COMMONWEALTH OF VIRGINIA
Virginia Lottery
CONTRACT

CONTRACT NUMBER: P0003646
TITLE: Safety Partitions and Lock Boxes
SPOT PURCHASE: May 20, 2019
ISSUED BY: Virginia Lottery
600 East Main Street
Richmond, Virginia 23219

CONTRACTOR: J & Dee LLC t/a The Van House Mobility Products
2002 E. Pembroke Avenue
Hampton, VA 23664
FIN 26-4205524

PURPOSE: Contractor shall provide safety partitions and lock boxes in accordance with this Contract.

TOTAL AMOUNT OF CONTRACT (estimated): $12,118.50

INVOICE ADDRESS: Virginia Lottery
Attention: Accounts Payable
600 East Main Street
Richmond, Virginia 23219

ACCOUNTING DATA: Cost Code: 430; Account Codes: 1259

J & Dee LLC t/a The Van House
Mobility Products
By: Douglas W. Wornom
Signature
Print Name
Title 5/29/19
Date

Virginia Lottery
By: Pamela S. Mackey
Signature
Print Name
Title 6-10-19
Date
This is a Contract between J & Dee LLC t/a The Van House Mobility Products (“The Van House” or “Contractor”), and the Virginia Lottery (“Lottery”), an agency of the Commonwealth of Virginia.

The Lottery and the Contractor agree that the terms and conditions of this Contract shall be:

I. **CONTRACT TERM:** This is a spot purchase.

II. **SCOPE OF SERVICE:** The Contractor shall furnish and install safety partitions and lock boxes into Lottery-owned Dodge Caravans as described herein and in accordance with the following minimum specifications and requirements:

A. **Steel Safety Partition** – American Cargo by Midway, 1x1 steel tubing with 1/16” wall thickness, flat expanded metal, steel mesh, 9 GA with 3/4” opening. Partitions shall be welded, primed and painted black.

1. Quantity: 10

2. Partition shall be installed directly behind the driver and passenger seats and shall be bolted to the floor of the van.

3. Partition shall be perforated to allow for driver visibility.

B. **Steel Lock Box** – American Van Equipment – LUC-18 lockable cabinet

1. Quantity: 10

2. Size: 18” W x 22” H x 18” L

3. Box shall be solid steel eight (8) gauge or heavier with hinged lid.

4. An aluminum plate, 16-5/8” x 1/8” x 21-13/16”, shall be screwed onto the top of the box to serve as reinforcement to the lid. Plate shall have a cutout to mirror the lock area of the box. There shall be four (4) 5/16” holes for screws along the top, one (1) 5/16” hole in each bottom corner and four (4) 5/16” holes around the lock area.

5. Box shall be solid; no sides can be bolted on. Lid shall be lockable with key; not padlock and hasp.

6. Box shall be used as a safe or strongbox and shall be installed (bolted) to the floor to make its removal extremely difficult. Box shall be laid on the back side so that the lid opens like a chest.
C. Installation

1. Contractor shall complete installation according to specifications found in this document on 10 Caravans which are currently located at Hall Chrysler Dodge Jeep RAM Chesapeake, 3353 Western Branch Boulevard, Chesapeake, VA 23321.

2. Vans can be moved for installation, if necessary, but installations may be completed at Hall Chesapeake. Work can be conducted in the parking lot where the vans are parked. If this is the case, Contractor should inspect the site prior to work beginning to see what limitations may present themselves.

3. Once work is completed, the Lottery will make arrangements for the Caravans to be moved to Richmond, VA.

4. Cargo mats for the Caravans will be in the cargo areas of the vehicles. These mats shall stay in the cargo area as the lock boxes and partitions shall be installed on top of the mats.

5. If work shall be conducted at Hall Chesapeake, Contractor shall bring their own source of power as there is no place to connect to an electrical source.

6. Contractor has stated it shall take four (4) working days to complete the installation.

III. SPECIAL TERMS AND CONDITIONS:

A. AUDIT:
The Contractor shall retain all books, records, and other documents relative to this Contract for five (5) years after final payment, or until audited by the Commonwealth of Virginia, whichever is sooner. The Lottery, its authorized agents, and/or state auditors shall have full access to and the right to examine any of said materials during said period.

