

Commonwealth of Virginia



Request for Sealed Proposals

Title: Consulting and Investigative Services

Due Date: July 27, 2020

Contact Information:

Michael Gerdes, CPPB
Strategic Sourcing Specialist
mgerdes@valottery.com, 804-692-7644

Request for Proposals (RFP) #: 4957MG

RFP Issue Date: June 29, 2020

Contract Term: 3 years from award date

Proposal Due Date and Time: July 27, 2020; 3:00 PM EST

The Virginia Lottery does not discriminate against faith-based organizations or against an Offeror because of race, religion, color, sex, national origin, age, disability or any other basis prohibited by state law relating to discrimination in employment. The Virginia Lottery encourages firms to provide for the participation of small businesses and businesses owned by minorities and women through partnerships, joint ventures and subcontracting opportunities.

Complete Legal Name of Offeror's Firm: _____

Due to restrictions surrounding the COVID-19 pandemic, public access to Lottery HQ is currently limited. Mailing of bids is preferred. If a bid is hand delivered, it will be received by the Purchasing staff on July 27, 2020, at the front door located on E. Main St., 600 block, between the hours of 2:00 PM and 2:50 PM only. ALL HAND DELIVERED BIDS MUST BE SUBMITTED AT THIS LOCATION AND TIME STAMPED PRIOR TO 3:00 PM.

I.	PURPOSE:.....	4
II.	BACKGROUND:	4
III.	STATEMENT OF NEEDS:.....	4
IV.	PROPOSAL PREPARATION AND SUBMISSION REQUIREMENTS:	7
	A. GENERAL REQUIREMENTS:.....	7
	B. SPECIFIC PROPOSAL REQUIREMENTS:.....	8
V.	SOLICITATION QUESTIONS AND PROCUREMENT TIMELINE:	11
VI.	SPECIAL TERMS AND CONDITIONS:CLICK HERE TO ENTER TEXT.....	12
	A. ADVERTISING:	12
	B. AUDIT:.....	12
	C. PROPOSAL ACCEPTANCE PERIOD:	12
	D. CANCELLATION OF CONTRACT:	12
	E. CONFIDENTIALITY OF PERSONALLY IDENTIFIABLE INFORMATION:	13
	F. CONTINUITY OF SERVICES:	13
	G. IDENTIFICATION AND DELIVERY OF PROPOSAL:.....	13
	H. INDEMNIFICATION:	14
	I. LIMITATION OF LIABILITY:	16
	J. NOTICE OF MATERIAL LEGAL DISPUTE:.....	16
	K. PERFORMANCE, CONTRACTOR:	16
	L. PRIME CONTRACTOR RESPONSIBILITIES:.....	17
	M. REFERENCES:.....	18
	N. RENEGOTIATION OF CONTRACT.....	18
	O. RENEWAL OF CONTRACT:.....	18
	P. SECURITY CLEARANCE – VIRGINIA LOTTERY:.....	18
	Q. SMALL, WOMEN- AND MINORITY-OWNED (SWAM-OWNED) BUSINESS SUBCONTRACTING AND EVIDENCE OF COMPLIANCE:	19
	R. SUBCONTRACTS:.....	19
	S. CONFIDENTIALITY (LOTTERY):.....	19
	T. CONFIDENTIALITY (CONTRACTOR):.....	20
	U. OWNERSHIP OF INTELLECTUAL PROPERTY:	20
VII.	GENERAL TERMS AND CONDITIONS:	20
	A. ANTI-DISCRIMINATION:.....	20
	B. ADDENDA:.....	21
	C. ANNOUNCEMENT OF AWARD:	21
	D. ANTITRUST:.....	21
	E. APPLICABLE LAWS AND COURTS:	21

F.	ASSIGNMENT OF CONTRACT:	21
G.	AVAILABILITY OF FUNDS:	22
H.	PROPOSAL PRICE CURRENCY:	22
I.	CHANGES TO THE CONTRACT:	22
J.	CLARIFICATION OF TERMS:.....	23
K.	DEBARMENT STATUS:	23
L.	DEFAULT:	23
M.	DRUG-FREE WORKPLACE:	23
N.	ETHICS IN PUBLIC CONTRACTING:	24
O.	IMMIGRATION REFORM AND CONTROL ACT OF 1986:.....	24
P.	INFORMATION SECURITY REVIEW:	24
Q.	INSURANCE:	24
R.	NONDISCRIMINATION OF CONTRACTOR:.....	25
S.	PAYMENT:	25
T.	PERSONNEL SECURITY CLEARANCES:.....	27
U.	PRECEDENCE OF TERMS:	27
V.	QUALIFICATION OF OFFEROR:.....	27
W.	TAXES:.....	27
X.	TESTING AND INSPECTION:	28
VIII.	METHOD OF PAYMENT AND INVOICING:	28
IX.	PRICING:.....	29
X.	ADDENDA:	29
XI.	SIGNATURE AND OFFEROR PROFILE SHEET:	30
XII.	OFFERORS CHECKLIST:	31

I. **PURPOSE:**

The Virginia Lottery (Lottery) is seeking qualified vendors to provide investigative services and consulting services for the purpose of supporting the establishment of a regulatory gaming program.

