

The Commonwealth of Massachusetts

*Massachusetts State Lottery Commission
(MSLC)*



REQUEST FOR RESPONSE (RFR)

For

DOCUMENT TITLE: Audit and Financial Consulting Services

DOCUMENT NUMBER: RFR LOT # 1305

RFR LOT # 1305

RFR Release Date: March 26, 2013

RFR Response Due Date: Friday, April 26, 2013 at 1:00PM

GENERAL INFORMATION

General Information - The terms of 801 CMR 21.00: Procurement of Commodities and Services is incorporated by reference into this RFR. Words used in this RFR **shall** have the meanings defined in 801 CMR 21.00. Additional definitions may also be identified in this RFR. All terms, conditions, requirements, and procedures included in this RFR **must** be met for a Response to be determined responsive. If a Bidder fails to meet any material term, condition, requirement or procedure, its Response may be deemed unresponsive and disqualified.

Unless otherwise specified in this RFR all communications, responses, and documentation **must** be in English, all measurements **must** be provided in feet, inches, and pounds, equipment **must** be new and of current manufacturing models and unused, and all cost proposals or figures in U.S. Currency. All Responses **must** be submitted in accordance with the specific terms of this RFR. No electronic Responses may be submitted in response to this RFR. The MSLC **will** not assume nor be liable for any costs incurred by the Bidder in preparing and/or submitting a response to this RFR.

TERMS AND CONDITIONS

Access to Security-Sensitive Information - This solicitation contains security-sensitive information which, pursuant to MGL c. 4, s. 7, cls. 26(n), is generally exempt from public disclosure under the Commonwealth's public records laws and **must**, for public safety purposes, be safeguarded from widespread public disclosure. This security-sensitive information is in the form of blueprints, plans, policies, procedures, schematic drawings, which relate to internal layout and structural elements, security measures, emergency preparedness, threat or vulnerability assessments, and/or any other records relating to the security or safety of persons (pursuant to M.G.L. c. 66A) or buildings, structures, facilities, utilities, transportation, information technology or other infrastructure located within the commonwealth.

Qualified prospective Bidders that are interested in accessing this information for the purpose of preparing a bid response **must**, before being allowed to access the information, sign a confidentiality agreement, thereby agreeing to:

1. restrict the use of these sensitive records for any other purpose than as authorized and for the purpose of putting together a bid proposal;
2. safeguard the information while it is in their possession (consistent with Section 6 of the Commonwealth Terms and Conditions); and
3. return such records and materials to the Commonwealth upon completion of the project.

Alternatives - A response which fails to meet any material term or condition of the RFR, including the submission of required attachments, may lose points or be deemed unresponsive and disqualified. Unless otherwise specified, Bidders may submit responses proposing alternatives which provide equivalent, better or more cost effective performance than achievable under the stated RFR specifications. These alternatives may include related commodities or services that may be available to enhance performance during the period of the contract. The response should describe how any alternative achieves substantially equivalent or better performance to that of the RFR specifications.

The MSLC **will** determine if a proposed alternative method of performance achieves substantially equivalent or better performance. The goal of this RFR is to provide the best value of commodities and services to achieve the procurement goals of the department. Bidders that propose discounts, uncharged commodities and services or other benefits in addition to the RFR specifications may receive a preference or additional points under this RFR as specified.

Contractors may also propose alternatives for equivalent, better or more cost effective performance than specified under the contractor's original response to enable the department to take advantage of enhanced technologies, commodities or services which become available during the term of the contract.

Arrearages- By submitting a response to this solicitation, each Bidder represents that it is not in arrears in the payment of any obligations due and owing the State, including the payment of taxes and employee benefits, and that it **shall** not become so in arrears during the term of the Master Contract if selected for Master Contract award.

Best Value Selection and Negotiation- The Procurement Management Team (PMT) may select the response(s) which demonstrates the best value overall, including proposed alternatives that **will** achieve the procurement goals of the department. The PMT and a Selected Bidder, or a contractor, may negotiate a change in any element of contract performance or cost identified in the original RFR or

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the Selected Bidder's or contractor's response which results in lower costs or a more cost effective or better value than was presented in the Selected Bidder's or contractor's original response.

Bidder Communication - Bidders are prohibited from communicating directly with any employee of the procuring department or any member of the PMT regarding this RFR except as specified in this RFR, and no other individual Commonwealth employee or representative is authorized to provide any information or respond to any question or inquiry concerning this RFR. Bidders may contact the contact person for this RFR in the event this RFR is incomplete or the Bidder is having trouble obtaining any required attachments electronically through Comm-PASS.

Business Profile/Change in Financial Condition - The MSLC reserves the right to request, at MSLC expense through the reporting system in place at the time, a business profile and financial condition report on any corporation, parent company, directors, principals, officers, partnerships or sole proprietorships involved in submitting a response to this RFR.

In addition, the MSLC reserves the right to obtain, from sources other than the vendor, information concerning the vendor, the vendor's capabilities and the vendor's performance under other contracts which the MSLC deems pertinent to this RFR and to consider such information when making an award.

Vendors **shall** be required to immediately inform the Executive Director of the MSLC in writing of any major change in the financial condition or organization of the company. Misrepresentation or failure of the Vendor to notify the MSLC **shall** be grounds for contract award cancellation and/or termination.