B. CANCELLATION OF CONTRACT:
The Lottery reserves the right to cancel and terminate any resulting Contract, in part or in whole, without penalty, upon 60 days written notice to the Contractor. In the event the initial Contract period is for more than 12 months, the resulting Contract may be terminated by either party, without penalty, after the initial 12 months of the Contract period upon 60 days written notice to the other party. Any Contract cancellation notice shall not relieve the Contractor of the obligation to deliver and/or perform on all outstanding orders issued prior to the effective date of cancellation.
C. **DELIVERY AND STORAGE:**
It shall be the responsibility of the Contractor to make all arrangements for unloading, receiving and storing materials during installation of the partitions and lock boxes. The Lottery will not assume any responsibility for the materials.

D. **DELIVERY NOTIFICATION:**
The full lot of vans has been received. The Lottery and the Contractor shall determine a mutually agreed upon start date for installations.

E. **EXTRA CHARGES NOT ALLOWED:**
The Contract price shall be for partitions and lock boxes installed and ready for the Lottery's use, and shall include all applicable freight charges; extra charges will not be allowed.

F. **FINAL INSPECTION:**
At the conclusion of the work, the Contractor shall demonstrate to the Lottery's representative(s) that the work is fully operational and in compliance with Contract specifications and codes. Any deficiencies shall be promptly and permanently corrected by the Contractor at the Contractor's sole expense prior to final acceptance of the work.

G. **INDEMNIFICATION:**
Contractor agrees to indemnify, defend and hold harmless the Commonwealth, the Lottery, their officers, directors, agents and employees (collectively, "Commonwealth’s Indemnified Parties") from and against any and all losses, damages, claims, demands, proceedings, suits and actions, including any related liabilities, obligations, losses, damages, assessments, fines, penalties (whether criminal or civil), judgments, settlements, expenses (including attorneys' and accountants' fees and disbursements) and costs (each, a "Claim" and collectively, "Claims"), incurred by, borne by or asserted against any of Commonwealth’s Indemnified Parties to the extent such Claims in any way relate to, arise out of or result from: (i) any intentional or willful conduct or negligence of any employee, agent, or subcontractor of the Contractor, (ii) any act or omission of any employee, agent, or subcontractor of the Contractor, (iii) breach of any representation, warranty or covenant of the Contractor contained herein, (iv) any defect in the Contractor-provided products or services, or (v) any actual or alleged infringement or misappropriation of any third party's intellectual property rights by any of the Contractor-provided products or services. Selection and approval of counsel and approval of any settlement shall be accomplished in accordance with all applicable laws, rules and regulations. For state agencies, the applicable laws include §§ 2.2-510 and 2.2-514 of the Code of Virginia. In all cases involving the Commonwealth or state agencies, the selection and approval of counsel and approval of any
settlement shall be satisfactory to the Commonwealth.

In the event that a Claim is commenced against any of Commonwealth’s Indemnified Parties alleging that use of the Contractor-provided products or services, including any components thereof, or that the Contractor’s performance or delivery of any product or service under this Contract infringes any third party’s intellectual property rights and the Contractor is of the opinion that the allegations in such Claim in whole or in part are not covered by this indemnification provision, Contractor shall immediately notify the Lottery in writing, via certified mail, specifying to what extent the Contractor believes it is obligated to defend and indemnify under the terms and conditions of this Contract. The Contractor shall in such event protect the interests of the Commonwealth’s Indemnified Parties and secure a continuance to permit the Lottery to appear and defend their interests in cooperation with the Contractor as is appropriate, including any jurisdictional defenses the Lottery may have.

In the event of a Claim pursuant to any actual or alleged infringement or misappropriation of any third party’s intellectual property rights by any of the Contractor-provided Deliverables, Products, Software, Services, Solution, including Solution Components, Application and Licensed Services, as applicable, or Contractor’s performance, and in addition to all other obligations of the Contractor in this Section, the Contractor shall at its expense, either (a) procure for all Authorized Users the right to continue use of such infringing Deliverables, Products, Software, Services, Solution, including Solution Components, Application and Licensed Services, as applicable, or any component thereof; or (b) replace or modify such infringing Deliverables, Products, Software, Services, Solution, including Solution Components, Application and Licensed Services, as applicable, or any component thereof, with non-infringing Deliverables, Products, Software, Services, Solution or Solution Component(s), Application and Licensed Services, as applicable, satisfactory to the Lottery. And in addition, the Contractor shall provide any the Lottery with a comparable temporary replacement products and/or services or reimburse the Lottery for the reasonable costs incurred by the Lottery in obtaining an alternative product or service, in the event the Lottery cannot use the affected Deliverable, Product, Software, Services, Solution or Solution Component(s), Application and Licensed Services, as applicable, or any component thereof. If the Contractor cannot accomplish any of the foregoing within a reasonable time and at commercially reasonable rates, then the Contractor shall accept the return of the infringing Deliverables, Products, Software, Services, Solution, Solution Component, Application and Licensed Services, as applicable, or any component thereof, along with any other components rendered unusable by the Lottery as a result of the infringing component,
and refund the price paid to the Contractor for such components.