The Lottery requires investigative services which include, but are not limited to, conducting financial, criminal and non-criminal background investigations for entities, suppliers, principals, and any other individuals as required by the Lottery applying for a gaming license.

Additionally, the Lottery requires consulting on overall administrative operations in support of gaming and compliance monitoring.

II. **BACKGROUND:**

The 2020 General Assembly passed legislation authorizing the Lottery to regulate and oversee activities related to internet-based sports betting and casino gaming in Virginia. Interested vendors should review the Casino and Sports Betting section of the Virginia Lottery website, accessed here:

www.valottery.com/aboutus/casinosandsportsbetting

III. **STATEMENT OF NEEDS:**

For purposes of this solicitation, desired services are under one (1) of two (2) categories:

- A. Investigative Services
- B. Consulting Services

Category A – Investigative Services, the Lottery seeks a partner(s) who has the ability to perform comprehensive due diligence investigations, as well as other investigations and related services, as authorized by the Lottery.

Category B – Consulting Services, the Lottery seeks a partner(s) who has the ability to provide consulting services to the Lottery in areas supporting the establishment of a gaming regulatory program.

Offerors may provide a response to one category **or** both categories. Each category will be evaluated separately. A separate proposal for each category is required to allow for evaluation of proposed services. Proposed categories shall be clearly marked and easily discernable.

A. **Investigative Services**

Offeror shall have the ability to perform comprehensive due diligence investigations, as well as other investigations and related services, as authorized by the Lottery in a timely manner. Offeror shall have the ability to conduct investigations and assessments of assigned applicants to verify information with the purpose of evaluating risk, ensuring credibility, and

informing licensing decisions for the Lottery. Additional requirements are listed below:

1. Offeror shall have the ability to provide investigative services for cases of varied scope and size to include international background checks.
2. Offeror shall have the ability to provide multiple investigative techniques which may include, but is not limited to, record checks, interviews, database searches, in-depth financial analysis, and forensic accounting.
3. Offeror shall have the ability to perform, at a minimum, the following steps in a due diligence investigation:
 - Review of application and documentation supplied to the Lottery;
 - Creation of an audit and investigation plan;
 - Check of appropriate city, county, and federal civil, criminal, and bankruptcy records to uncover suits, liens, judgements, convictions, and bankruptcy filings;
 - Database search and analysis of any information printed publicly about the company or its officers. Information may include media reports, congressional hearings, publications, and disclosures made by applicants that are companies to the Securities and Exchange Commission (SEC);
 - Conduct investigation and interviews to validate and verify information on applicant's application and disclosure form;
 - Conduct forensic audit of the company books and records including interviews of key company financial and audit personnel;
 - Apply computer forensic and data analysis techniques as appropriate;
 - Conduct in-depth personal background investigation of key employees to include verification of application information, reference interviews, civil and criminal record checks, and financial analysis;
 - Analyses of investigative findings and identify issues of concern in consultation with the Lottery; and
 - Submit investigative reports to the Lottery in accordance with an approved template.
4. Offeror shall have the ability to conduct financial reviews of applicants which may include a review of financial statements to determine the financial viability of an entity as well as financial review of key personnel which may include tax return reviews and reviews of bank accounts for inappropriate and illegal activities such as money laundering.
5. Offeror shall have the ability to strategize, plan, and coordinate with the Lottery prior to and during all investigations.

6. Offeror shall have the ability to provide periodic updates on the status of assignments on an agreed upon schedule, but generally either bi-weekly or monthly.
7. Offeror shall have the ability to provide a comprehensive report of all investigation findings to the Lottery. Findings shall include, at a minimum, any areas of concern, derogatory findings, discrepancies, and undisclosed facts.
8. Offeror shall have the ability to maintain all findings strictly confidential.
9. Offeror shall have the ability to provide investigative personnel with no less than five (5) years of relevant experience. Additionally, Offeror shall have the ability to provide, at a minimum, the following labor categories:
 - Lead Investigator: The main point of contact with the Lottery, responsible for the submission of the overall investigative plan, assignment of work to investigators, oversight of both financial and non-financial investigations, and presentation of final reports to the Lottery.
 - Financial Analyst: Responsible for the review of financial documents submitted by entities and individuals, applying appropriate financial ratios and other required techniques to assess financial viability.
 - Investigator: Responsible for day-to-day investigations as assigned by the Lead Investigator on behalf of the Lottery
 - Trainer: Responsible for providing training support to Lottery employees, primarily investigators, in areas including the conduct of financial and non-financial background investigations.
10. Offeror shall have the ability to provide training of key Lottery personnel in areas including gaming-related investigative services, financial reviews, and other types of white-collar financial investigative functions and shall provide the Lottery with guidance on how to set up necessary contacts with other agencies.

