Virginia Purchasing Division upon thirty (30) days written notice, terminate the contract.

The vendor will be required to notify the Lottery in the event of change of personnel assigned to the review. This notification will be given with sufficient time, which will be determined by the Deputy Director of Traditional Security for the Lottery, to allow for any background investigation that may have to be performed on any vendor's employees that will be replacing current vendor's personnel.

2.3 Accounting Records

The vendor is required to maintain its books, records, and other evidence pertaining to the contract in accordance with Generally Accepted Accounting Principles. These records shall be available

WEST VIRGINIA LOTTERY

to the Lottery, its internal auditor or other designees at all times during the contract period and for a minimum of five (5) full years from the expiration date or the final payment of the contract, whichever is later.

3.0 SERVICES REQUIRED – SCOPE

- 3.1 The vendor will provide a review of the Lottery's service organization, the instant and on-line vendor, and provide a report in compliance with Statement of Auditing Standards No. 70 (SAS 70), as amended by SAS No. 78 and No. 88—Reports on Controls Placed in Operation and Tests of Operating Effectiveness as described in the AICPA Professional Standards §324.41 through §324.56.
- 3.2 The vendor will provide a report on policies, procedures, systems security and data integrity measures placed into operation. The vendor will also test the operating effectiveness of these measures. This is a report on Scientific Games' description of its control structure policies, procedures, systems security and data integrity that may be relevant to the Lottery's internal control structure. Whether such policies, procedures, systems security and data integrity measures were suitably designed to achieve specified control objectives, whether they have been and currently are placed in operation and whether the policies and procedures that are being tested have been operating with sufficient effectiveness to provide reasonable assurance that the related control objectives have been achieved.
- 3.3 The time period covered for any test should begin at the cutoff date for the last audit and continue through the last day of the period being audited.
- 3.4 The vendor will review the current Lottery Games Operation Services contract and using standard testing/reviewing

WEST VIRGINIA LOTTERY

techniques, ensure the existing On-line/Instant vendor is following contract guidelines.

- 3.5 Additional substantive procedures to Lottery transactions at Scientific Games may be required. These areas of interest will be described by the Lottery upon contract award.
- 3.6 Twenty-five (25) copies of the SAS 70 report must be provided for the use of the Lottery and its independent auditors and issued by August 31st of each year.

4.0 REQUIRED DETAILS

4.1 Background and Management

The vendor shall provide the following information or an indication that the information is not applicable to them and why not:

- 4.1.1 Business name and address of the vendor submitting the quotation and the names and addresses of the following:
 - a. If the vendor is a partnership, all of the general and limited partners;
 - b. If the vendor is a trust, the trustee and all persons entitled to receive income or benefit from the trust;
 - c. If the vendor is a limited liability company or limited liability partnership, the members, partners, officers and directors;
 - d. If the vendor is an association, the members, officers and directors;
 - e. If the vendor is a corporation, the officers, directors, and each owner or holder, directly or indirectly, of any equity security or other evidence of ownership of any interest in the corporation; except that in the case

WEST VIRGINIA LOTTERY

of owners or holders of publicly held equity securities of a publicly traded corporation, only the names and addresses of those owning or holding five percent or more of the publicly held securities must be disclosed; and

f. If the vendor is a subsidiary company, each intermediary company, holding company or parent company involved therewith and the officers, directors and stockholders of each; except that, in the case of owners or holders of publicly held securities of an intermediary company, holding company, or parent company that is a publicly traded corporation, only the names and addresses of those owning or holding five percent or more of the publicly held security must be disclosed.

4.1.2 The type of business entity (e.g., corporation, partnership, etc.). If the vendor is a corporation, all states in which the vendor is authorized to do business and the nature of that business.

4.1.3 The place of the vendor's incorporation, if any.

4.1.4 The name, address, and telephone number of a representative to contact regarding all matters.

4.1.5 The name and telephone number of all attorneys and law firms representing the vendor in the State of West Virginia, if any.