H. **INSPECTION OF JOB SITE:**
Contractor has inspected the job site and is aware of the conditions under which the installation work must be accomplished. Claims, as a result of failure to inspect the job site, will not be considered by the Lottery.

I. **INSTALLATION:**
All items must be assembled and set in place, ready for use. All crating and other debris must be removed from the premises.

J. **MAINTENANCE MANUALS:**
The Contractor shall provide any operations and/or maintenance manuals, parts list, and/or copies of warranties, if applicable.

K. **NEW EQUIPMENT:**
Unless otherwise expressly stated in this Contract, any equipment furnished under the Contract shall be new, unused equipment.

L. **NOTICE OF MATERIAL LEGAL DISPUTE:**
Contractor shall notify the Lottery of its involvement in any legal dispute that is or may become material to this Contract. Contractor shall provide the Lottery with pertinent, non-privileged details upon request.

M. **PERFORMANCE, CONTRACTOR:**
Contractors providing goods and services to the Lottery are required to perform in accordance with the terms and conditions of their Contract. When contractual requirements are not met, the following actions may be taken (at the Lottery’s option):

1. **Contractor Complaint Form:**
   If a Contractor fails to perform in accordance with the terms and conditions of the Contract, the Lottery will prepare a Contractor Complaint Form and forward to the Purchasing Office. This form will be sent to the Contractor for a corrective action plan.

2. **Default:**
   If the Contractor is non-responsive to the complaint form or does not satisfy the corrective action plan submitted in the complaint form or provides an unsatisfactory corrective plan, as determined by the Lottery, the Contractor may, at the Lottery’s discretion, be placed in default and notified via Contractor Complaint Form.

3. **Ineligible for Award:**
   Once placed in default, the Contractor will be ineligible to do business with the Lottery for purchases exceeding $5,000 for
a period of three (3) years.

4. Re-procurement of Goods and Services:
   In addition to a Contractor's ineligibility for award of programs over $5,000, the Lottery may procure the goods and/or services from other sources and hold the Contractor responsible for the price difference of the original Contract amount and the amount of the new Contract. The Lottery will follow competitive principles as outlined herein for the re-procurement.

The vendor will remain in default until the re-procurement costs have been paid to the Lottery. The vendor is still subject to the three (3) year ineligibility based on the default regardless as to when the re-procurement cost is paid.

5. Number of Complaints:
   a) For Term Contracts: if the Contractor has received three (3) or more complaints within the initial Contract period as documented by Contractor Complaint Forms, the Contractor may, at the Lottery's discretion, be ineligible to submit a bid/proposal if the goods/services are re-solicited at expiration of Contract. Ineligibility shall apply even though a satisfactory resolution to all complaints occurred.
   b) For a Renewal Period: if the Contractor has received three (3) or more complaints within a renewal period as documented by Contractor Complaint Forms, the Contractor may, at the Lottery's discretion, be ineligible to submit a bid/proposal if the goods/services are re-solicited at expiration of Contract. Ineligibility shall apply even though a satisfactory resolution to all complaints occurred.
   c) For Spot Purchases: if the Contractor has received three (3) or more complaints within a period of one (1) year as documented by Contractor Complaint Forms, the Contractor may, at the Lottery's discretion, be ineligible to do business with the Lottery for purchases exceeding $5,000 for a period of one (1) year after the issuance of the third Contractor Complaint Form. Ineligibility shall apply even though a satisfactory resolution to all complaints occurred.

N. **PRIME CONTRACTOR RESPONSIBILITIES:**
The Contractor shall be responsible for completely supervising and directing the work under this Contract and all subcontractors that he may utilize, using his best skill and attention. Subcontractors who perform work under this Contract shall be responsible to the prime Contractor. The Contractor agrees that he is as fully responsible for the acts and omissions of his subcontractors and of
persons employed by them as he is for the acts and omissions of his own employees.