B. Consulting Services

Offeror shall have the ability to provide consulting services to the Lottery in areas supporting the establishment of a gaming regulatory program. Additional specifications may be found below:

1. Offeror shall have the ability to assist the Lottery with establishing a method of effective evaluation of licenses for sports betting and determining the optimal awards of licenses for such activities.
2. Offeror shall have the ability collaborate with key Lottery executives in the planning and execution of the regulatory and compliance program

(to include both casinos and sports betting), including recommendations for scope and structure of periodic reviews and identification of triggers that may warrant special investigation.

3. Offeror shall have the ability to provide consultants with no less than five (5) years of relevant gaming experience. Additionally, Offeror shall have the ability to provide, at a minimum, the following labor categories:
 - Lead Consultant: Possess extensive knowledge of the subject matter and provides technical knowledges and advice on complex issues such as establishing a method of effective evaluation of sports betting licenses and providing the Lottery with other assistance in establishing the regulatory process as requested.
 - Associate Consultant: Assists the lead consultant in gathering information concerning the subject matter and analyzing pertinent data.

4. Optional Services

Offerors are invited to propose any additional services they are able to provide which may be of interest to the Lottery to include additional labor categories.

5. Project Execution

Prior to the beginning of any project, Offeror shall have the ability provide a scope of work which will detail type of investigation, steps to be included, timeline of investigation, and an estimation of hours and total cost. Scope of work will be approved by the Lottery prior to initiation and will include provisions for scope revisions and status updates.

IV. PROPOSAL PREPARATION AND SUBMISSION REQUIREMENTS:

A. GENERAL REQUIREMENTS:

1. RFP Response:
 - A. In order to be considered for selection, Offerors must submit a complete response to this RFP. One (1) original and five (5) copies of each proposal must be submitted to the Lottery. Each hardcopy proposal must also contain the following:
 - (1) An electronic version of the complete proposal on a jump drive, and
 - (2) An electronic version of the complete proposal with any proprietary information removed. Proprietary information is detailed in section 2.d. below.
 - B. No other distribution of the proposal shall be made by the Offeror.
 - C. Offeror is requested to respond to each section/subsection in the order in which it appears in the RFP.

2. Proposal Preparation:
 - A. Proposals shall be signed by an authorized representative of the Offeror.
 - B. Failure to submit all information requested may result in the Evaluation Team giving a lowered evaluation score of the proposal.
 - C. An explanation describing how you will accomplish each requirement must be included in your proposal. The phrase "fully comply" without an explanation is unacceptable. If a requirement is not being provided, state "Not Provided." Proposals, which are substantially incomplete or lack key information, may be rejected by the Lottery.
 - D. Ownership of all data, materials and documentation originated and prepared for the Lottery pursuant to the RFP shall belong exclusively to the Lottery and be subject to public inspection in accordance with the Virginia Freedom of Information Act. Trade secrets or proprietary information submitted by an Offeror shall not be subject to public disclosure under the Virginia Freedom of Information Act; however, the Offeror must invoke the protections of §2.2-4342 of the *Code of Virginia*, in writing, either before or at the time the data or other material is submitted. The written notice must specifically identify the data or materials to be protected and state the reasons why protection is necessary. The proprietary or trade secret material submitted must be identified by some distinct method such as highlighting or underlining and must indicate only the specific words, figures, or paragraphs that constitute trade secret or proprietary information. The classification of an entire proposal document, line item prices and/or total proposal prices as proprietary or trade secrets is not acceptable and will result in rejection of the proposal.
3. Oral Presentation: Offerors who submit a proposal in response to this RFP may be required to give an oral presentation to the Evaluation Team. This provides an opportunity for the Offeror to clarify or elaborate on the proposal.