4.1.6 A list of jurisdictions which the vendor has contracts to supply gaming materials, equipment or services.

4.1.7 The details of any conviction by a federal or any state court of the vendor or any person whose name and address is required under number 4.1.1 for a criminal

WEST VIRGINIA LOTTERY

offense punishable by imprisonment for more than one year and the submission of a full set of fingerprints of such person made at a law enforcement agency by an agent or officer of such agency on forms supplied by the Lottery. Forms will be provided at a vendor's request.

- 4.1.8 The details of any disciplinary action taken by any state against the vendor or any person whose name and address is required under number 4.1.1 regarding any matter related to gaming services or the selling, leasing, offering for sale or lease, buying or servicing of gaming materials or equipment.
- 4.1.9 The details of any disciplinary action taken by a state against the vendor or any person whose name and address are required by number 4.1.1 regarding any order, judgment or decree of any court of competent jurisdiction, federal, or state authority permanently or temporarily enjoining him from, or otherwise limiting his participating in any type of professional or business practice or activity (i.e., licenses, suspension and/or revocation of same).
- 4.1.10 The details of any termination of a contract for any reason during the last five years.
- 4.1.11 The details of any assessment of penalties under any of its existing or past contracts, including the public jurisdiction, the reason for the penalties, and the penalty amount of each incident.
- 4.1.12 The vendor's and any subcontractor's Federal Employer Identification Number and the West Virginia Tax Identification Number shall be provided.\

WEST VIRGINIA LOTTERY

4.2 Vendor Experience

The vendor shall be a licensed CPA firm with five (5) years of prior experience in SAS 70 review with the systems used by Scientific Games and by the Lottery or with comparable systems. The vendor may be required to show evidence of qualifications prior to any award. A vendor must furnish proof of its experience, competence and qualifications to provide the requested services to the satisfaction of the Lottery. Vendors should identify no less than two (2) comparable engagements, which have been conducted by the vendor over the past five years. These identified engagements will be used by the Lottery as technical references. The vendor should, therefore, indicate the names, titles, and telephone number of the persons to be contacted for purposes of obtaining references, if so desired by the Lottery.

Subcontracts are not permissible.

4.3 Personnel

A vendor must provide personnel resumes that include the name, home address, home telephone number, title, responsibilities, education, and accounting, auditing, and EDP experience, including at least five years of experience and details of any experience that relates to providing services similar to those described in this RFQ, of all individuals, who will be assigned to work on any contract awarded pursuant to the RFQ, and the amount of time each will devote to such work. Sufficient detail must be provided to enable the Lottery to determine that the personnel assigned can perform the work specified in the RFQ. The Lottery reserves the right to select the employees assigned to work on this review.

4.4 Conflict of Interest

Each vendor must disclose any potential conflict of interest relative to the performance of the requirements of this RFQ. Any

WEST VIRGINIA LOTTERY

vendor's employees who are former Lottery or Scientific Games employees must be identified along with their position and responsibilities within the vendor's organization. Also, any personal or business relationship between the vendor, the principals, and employees assigned to the review and/or of their immediate families with any employee of the Lottery or Scientific Games must be disclosed. Any such relationship that might be perceived or represented as a conflict must be disclosed. If a conflict of interest does exist, the employee will be disqualified. Failure to disclose any such relationship may be a cause for contract termination or disqualification of the quotation.

4.5 Liability Insurance and Bond Coverage

The quotation must include a statement indicating the professional liability and general liability insurance that are carried by the vendor, including amounts of any per claim and aggregate limits, the amounts of deductibles, the name of the carrier, and the address of the carrier. In addition, a performance bond will be required equal to the amount of the bid.