O. PRODUCT AVAILABILITY/SUBSTITUTION:
Substitution of a product, brand or manufacturer after the award of Contract is expressly prohibited unless approved in writing by the Contact Specialist. The Lottery may, at its discretion, require the Contractor to provide a substitute item of equivalent or better quality subject to the approval of the Contract Specialist, for a price no greater than the Contract price, if the product for which the Contract was awarded becomes unavailable to the Contractor.

P. RENEGOTIATION OF CONTRACT:
The Lottery reserves the right, at any time during the Contract term or any renewals of the term, to renegotiate with the Contractor a reduction in the compensation paid to the Contractor that is less than the compensation initially agreed to by the Contractor and the Lottery at the time of Contract execution. The Lottery may initiate such negotiations whenever the Lottery determines that it is in the Lottery’s best fiscal interests to do so, and/or in the event of Legislative or Executive Branch action requiring Contract modification. The changes may be modified or amended only by a writing signed by each party.

Q. SUBCONTRACTS:
No portion of the work shall be subcontracted without prior written consent of the Lottery. In the event that the Contractor desires to subcontract some part of the work specified herein, the Contractor shall furnish the Lottery the names, qualifications and experience of their proposed subcontractors. The Contractor shall, however, remain fully liable and responsible for the work to be done by its subcontractor(s) and shall assure compliance with all requirements of the Contract.

R. WARRANTY (COMMERCIAL):
The Contractor agrees that the goods or services furnished under this Contract shall be covered by the most favorable commercial warranties the Contractor gives any customer for such goods or services and that the rights and remedies provided therein are in addition to and do not limit those available to the Commonwealth by any other clause of this Contract.

S. WORK SITE DAMAGES:
Any damage to existing utilities, equipment or finished surfaces resulting from the performance of this Contract shall be repaired to the Lottery’s satisfaction at the Contractor’s expense.
IV. GENERAL TERMS AND CONDITIONS:

A. ANTI-DISCRIMINATION:
Contractor certifies to the Commonwealth that they will conform to the provisions of the Federal Civil Rights Act of 1964, as amended, as well as the Virginia Fair Employment Contracting Act of 1975, as amended, where applicable, the Virginians with Disabilities Act, the Americans with Disabilities Act. If the award is made to a faith-based organization, the organization shall not discriminate against any recipient of goods, services, or disbursements made pursuant to the Contract on the basis of the recipient's religion, religious belief, refusal to participate in a religious practice, or on the basis of race, age, color, gender or national origin and shall be subject to the same rules as other organizations that Contract with public bodies to account for the use of the funds provided; however, if the faith-based organization segregates public funds into separate accounts, only the accounts and programs funded with public funds shall be subject to audit by the Virginia Lottery.

In every Contract over $10,000 the provisions in 1. and 2. below apply:

During the performance of this Contract, the Contractor agrees as follows:

1. The Contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment, except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the Contractor.

2. Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

3. The Contractor, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, will state that such Contractor is an equal opportunity employer.

4. Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting these requirements.

The Contractor will include the provisions of 1. above in every subcontract or purchase order over $10,000, so that the provisions
will be binding upon each subcontractor or vendor.

B. **ANTITRUST:**
By entering into this Contract, the Contractor conveys, sells, assigns, and transfers to the Commonwealth of Virginia all rights, title and interest in and to all causes of action it may now have or hereafter acquire under the antitrust laws of the United States and the Commonwealth of Virginia, relating to the particular goods or services purchased or acquired by the Commonwealth of Virginia under said Contract.

C. **APPLICABLE LAWS AND COURTS:**
This Contract shall be governed in all respects by the laws of the Commonwealth of Virginia, and any litigation with respect thereto shall be brought in the courts of the Commonwealth. The Contractor shall comply with all applicable federal, state and local laws, rules and regulations including Virginia Lottery Law § 58.1-4000 et seq. and the Virginia Lottery Purchasing Manual.

D. **ASSIGNMENT OF CONTRACT:**
A Contract shall not be assignable by the Contractor in whole or in part without the written consent of the Lottery.

E. **AVAILABILITY OF FUNDS:**
It is understood and agreed between the parties herein that the Lottery shall be bound hereunder only to the extent of the funds available or which may hereafter become available for the purpose of this agreement.