B. SPECIFIC PROPOSAL REQUIREMENTS:

Proposals shall be as thorough and detailed as possible so that the Lottery may properly evaluate Offeror's capabilities to provide the required services. Submission shall be organized in the same order as Statement of Needs to ensure clarity and include all information necessary to demonstrate the offeror's experience and ability to provide the deliverables as outlined in this solicitation. In addition to any other requirements imposed by Section III of this Request for Proposals, Offerors are required to submit the following items as a complete proposal:

1. Offeror shall include a cover sheet that indicates the page number(s) containing proprietary information.
2. Offeror shall provide a detailed description of participation of small, woman-owned, and minority-owned businesses in the performance of this Contract through subcontracting programs. Only entities registered as a Small, Women, and Minority Owned Business (SWaM) with the Virginia Department of Small Business and Supplier Diversity (SBSD) shall be considered a SWaM business. The following information shall be provided:
 - a. Number of dollars or percentage of dollars forecasted to be allocated to SWaM businesses.
 - b. List of SWaM businesses forecasted to be used during the contract term.
 - c. Whether or not the Offeror is a SWaM business.
3. Offeror shall provide a redline version of Lottery terms and conditions if necessary. ****NOTE:** The Lottery will not sign any Offeror's documents, MSAs, or any other type of agreement(s). The Lottery's General Terms and Conditions shall not be negotiated.

If responding to the **Investigative Services** category, Offerors' response shall provide the following:

1. Offeror shall provide complete details of capabilities for performing investigative and related services as required in *Section III, Statement of Needs, A, 1*. Offeror shall also detail their ability to provide multiple investigation types (including domestic and international) and list what types are available to the Lottery.
2. Offeror shall demonstrate ability to provide multiple investigative techniques and include a comprehensive list of investigate techniques offered as required in *Section III, Statement of Needs, A, 2*.
3. Offeror shall detail their proposed methodology for conducting investigations as required in *Section III, Statement of Needs, A, 3*.
4. Offeror shall detail their proposed methodology for conducting financial reviews as required in *Section III, Statement of Needs, A, 4*.
5. Offeror shall provide proposed methodology for planning, coordinating, communicating, and reporting to the Lottery prior to, during, and after investigations as required *Section III, Statement of Needs, A, 5, 6, 7, and 8*.
6. Offeror shall demonstrate their ability to provide personnel in the required labor categories as required in *Section III, Statement of Needs,*

A, 9. Additionally Offeror shall provide resumes of proposed staff who will work on the Lottery account.

7. Offer should provide their proposed methodology for training background investigators on how to conduct both financial and non-financial investigations as required in *Section III, Statement of Needs, A, 10*.
8. Offeror shall provide any additional optional services separately from the base requirements. These services shall be clearly marked as optional.
9. Offeror shall provide two (2) case studies where work of similar size and scope was performed. Case studies shall include a description of the work performed and how it is relevant to the Lottery's requirements. Case studies shall include, at a minimum, client name, work performed, type of investigations completed, number of investigations completed, and any other pertinent information.

If responding to the **Consulting Services** category, Offerors' response shall provide the following

1. Offeror shall provide complete details of capabilities to provide consulting services related to gaming regulatory programs as required in *Section III, Statement of Needs, B,1*.
2. Offeror shall detail their ability to collaborate with Key Lottery executives in the planning and execution of a regulatory and compliance program as required in *Section III, Statement of Needs, B,2*.
3. Offeror shall demonstrate their ability to provide personnel in the required labor categories as required in *Section III, Statement of Needs, B, 3*. Additionally Offeror shall provide resumes of proposed staff who will work on the Lottery account.
4. Offeror shall provide any additional optional services separately from the base requirements. These services shall be clearly marked as optional.
5. Offeror shall provide two (2) case studies where work of similar size and scope was performed. Case studies shall include a description of the work performed and how it is relevant to the Lottery's requirements. Case studies shall be similar with regards to establishing regulatory and compliance programs in industries similar to the Lottery, casinos, and/or gaming.

V. **SOLICITATION QUESTIONS AND PROCUREMENT TIMELINE:**

1. Offerors can submit questions via email to the Contract Officer whose name appears on the cover page of this solicitation. All contact, whether verbal or written, pertaining to this RFP, shall be with that designated Contract Officer for the duration of the procurement process.

The Lottery does not guarantee a response to any questions received after July 13, 2020.

2. The following procurement timeline is subject to change as the procurement progresses. Please note the deadline within which to submit questions.

Procurement Process	Estimated Completion Date
RFP Released	June 29, 2020
First Round of Questions Due	July 2, 2020
Addendum #1 issued (if applicable)	July 7, 2020
Second Round of Questions Due	July 13, 2020
Addendum #2 issued (if applicable)	July 16, 2020
RFP Due Date	July 27, 2020; 3:00 PM EST
Estimated Contract Award	Late August – Early September

V. **EVALUATION AND AWARD CRITERIA:**

A. **EVALUATION CRITERIA:**

The Virginia Lottery seeks to Contract for the goods and/or services described herein with the responding Offeror who submits the best proposal as modified through negotiations. The written proposals, and any subsequent negotiated offers, will be evaluated and judged by the Virginia Lottery based on the following criteria:

1. Capability
2. Experience as outlined in submitted case studies
3. Price
4. Minority-owned, women-owned and small business participation

Optional features may be used for evaluation purposes after initial scoring has been completed if the Lottery determines proposed options are in its best interest.

