**THE WEST VIRGINIA LOTTERY REQUESTS QUALIFIED ACCOUNTING FIRMS TO SUBMIT QUOTATIONS FOR THE AUDIT SERVICES DETAILED BELOW.**

**1. SCOPE OF WORK.** The Lottery is seeking 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.

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

**1.1.1** 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.

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

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

**1.1.4** 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.

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

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

**1.2 Time Requirements of Lottery Drawing Auditor**

**1.2.1** 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.

**1.2.2** 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.

**1.2.3** 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.

**1.3 Personnel Requirements of provider of Lottery Drawing Auditor Services.**

**1.3.1** 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.

**1.3.2** 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.

**1.3.3** The firm must provide a sufficient number of employees who meet the criteria in 1.3.1 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.

**2. 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.

**3. MAJOR PROCUREMENT.** Any contract resulting from this Request For Quotation is a “major procurement,” as defined by West Virginia Code §29-22-23(b), and each responding accounting firm must supply the information required by that section of the West Virginia Code and the required completed forms. Specifically, section 23(b) requires that the competence, integrity, character, reputation, and background of a potential drawing auditor firm must be evaluated before award of any contract can be made. In addition, the successful firm, as well as the key personnel to be involved in the contracted work, will be subject to a thorough background investigation, which will be conducted by the Deputy Director of Security for Traditional Games of the West Virginia Lottery, or a designated representative. Signed authorization for the State of West Virginia to conduct these background investigations must be submitted to the West Virginia Lottery prior to the award of a contract.

**3.1 Forms.** Each firm must complete security background forms (Attachment II) and submit the forms along with its quotation. Failure to supply the requested information or completed forms may cause the submitted quotation to be considered non-responsive and rejected as such.

**3.2 General Information.** It is required that the firm is independent and has no conflict of interest with the West Virginia Lottery. Provide identification of any conflicts of interest, present or anticipated, involving the firm or the persons named in the firm’s bid and the services to be supplied under the resulting contract. Any personal or business relationship between the firm or its principals with any Commissioner or employee of the State of West Virginia, the West Virginia Lottery, or the West Virginia Lottery’s present Vendors must be disclosed. At the time of the issuance of this Request For Quotation, the major Vendor is, but is not limited to, Scientific Games, Inc. (on-line and instant games management and cooperative services) and (instant ticket production). Failure to disclose any such perceived, present, or anticipated relationship may be cause for disqualification of the submitted quotation or termination of any resulting contract.

**3.3 Political Disclosure.** Prior to the submission of the initial quotation, and submitted to the Lottery prior to award of contract on or before the first day of July of each year thereafter, 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 been made. See W.Va. Code §29-22-24(b).

**3.4 Investigation.** The West Virginia Lottery reserves the right to obtain, from any and all sources, information concerning a firm which the West Virginia Lottery deems pertinent to this contract and the right to consider such information in evaluating the vendor’s ability to meet minimum qualification requirements. The contract award will be made to the lowest bid meeting all mandatory bid requirements.

**4. INCURRED EXPENSE.** The West Virginia Lottery will not be responsible for any expenses incurred by an accounting firm in preparing and submitting a quotation.

**5. QUOTATION.** Each firm will quote one hourly rate for all services performed under this contract using the attached quotation sheet. 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.

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.

*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.

Special Drawings: Billings for special drawings will be for actual time required to observe the drawing.

**6. MANDATORY REQUIREMENTS.** The successful firm must meet the following mandatory requirements to qualify:

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

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

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

**6.4** 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 un-appealed tax delinquencies of any nature within the State of West Virginia.

**7. STATE AND LOCAL TAXES.** The successful firm will be an independent contractor in the performance of its duties under the contract. Accordingly, the successful firm is responsible for payment of appropriate federal, state, and local taxes. Taxes will not be paid for, or reimbursed to, the successful firm by the West Virginia Lottery.

**QUOTATION SHEET**

HOURLY RATE FOR ALL BILLABLE SERVICES: $ .00

Print firm name \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Print officer name \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signature \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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.