F. **CHANGES TO THE CONTRACT:**
Changes can be made to the Contract in any of the following ways:

1. The parties may agree in writing to modify the scope of the Contract. An increase or decrease in the price of the Contract resulting from such modification shall be agreed to by the parties as a part of their written agreement to modify the scope of the Contract.

2. The Lottery may order changes within the general scope of the Contract at any time by written notice to the Contractor. Changes within the scope of the Contract include, but are not limited to, things such as services to be performed, the method of packing or shipment, and the place of delivery or installation. The Contractor shall comply with the notice upon receipt. The Contractor shall be compensated for any additional costs incurred as the result of such order and shall give the Lottery a credit for any savings. Said compensation shall be determined by one of the following methods:
By mutual agreement between the parties in writing; or

By agreeing upon a unit price or using a unit price set forth in the Contract, if the work to be done can be expressed in units, and the Contractor accounts for the number of units of work performed, subject to the Lottery's right to audit the Contractor's records and/or to determine the correct number of units independently; or

By ordering the Contractor to proceed with the work and keep a record of all costs incurred and savings realized. A markup for overhead and profit may be allowed if provided by the Contract. The same markup shall be used for determining a decrease in price as the result of savings realized. The Contractor shall present the Lottery with all vouchers and records of expenses incurred and savings realized. The Lottery shall have the right to audit the records of the Contractor as it deems necessary to determine costs or savings. Any claim for an adjustment in price under this provision must be asserted by written notice to the Lottery within thirty (30) days from the date of receipt of the written order from the Lottery. If the parties fail to agree on an amount of adjustment, the question of an increase or decrease in the Contract price or time for performance shall be resolved in accordance with the procedures for resolving disputes provided by the Disputes Clause of this Contract or, if there is none, in accordance with the disputes provisions of the Lottery's Purchasing Manual. Neither the existence of a claim nor a dispute resolution process, litigation or any other provision of this Contract shall excuse the Contractor from promptly complying with the changes ordered by the Lottery or with the performance of the Contract generally.

G. **DEBARMENT STATUS:**
Contractor certifies that they are not currently debarred by the Commonwealth of Virginia from submitting bids on Contracts for the type of goods and/or services covered by this Contract, nor are they an agent of any person or entity that is currently so debarred.

H. **DEFAULT:**
In case of failure to deliver goods or services in accordance with the Contract terms and conditions, the Lottery, after due oral or written notice, may procure them from other sources and hold the Contractor responsible for any resulting additional purchase and administrative costs. This remedy shall be in addition to any other remedies which the Lottery may have.

I. **DRUG-FREE WORKPLACE:**
During the performance of this Contract, the Contractor agrees to (i) provide a drug-free workplace for the Contractor's employees; (ii) post in conspicuous places, available to employees and applicants
for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the Contractor’s workplace and specifying the actions that will be taken against employees for violations of such prohibition; (iii) state in all solicitations or advertisements for employees placed by or on behalf of the Contractor that the Contractor maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every subcontract or purchase order of over $10,000, so that the provisions will be binding upon each subcontractor or vendor.

For the purposes of this section, “drug-free workplace” means a site for the performance of work done in connection with a specific Contract awarded to a Contractor, the employees of whom are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of the Contract.

J. ETHICS IN PUBLIC CONTRACTING:
Contractor certifies the Contract was made without collusion or fraud and that they have not offered or received any kickbacks or inducements from any other Contractor, supplier, manufacturer or subcontractor in connection with the Contract, and that they have not conferred on any public employee having official responsibility for this procurement transaction any payment, loan, subscription, advance, deposit of money, services or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value was exchanged.

K. IMMIGRATION REFORM AND CONTROL ACT OF 1986:
By entering into a written Contract with the Lottery, the Contractor certifies that they so not, and shall not during the performance of the Contract for goods and services in the Commonwealth, knowingly employ an unauthorized alien as defined in the federal Immigration Reform and Control Act of 1986.