B. **AWARD OF CONTRACT:**

Two (2) or more Offerors deemed to be fully qualified and best suited among those submitting proposals will be identified based on the evaluation factors stated herein. Negotiations may be conducted with the Offerors so selected.

After negotiations have been conducted with each Offeror so selected, the Lottery may select the Offeror(s) who, in its opinion, has made the best proposal, and award the Contract to that Offeror(s). It is the intent of the Lottery to award a resulting contract to multiple Offeror(s) who provide the best value to the Lottery. The Lottery may cancel this RFP or reject proposals at any time prior to the award and is not required to furnish a statement of the reasons why a particular proposal was not deemed to be the most advantageous. Should it be determined in writing that only one Offeror is fully qualified, or that one Offeror is clearly more highly qualified than the others under consideration, a Contract may be negotiated and awarded to that Offeror.

VI. **SPECIAL TERMS AND CONDITIONS:**

A. **ADVERTISING:**

In the event a Contract is awarded for supplies, equipment, or services resulting from this solicitation, no indication of such sales or services to the Lottery shall be used in product literature or advertising without the Lottery Executive Director's prior written approval. The Contractor shall not state in any of its advertising or product literature that the Lottery has purchased or uses its products or services.

B. **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.

C. **PROPOSAL ACCEPTANCE PERIOD:**

Any proposal in response to this solicitation shall be valid for 180 days. At the end of the 180 days the proposal may be withdrawn at the written request of the Offeror. If the proposal is not withdrawn at that time it remains in effect until an award is made or the solicitation is canceled.

D. **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 of a material breach with no options to cure, the Lottery reserves the right to cancel this Contract within ten (10) days written notice. If 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.

E. **CONFIDENTIALITY OF PERSONALLY IDENTIFIABLE INFORMATION:**

The Contractor assures that information and data obtained as to personal facts and circumstances related to clients will be collected and held confidential, during and following the term of this agreement, and will not be divulged without the individual's and the Lottery's written consent and only in accordance with federal law or the *Code of Virginia*. Contractors who utilize, access, or store personally identifiable information as part of the performance of a Contract are required to safeguard this information and immediately notify the Lottery of any breach or suspected breach in the security of such information. Contractors shall allow the Lottery to both participate in the investigation of incidents and exercise control over decisions regarding external reporting. Contractors and their employees working on this project may be required to sign a confidentiality statement.

F. **CONTINUITY OF SERVICES:**

The Contractor recognizes that the services under this Contract are vital to the Lottery and must be continued without interruption and that, upon Contract expiration, a successor, either the Lottery or another Contractor, may continue them. The Contractor agrees:

1. To exercise its best efforts and cooperation to effect an orderly and efficient transition to a successor;
2. To make all Lottery owned facilities, equipment, and data available to any successor at an appropriate time prior to the expiration of the Contract to facilitate transition to successor; and
3. That the Lottery Contracting Officer shall have final authority to resolve disputes related to the transition of the Contract from the Contractor to its successor.

The Contractor shall, upon written notice from the Contract Officer, furnish phase-in/phase-out services for up to ninety (90) days after this Contract expires and shall negotiate in good faith a plan with the successor to execute the phase-in/phase-out services. This plan shall be subject to the Contract Officer's approval.

The Contractor shall be reimbursed for all reasonable, pre-approved phase-in/phase-out costs (i.e., costs incurred within the agreed period after Contract expiration that result from phase-in, phase-out operations) and a fee (profit) not to exceed a pro rata portion of the fee (profit) under this Contract. All phase-in/phase-out work fees must be approved by the Contract Officer in writing prior to commencement of said work.

G. **IDENTIFICATION AND DELIVERY OF PROPOSAL:**

The cover page of this solicitation will indicate whether proposals will be accepted as sealed or unsealed. If this solicitation indicates "sealed" proposals will be received for this procurement, all proposals received must be enclosed in an envelope or package and identified as follows:

IF PROPOSAL IS MAILED: Offeror must mail proposal to the Virginia Lottery, Attention: 22nd Floor Purchasing Office, 600 East Main Street, Richmond, Virginia 23219. The proposal must be enclosed in an envelope or package and identified as follows:

Name of Offeror
Due Date and Time
Offeror's complete address
RFP No.
RFP Title

If a proposal is not identified as outlined above the Offeror takes the risk that the proposal may be inadvertently opened and the information compromised, which may cause the proposal to be disqualified. No other correspondence or other proposals should be placed in the envelope.