4.6 Political Disclosure

Prior to the submission of the initial quotation, and submitted to the Lottery prior to award of contract, any vendor who is submitting an initial quotation to, or who has submitted such within the preceding twelve (12) months, or who has a current contract with the State Lottery Commission or any State agency, board, or commission or political subdivision, for any major procurement, shall file with the West Virginia Secretary of State a detailed itemized disclosure statement, subscribed and sworn to before an officer authorized to administer oaths, setting forth each contribution to any local, State, or Federal political candidate or political committee in West Virginia, made in the preceding three (3) years, or a statement that no such contributions have

WEST VIRGINIA LOTTERY

been made. See W. Va. Code §29-22-24(b). A copy of any such statement shall also be supplied with the firm's quotation.

4.7 Cost Proposal (Attachment A)

Submission is required to the Purchasing Division.

WEST VIRGINIA LOTTERY

ATTACHMENT A – COST PROPOSAL

Use this form for pricing of your response.

PRICING: Flat Rate (consists of all charges and expenses including out-of-pocket travel, meals, and lodging) for work required by the RFQ.

SAS 70 REVIEW SERVICES: \$_____

I, hereby, commit _____

(Vendor Company Name)

To complete the tasks described in the Quotation for the SAS 70 Review of Scientific Games as required in the Request for Quotation by the West Virginia Lottery.

Print Officer Name _____

Signature of Officer _____

Title of Officer _____

Date _____

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 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: _____ Signed: _____

Date: _____ Title: _____

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

STATE OF WEST VIRGINIA
Purchasing Division

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 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: _____

Authorized Signature: _____ Date: _____

ACKNOWLEDGEMENT PREPARATION INSTRUCTIONS

1. IF PRINCIPAL IS AN INDIVIDUAL OR PARTNERSHIP, HAVE NOTARY COMPLETE LINES (1) THROUGH (8)
 2. IF PRINCIPAL IS A CORPORATION, HAVE NOTARY COMPLETE LINES (9) THROUGH (18).
 3. SURETY MUST HAVE NOTARY COMPLETE LINES (19) THROUGH (28).
-

ACKNOWLEDGEMENT BY PRINCIPAL IF INDIVIDUAL OR PARTNERSHIP

1. Enter name of State.
 2. Enter name of County.
 3. Enter name of Notary Public witnessing transactions.
 4. Enter name of Principal covered by bond if individual or partnership.
 5. Notary enters date bond was witnessed (must be the same as or later than signature date).
 6. Affix Notary seal.
 7. Notary affixes his/her signature.
 8. Notary enters commission date.
-

ACKNOWLEDGEMENT BY PRINCIPAL IF CORPORATION

9. Enter name of State.
 10. Enter name of County.
 11. Enter name of Notary Public witnessing transactions.
 12. Enter name of corporate officer signing bond (must be President or Vice President).
 13. Enter title of corporate officer signing bond.
 14. Enter name of company or corporation.
 15. Notary enters date bond was witnessed (must be same as or later than signature date).
 16. Affix notary seal.
 17. Notary affixes his/her signature.
 18. Notary enters commission date.
-

ACKNOWLEDGEMENT BY SURETY

19. Enter name of State.
 20. Enter name of County.
 21. Enter name of Notary Public witnessing transactions.
 22. Enter name of person having power of attorney to bind Surety Company.
 23. Enter title of person binding Surety Company.
 24. Enter name of Insurance Company (Surety).
 25. Notary enters date bond was witnessed (must be same as or later than signature date).
 26. Affix notary seal.
 27. Notary affixes his/her signature.
 28. Notary enters commission date.
-

POWER OF ATTORNEY INSTRUCTIONS

Power of Attorney for surety must be attached showing that it was in full force and effect on signature date indicated on the face of the bond. **A raised corporate seal must also be affixed to the Power of Attorney form.**

- a. Name of Attorney in Fact must be listed.
- b. Power of Attorney may not exceed imposed limitations.
- c. Certificate date, the signature date of bond must be entered.
- d. Signature authorizing official must be affixed (signature may be facsimile).
- e. **Raised seal must be affixed.**

PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENTS:

That _____
(Name, address or legal title of the Contractor)

as Principal, hereinafter called Contractor, and _____
_____ a corporation organized and existing under
the laws of the State of _____, with its principal office in the City of _____

as Surety, hereinafter called Surety, are held firmly bound unto _____
(Name, address or legal title of Owner)

as Obligee, hereinafter called Owner, in the amount of _____
Dollars (\$ _____), for the payment whereof Contractor and Surety bind themselves, their heirs, executors,
administrators, successors, and assigns, jointly and severally, firmly by these presents.