L. INSURANCE:
By signing this Contract, the Contractor certifies it will have the following insurance coverage at the time of signature. For construction Contracts, if any subcontractors are involved, the subcontractor will have workers’ compensation insurance in accordance with §§ 2.2-4332 and 65.2-800 et seq. of the Code of Virginia. The Contractor further certifies that he and any subcontractors will maintain this insurance coverage during the entire term of the Contract and that all insurance coverage will be provided by insurance companies authorized to sell insurance in Virginia by the Virginia State Corporation Commission.
Minimum Insurance Coverages and Limits Required for Most Contracts:

1. Workers' Compensation - Statutory requirements and benefits. Coverage is compulsory for employers of three or more employees, to include the employer. Contractors who fail to notify the Commonwealth of increases in the number of employees that change their workers' compensation requirements under the Code of Virginia during the course of the Contract shall be in noncompliance with the Contract.

2. Employer's Liability - $100,000.

3. Commercial General Liability - $1,000,000 per occurrence. Commercial General Liability is to include bodily injury and property damage, personal injury and advertising injury, products and completed operations coverage. The Commonwealth of Virginia must be named as an additional insured and so endorsed on the policy.

4. Automobile Liability - $1,000,000 per occurrence. (Only used if motor vehicle is to be used in the Contract.

M. NONDISCRIMINATION OF CONTRACTOR:
A Contractor shall not be discriminated against in this Contract because of race, religion, color, sex, national origin, age, disability, faith-based organizational status, any other basis prohibited by state law relating to discrimination in employment or because the Contractor employs ex-offenders unless the Lottery, department or institution has made a written determination that employing ex-offenders on the specific Contract is not in its best interest. If the Contractor is a faith-based organization and an individual, who applies for or receives goods, services, or disbursements provided pursuant to this Contract objects to the religious character of the faith-based organization from which the individual receives or would receive the goods, services, or disbursements, the public body shall offer the individual, within a reasonable period of time after the date of his objection, access to equivalent goods, services, or disbursements from an alternative provider.

N. PAYMENT:

1. To Prime Contractor:
   a) Invoices for items ordered, delivered and accepted shall be submitted by the Contractor directly to the payment address shown on the purchase order/Contract. All invoices shall show the Lottery
Contract number and/or purchase order number; social security number (for individual contractors) or the federal employer identification number (for proprietorships, partnerships, and corporations).

b) Any payment terms requiring payment in less than 30 days will be regarded as requiring payment 30 days after invoice or delivery, whichever occurs last. This shall not affect offers of discounts for payment in less than 30 days, however.

c) All goods or services provided under this Contract or purchase order, that are to be paid for with public funds, shall be billed by the Contractor at the Contract price, regardless of which public agency is being billed.

d) The following shall be deemed to be the date of payment: the date of postmark in all cases where payment is made by mail, or the date of offset when offset proceedings have been instituted as authorized under the Virginia Debt Collection Act.

e) Unreasonable Charges. Under certain emergency procurements and for most time and material purchases, final job costs cannot be accurately determined at the time orders are placed. In such cases, contractors should be put on notice that final payment in full is contingent on a determination of reasonableness with respect to all invoiced charges. Charges which appear to be unreasonable will be researched and challenged, and that portion of the invoice held in abeyance until a settlement can be reached. Upon determining that invoiced charges are not reasonable, the Lottery shall promptly notify the Contractor, in writing, as to those charges which it considers unreasonable and the basis for the determination. A Contractor may not institute legal action unless a settlement cannot be reached within 30 days of notification. The provisions of this section do not relieve the Lottery of its prompt payment obligations with respect to those charges which are not in dispute.

2. To Subcontractors:

a) A Contractor awarded a Contract is hereby obligated:

i. To pay the subcontractor(s) within seven (7) days of the Contractor's receipt of payment from the Lottery for the proportionate share of the payment received for work performed by the
subcontractor(s) under the Contract; or
ii. To notify the Lottery and the subcontractor(s), in writing, of the Contractor’s intention to withhold payment and the reason.

b) The Contractor is obligated to pay the subcontractor(s) interest at the rate of one percent per month (unless otherwise provided under the terms of the Contract) on all amounts owed by the Contractor that remain unpaid seven (7) days following receipt of payment from the Lottery, except for amounts withheld as stated in (2) above. The date of mailing of any payment by U. S. Mail is deemed to be payment to the addressee. These provisions apply to each sub-tier Contractor performing under the primary Contract. A Contractor’s obligation to pay an interest charge to a subcontractor may not be construed to be an obligation of the Lottery.