IF PROPOSAL IS HAND DELIVERED (INCLUDING COURIER): Proposal must be delivered to 600 East Main Street, Richmond, Virginia 23219. Due to increased building security, an Offeror must only deliver a proposal to the Security Guard Station located on the **Main Street entrance** of the Lottery Headquarters, Main Street Centre (address above). **However, the Security Guard is not responsible for identifying the date and time a proposal is received; only a Virginia Lottery employee can make that determination.** The Security Guard will contact an appropriate Lottery employee for proposal receipt; this process could take 30 minutes or more.

Late proposals will not be accepted.

Note: The Lottery does not conduct public openings.

Due to restrictions surrounding the COVID-19 pandemic, public access to Lottery HQ is currently limited. Mailing of bids is preferred. If a bid is hand delivered, it will be received by the Purchasing staff on July 27, 2020, at the front door located on E. Main St., 600 block, between the hours of 2:00 PM and 2:50 PM only. ALL HAND DELIVERED BIDS MUST BE SUBMITTED AT THIS LOCATION AND TIME STAMPED PRIOR TO 3:00 PM.

H. **INDEMNIFICATION:**

Contractor agrees to indemnify 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.

I. **LIMITATION OF LIABILITY:**

To the maximum extent permitted by applicable law, the Contractor will not be liable under this Contract for an indirect, incidental, special or consequential damage, or damages from loss of profits, revenue, data or use of the supplies, equipment and/or services delivered under this Contract. This limitation of liability will not apply, however, to liability arising from: (a) personal injury or death; (b) defect or deficiency caused by willful misconduct or negligence on the part of the Contractor; or (c) circumstances where the Contract expressly provides a right to damages, indemnification or reimbursement.

J. **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.

K. **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 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 outline 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-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 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 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 or more complaints within a period of one 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 year after the issuance of the third Contractor Complaint Form. Ineligibility shall apply even though a satisfactory resolution to all complaints occurred.

L. 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.

M. **REFERENCES:**

Offerors shall provide a list of at least three (3) references where similar goods and/or services have been provided. Each reference shall include the name of the organization, the complete mailing address, the name of the contact person, telephone number and email address.

Organization:	
Contact Person:	
Address:	
Telephone:	
Email:	

Organization:	
Contact Person:	
Address:	
Telephone:	
Email:	

Organization:	
Contact Person:	
Address:	
Telephone:	
Email:	

N. **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. Notwithstanding any other provision of this Contract to the contrary, the Lottery may terminate this Contract immediately and without penalty if the Lottery is unable to renegotiate the compensation with the Contractor to an amount which the Lottery determines to be appropriate.

O. **RENEWAL OF CONTRACT:**

This Contract may be renewed by the Lottery upon written agreement of both parties for three successive one-year periods, under the terms of the current Contract, and at a reasonable time (approximately 90 days) prior to the expiration.

P. **SECURITY CLEARANCE - VIRGINIA LOTTERY:**

All Contractor personnel, entering the Main Street Centre Building, are required to obtain security clearance prior to their arrival at the work site. For information on the clearance process, call Lottery Security at (804) 692-7200. Failure to obtain the necessary security clearance will result in access to the building being denied.

Q. **SMALL, WOMEN- AND MINORITY-OWNED (SWAM-OWNED) BUSINESS SUBCONTRACTING AND EVIDENCE OF COMPLIANCE:**

It is the goal of the Lottery that 42% of purchases are made from SWAM-owned businesses. This includes discretionary spending in prime contracts and subcontracts. Unless the Offeror is registered as a SBSB-certified small business and where it is practicable for any portion of the awarded Contract to be subcontracted to other suppliers, the Contractor is encouraged to offer such subcontracting opportunities to DSBSB-certified SWAM-owned businesses. No Offeror or subcontractor shall be considered a SWAM-owned Business unless certified as such by the Department of Small Business and Supplier Diversity (SBSB) by the due date for receipt of proposals. If SWAM-owned business subcontractors are used, the prime Contractor agrees to report the use of SWAM-owned business subcontractors by providing the purchasing office, at a minimum, the following information on a monthly basis or as directed by the Lottery: name of SWAM-owned business with the SBSB certification number, phone number, total dollar amount subcontracted, category type (small, women-owned, or minority-owned), and type of product/service provided.

Will there be any subcontracting to SWAM Business for the performance of this contract?	<input type="checkbox"/> Yes <input type="checkbox"/> No
If so, please provide the SWAM Business Name and SBSB certification Number:	

R. **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.

S. **CONFIDENTIALITY (LOTTERY):**

The Lottery agrees that neither it nor its employees, representatives, or agents shall knowingly divulge any proprietary information with respect to the operation of the software, the technology embodied therein, or any other trade secret or proprietary information related thereto, except as specifically authorized by the Contractor in writing or as required by the Freedom of Information Act or similar law. It shall be the Contractor's responsibility to fully comply with § 2.2-4342F of the *Code of Virginia*. All trade secrets or proprietary information must be identified in writing or other tangible form and conspicuously labeled as "proprietary" either prior to or at the time of submission to the Lottery.