WHEREAS, Contractor has by written agreement dated _____
_____ entered into a contract with Owner for _____

in accordance with drawings and specifications prepared by _____

which contract is by reference made a part hereof, and is hereinafter referred to as the CONTRACT

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION is such that if Contractor shall, promptly and faithfully
Perform and CONTRACT, then this obligation shall be null and void, otherwise it shall remain in full force and effect.

The Surety hereby waives notice of any alteration or extension of time made by the Owner.

Whenever Contractor shall be, and declared by Owner to be in default under the CONTRACT, the Owner having performed
Owner's obligations thereunder, the Surety may promptly remedy the default, or shall promptly:

- 1. Complete the CONTRACT in accordance with its terms and conditions, and
- 2. Shall save the Owner harmless from any claims, judgments, or liens arising from the Surety's failure to either remedy
the default or to complete the CONTRACT in accordance with its terms and conditions in a timely manner.

No right of action shall accrue on this bond to or for the use of any person or corporation other than the Owner named herein
or the successors of Owner.

Signed and sealed this * _____ day of _____

Principal Raised Corporate Seal _____ (Seal)
(Contractor Name)

Surety Raised Corporate Seal By _____ (Seal)
(Must be President or Vice President)

(Title)

(Surety)

By _____ (Seal)

NOTE: Raised Corporate Seals are mandatory.
Please attach Power of Attorney

NOTE: Applicable Section of attached acknowledge-
ment must be completed and returned as part of
the bond.

* Power of Attorney must be certified on this date or later.

ACKNOWLEDGEMENTS

Acknowledgement by Principal if individual or Partnership

- 1. STATE OF _____
- 2. County of _____ to-wit:
- 3. I, _____, a Notary Public in and for the
- 4. county and state aforesaid, do hereby certify that _____ whose name is signed to the foregoing writing, has this day acknowledged the same before me in my said county.
- 5. Given under my hand this _____ day of _____ 20_____.
- 6. Notary Seal
- 7. _____ (Notary Public)
- 8. My commission expires on the _____ day of _____ 20_____.

Acknowledgement by Principal if Corporation

- 9. STATE OF _____
- 10. County of _____ to-wit:
- 11. I, _____, a Notary Public in and for the
- 12. county and state aforesaid, do hereby certify that _____
- 13. who as, _____ signed the foregoing writing for
- 14. _____ a corporation, has this day, in my said county, before me, acknowledged the said writing to be the act and deed of the said corporation.
- 15. Given under my hand this _____ day of _____ 20_____.
- 16. Notary Seal
- 17. _____ (Notary Public)
- 18. My commission expires on the _____ day of _____ 20_____.

Acknowledgement by Surety

- 19. STATE OF _____
- 20. County of _____ to-wit:
- 21. I, _____, a Notary Public in and for the
- 22. county and state aforesaid, do hereby certify that _____
- 23. who as, _____ signed the foregoing writing for
- 24. _____ a corporation, has this day, in my said county, before me, acknowledged the said writing to be the act and deed of the said corporation.
- 25. Given under my hand this _____ day of _____ 20_____.
- 26. Notary Seal
- 27. _____ (Notary Public)
- 28. My commission expires on the _____ day of _____ 20_____.

Sufficiency in Form and Manner Of Execution Approved

Attorney General

This _____ day of _____ 20_____

By _____ (Assistant Attorney General)