3. The Lottery encourages contractors and subcontractors to accept electronic and credit card payments.

O. PERSONNEL SECURITY CLEARANCES:
Section 58.1-4008 of the Code of Virginia (Virginia Lottery Law) requires that all Board members, officers and employees of any vendor of lottery online or instant ticket goods or services working directly on a Contract with the Virginia Lottery for such goods or services shall be subject to a criminal background search to be conducted by the chief security officer of the Virginia Lottery. Additionally, Lottery Regulation 5-20-410 extends this to include any parent or Subsidiary Corporation of the vendor, and any shareholder of 5% or more of the vendor, its parent or Subsidiary Corporation.

No person who has been convicted of a felony, bookmaking or other form of illegal gambling, or of a crime involving moral turpitude, shall be employed on Contracts with vendors described in this section.

No Board member, officer, or employee of a vendor to the Virginia Lottery of online or instant ticket goods or services working directly on a Contract for such goods or services, or any person residing in the same household of such Board member, officer or employee, shall purchase a lottery ticket or share, or receive a prize paid on a ticket purchased by or transferred to such person.

P. PRECEDENCE OF TERMS:
The following General Terms and Conditions, APPLICABLE LAWS AND COURTS, ANTI-DISCRIMINATION, ETHICS IN PUBLIC
CONTRACTING, IMMIGRATION REFORM AND CONTROL ACT OF 1986, DEBARMENT STATUS, ANTITRUST, MANDATORY USE OF STATE FORM AND TERMS AND CONDITIONS, CLARIFICATION OF TERMS, PAYMENT shall apply in all instances. In the event there is a conflict between any of the other General Terms and Conditions and any Special Terms and Conditions in this Contract, the Special Terms and Conditions shall apply.

Q. **TAXES:**
Sales to the Commonwealth of Virginia are normally exempt from State sales tax. State sales and use tax certificates of exemption, Form ST-12, will be issued upon request. Deliveries against this Contract shall usually be free of Federal excise and transportation taxes. The Commonwealth's excise tax exemption registration number is 54-73-0076K.

R. **TESTING AND INSPECTION:**
The Lottery reserves the right to conduct any test/inspection it may deem advisable to assure goods and services conform to the specifications.

S. **TRANSPORTATION AND PACKAGING:**
Contractor certifies and warrants that the price offered for FOB destination includes only the actual freight rate costs at the lowest and best rate and is based upon the actual weight of the goods to be shipped. Except as otherwise specified herein, standard commercial packaging, packing and shipping containers shall be used. All shipping containers shall be legibly marked or labeled on the outside with Contract number, commodity description, and quantity.

V. **METHOD OF PAYMENT AND INVOICING:**
Payment will be made upon completion of project. Invoices are to be submitted directly to:

Virginia Lottery
**Attention: Accounts Payable**
600 East Main Street
Richmond, VA 23219

or, preferably emailed to VLAP@valottery.com.

Invoices must contain the following information:

- Virginia Lottery’s Contract number;
- Description of the goods and services;
- Date goods and services were provided;
- Invoice total;
- Contractor’s Federal Identification Number or Federal Employer’s Number
If this information is not contained in the invoice, the invoice may be returned to the Contractor. The Lottery will not be liable for any resulting delays in payment as a result thereof. The Lottery reserves the right to make payment via a Corporate Purchasing Card.

VI. DISCOUNT FOR PROMPT PAYMENT:
Discount for prompt payment at: 2%/Net 10 days.

VII. COMPENSATION: The Lottery and the Contractor agree to the following provisions for compensation:

<table>
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<th>DESCRIPTION</th>
<th>QTY</th>
<th>UNIT</th>
<th>UNIT PRICE</th>
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<td>Each</td>
<td>$142.50</td>
<td>$1,425.00</td>
</tr>
<tr>
<td>Lock Boxes</td>
<td>10</td>
<td>Each</td>
<td>$281.85</td>
<td>$2,818.50</td>
</tr>
<tr>
<td>Brand offered: American Van</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Installation of Lock Boxes</td>
<td>10</td>
<td>Each</td>
<td>$142.50</td>
<td>$1,425.00</td>
</tr>
</tbody>
</table>

GRAND TOTAL $12,118.50

ESTIMATED CONTRACT VALUE - $12,118.50

VIII. INTEGRATION OF CONTRACT: This Contract is the complete and exclusive agreement between the parties with respect to the subject matter hereof, superseding and replacing any and all prior agreements, communications, and understandings, both written and oral, regarding such subject matter. No alteration, amendment or modification of this Contractor shall be effective unless it is reduced to writing, signed by the parties and attached hereto.