T. **CONFIDENTIALITY (CONTRACTOR):**

The Contractor assures that information and data obtained as to personal facts and circumstances related to patients or clients will be collected and held confidential, during and following the term of this agreement, and will not be divulged without the individual's and the Lottery's written consent. Any information to be disclosed, except to the Lottery, must be in summary, statistical, or other form which does not identify particular individuals. Contractors and their employees working on this project will be required to sign the Confidentiality statement in this solicitation.

U. **OWNERSHIP OF INTELLECTUAL PROPERTY:**

All copyright and patent rights to all papers, reports, forms, materials, creations, or inventions created or developed in the performance of this Contract shall become the sole property of the Lottery. On request, the Contractor shall promptly provide an acknowledgment or assignment in a tangible form satisfactory to the Lottery to evidence the Lottery sole ownership of specifically identified intellectual property created or developed in the performance of the Contract.

VII. **GENERAL TERMS AND CONDITIONS:**

A. **ANTI-DISCRIMINATION:**

By submitting their proposal, Offerors certify 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. The Contractor agrees to post in conspicuous places, available to employees and applicants for

employment, notices setting forth the provisions of this nondiscrimination clause.

2. 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.
3. 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. ADDENDA:

Any changes or supplemental instructions to this Request for Proposals shall be in the form of written addenda. Each Offeror is responsible for determining that all addenda issued have been received and shall acknowledge receipt of all addenda in the space provided within the Pricing Schedule or by returning a copy of each signed addendum. Failure to do so may result in rejection of the proposal. All addenda so issued shall become part of the IFB and any resulting Contract documents.

C. ANNOUNCEMENT OF AWARD:

Upon the award or the announcement of the decision to award a Contract over \$50,000, as a result of this solicitation, Lottery will publicly post such notice on the DGS/DPS eVA web site (www.eva.virginia.gov).

D. ANTITRUST:

By entering into a 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.

E. APPLICABLE LAWS AND COURTS:

This solicitation and any resulting 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.

F. ASSIGNMENT OF CONTRACT:

A Contract shall not be assignable by the Contractor in whole or in part without the written consent of the Lottery.

G. **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.

H. **PROPOSAL PRICE CURRENCY:**

Unless stated otherwise in the solicitation, Offerors shall state proposal prices in US dollars.

I. **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.

J. **CLARIFICATION OF TERMS:**

If any prospective Offeror has questions about the specifications or other solicitation documents, the prospective Offeror should contact the buyer whose name appears on the face of the solicitation no later than five working days before the due date. Any revisions to the solicitation will be made only by addendum issued by the buyer.

K. **DEBARMENT STATUS:**

By submitting their proposal, Offerors certify that they are not currently debarred by the Commonwealth of Virginia from submitting proposals on contracts for the type of goods and/or services covered by this solicitation, nor are they an agent of any person or entity that is currently so debarred.

L. **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.

M. **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.

N. **ETHICS IN PUBLIC CONTRACTING:**

By submitting their proposal, Offerors certify that their proposal are made without collusion or fraud and that they have not offered or received any kickbacks or inducements from any other Offeror, supplier, manufacturer or subcontractor in connection with their proposal, 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.

O. **IMMIGRATION REFORM AND CONTROL ACT OF 1986:**

By entering into a written Contract with the Lottery, the Contractor certifies that they do 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.

P. **INFORMATION SECURITY REVIEW:**

Should the Contractor's obligations involve creating, collecting, or storing Lottery information which is deemed sensitive by the Virginia State Lottery Department, said Contractor shall participate in an annual information security review conducted by the Virginia Lottery Information Security Administrator to ensure that information protection policies and practices of the Contractor are sufficient for the Lottery information being created, collected and/or stored.

Q. **INSURANCE:**

By signing and submitting a proposal under this solicitation, the Offeror certifies that if awarded the Contract, it will have the following insurance coverage at the time the Contract is awarded. 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 Offeror further certifies that the Contractor 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.

R. **NONDISCRIMINATION OF CONTRACTOR:**

A Offeror or Contractor shall not be discriminated against in the solicitation or award of 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 Offeror 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 award of this Contract is made to 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.

S. **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 under this solicitation 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.

T. **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.

U. **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 solicitation, the Special Terms and Conditions shall apply.

V. **QUALIFICATION OF OFFEROR:**

The Lottery may make such reasonable investigations as deemed proper and necessary to determine the ability of the Offeror to perform the services/furnish the goods and the Offeror shall furnish to the Lottery all such information and data for this purpose as may be requested. The Lottery reserves the right to inspect Offeror's physical facilities prior to award to satisfy questions regarding the Offeror's capabilities. The Lottery further reserves the right to reject any proposal if the evidence submitted by, or investigations of, such Offeror fails to satisfy the Lottery that such Offeror is properly qualified to carry out the obligations of the Contract and to provide the services and/or furnish the goods contemplated therein.

W. **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.

X. **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.

VIII. **METHOD OF PAYMENT AND INVOICING:**

Invoices for services provided shall be submitted monthly to the address and contact below. All invoices shall be Net 30 days and indicate Contract number and shall be an itemized listing by date of each employee, their labor rate category, the hours worked and the assigned investigation. Invoices should be submitted by the 10th of the month following the month services were rendered.

Travel expenses and other allowable pass-thru costs shall be invoiced separately, invoiced at cost with no markup or adjustment, and include all necessary documentation to substantiate the invoiced amounts, including receipts. The then-current IRS mileage rate shall be used to invoice the Lottery for miles traveled.

Invoices shall be rendered directly to:

Virginia Lottery

Attention: Accounts Payable

VLAP@valotery.com (*preferable*)

600 East Main Street

Richmond, VA 23219

Invoice must contain the following information:

- Virginia Lottery's contract number;
- Employee name
- Employee labor category
- Hours worked by day
- Assigned Investigation
- 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.

IX. **PRICING:**

The Offeror agrees to furnish the goods/services as specified herein, and in compliance with the terms and conditions of this Request for Proposal at the following rates(s):

Investigative Services

Labor Category	Hourly Rate	Estimated Hours*	Extended Cost
Lead Investigator	\$	1,500	\$
Financial Analyst	\$	1,000	\$
Investigator	\$	1,000	\$
Trainer	\$	24	\$
Grand Total			\$

Please include a separate list of the optional services proposed and the cost for each.

Consulting Services

Labor Category	Hourly Rate	Estimated Hours*	Extended Cost
Lead Consultant	\$	200	\$
Consultant	\$	160	\$
Grand Total			\$

Please include a separate list of the optional services proposed and the cost for each.

* The Estimated Hour are estimates only. The Lottery makes no guarantee that actual usage will meet these estimated amounts as detailed in the table above.

X. **ADDENDA:**

Offeror hereby acknowledges receipt of and incorporation of all requirements of any addenda issued for this Request for Proposals:

Addendum No. _____ Dated _____
Addendum No. _____ Dated _____
Addendum No. _____ Dated _____

XI. **SIGNATURE AND OFFEROR PROFILE SHEET:**

All proposals must be signed below in order to be considered.

All prices shall be F.O.B. to the delivery address(s) as specified herein. Freight, delivery costs, and incidental charges shall be included in the proposal price(s).

In compliance with this Request for Proposal #4957MG and subject to all conditions thereof, the undersigned offers and agrees to furnish any or all items and/or services proposal herein.

Complete Legal Name of Firm	
Address	
Remit to Address	
Authorized Signature	
Print Name	
Title	FIN #
Email	Telephone
Offeror Profile: Offeror shall indicate whether they are <i>certified</i> with the Virginia Department of Small Business and Supplier Diversity as a (check all that apply)	
<input type="checkbox"/> Small Business <input type="checkbox"/> Minority-Owned Business <input type="checkbox"/> Woman-Owned Business	
Certification Number:	Expiration Date:
<small>Definitions and information on how to become certified may be obtained at www.sbsd.virginia.gov</small>	
Contact person regarding this Proposal	
Check here to use above contact <input type="checkbox"/> or provide name below:	
Name:	
Email	Phone

XII. OFFERORS CHECKLIST:

The intent of the checklist is to assist the Offeror in providing a responsive proposal. It may not include all the requirements necessary to submit a responsive proposal. It is the responsibility of the Offeror to read the entire solicitation.

<input type="checkbox"/>	Offeror has clear understanding of goods/services requested
<input type="checkbox"/>	Offeror understands and agrees to all Special and General Terms & Conditions
<input type="checkbox"/>	Any tables/boxes within the Special Terms and Conditions must be completed by the Offeror (Offeror must write in these tables/boxes).
<input type="checkbox"/>	Offeror understands when proposal is due
<input type="checkbox"/>	Offeror understands where to mail or deliver proposal
<input type="checkbox"/>	Offeror understands that once a proposal is opened it is a binding document
<input type="checkbox"/>	Offeror signed and provided all information requested on RFP Signature Page
<input type="checkbox"/>	Offeror understands that contact with the Contract Specialist is encouraged if any questions arise prior to submitting a proposal
<input type="checkbox"/>	
<input type="checkbox"/>	
<input type="checkbox"/>	
<input type="checkbox"/>	
<input type="checkbox"/>	
<input type="checkbox"/>	