Comm-PASS - If this RFR has been distributed electronically using the Comm-PASS system, RFR attachments that are referenced are incorporated by reference into the RFR and are available as separate files within the Forms tab and Specifications tab of the Comm-PASS Solicitation record. OSD Forms are also available at www.mass.gov/osd under the Related Links section. While Comm-PASS offers optional, value-added, automated Comm-PASS Subscription Service on an annual-fee basis, all Bidders are solely responsible for obtaining and completing the required attachments that are identified in this RFR and for checking Comm-PASS for any addenda or modifications that are subsequently made to this RFR or attachments. The Commonwealth and its subdivisions accept no liability for and **will** provide no accommodation to Bidders who fail to check for amended RFRs/Requests for Quotes (RFQs) or any other procurement opportunities and subsequently submit inadequate or incorrect responses. Bidders are advised to check the Last Changed Date field on the Summary page or the Amendment History within the Other Information tab of RFRs for which they intend to submit a response in order to ensure that they have the most recent RFR files. Bidders may not alter (manually or electronically) the RFR language or any RFR component files. Modifications to the body of the RFR, specifications, terms and conditions, or which change the intent of this RFR are prohibited and may disqualify a response.

Comm-PASS Subscription Service - The Comm-PASS Subscription Service is sponsored by the Operational Services Division (OSD). This service offers a prospective Bidder a secure, web-based desktop that contains tools to track and manage postings including solicitation announcements, Request for Responses (RFRs), and Contracts that match the subscriber-designated set of categories and sub-categories on the Commonwealth's Procurement Access and Solicitation System (Comm-PASS).

Comm-PASS Basic Service **will** provide a subscriber with:

- Secure web-based desktop within Enhanced Comm-PASS for document management.
- A customizable profile reflecting the Bidder's product/service areas of interest.
- Refined commodity and service categories and sub-categories.
- Full-cycle, automated email alert whenever a solicitation of interest is posted or updated.
- Access to On-line Bidder Forums to allow for virtual attendance and participation.
- Tools to submit bids electronically to an encrypted lock-box.

Every public purchasing entity within the borders of Massachusetts may post their solicitations on Comm-PASS at no charge. Comm-PASS has the potential to become the sole site for reviewing and responding electronically to public solicitations in Massachusetts. **Fees for the Comm-PASS Subscription Service are based on costs to operate, maintain and develop the Comm-PASS system.**

Commonwealth Tax Exemption - Payment vouchers or invoices submitted to the MSLC **must** not include sales tax.

Conflict of Interest - Prior to the award of any contract, the vendor shall certify in writing to the procuring agency that no relationship exists between the vendor and the procuring or contracting agency that interferes with fair competition or is a conflict of interest, and no relationship exists between the vendor and another person or organization that constitutes a conflict of interest with respect to a state contract. No official or employee of the Commonwealth who exercises any function or responsibility in the review or

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approval of the undertaking or carrying out of this project **shall**, prior to the completion of this project, voluntarily acquire any personal interest, either directly or indirectly, in this contract or proposed contract.

The Bidder **shall** provide assurance that it presently has no interest and **shall** not acquire any interest, either directly or indirectly, which **will** conflict in any manner or degree with the performance of its services hereunder. The Bidder **shall** also provide assurances that no person having any such known interests **shall** be employed during the performance of this contract.

Contract Award - The Contract **will** be awarded to the Vendor with the lowest overall cost that has met all **mandatory** performance and business specifications provided it is the “*best value*” for the Commonwealth of Massachusetts. A procurement **will** be considered in the best interest, or the “*best value*” when it: 1) supports the achievement of required performance outcomes; 2) generates the best quality and economic value; 3) is performed timely; 4) minimizes the burden on administrative resources; 5) expedites simple or routine purchases; 6) allows flexibility in developing alternative procurement and business relationships; 7) encourages competition, encourages the continuing participation of quality Vendors; and 8) supports Commonwealth and Department procurement planning and implementation. [801 CMR 21.01 (1)].

The PMT may select the response(s) which demonstrates the best value overall, including proposed alternatives which **will** achieve the procurement goals of the department. The PMT and a Selected Bidder, or a contractor, may negotiate a change in any element of contract performance or cost identified in the original RFR or the Selected Bidder’s or contractor’s response which results in lower costs or a more cost effective or better value than was presented in the Selected Bidder’s or contractor’s original response.

Contract Documents - The contract between the MSLC and the Successful Vendor **will** include as integral parts thereof:

- **Commonwealth Terms and Conditions (See Attachment A)**
- **Standard Contract Form (See Attachment B)**
- **This RFR and amendments thereto**
- **Vendors response and amendments thereto**

In the event of a conflict in language between any of the above mentioned documents, the provisions and requirements set forth or referenced in the Commonwealth Terms and Conditions and this RFR with the amendments **shall** govern. In the event that an issue is addressed in the response that is not addressed in the RFR, no conflict in language **shall** be deemed to occur.

Contract Expansion - If additional funds become available during the contract duration period, the department reserves the right to increase the maximum obligation to some or all contracts executed as a result of this RFR or to execute contracts with contractors not funded in the initial selection process, subject to available funding, satisfactory contract performance and service or commodity need.

Costs - Costs which are not specifically identified in the Bidder’s response, and accepted by a department as part of a contract, **will** not be compensated under any contract awarded pursuant to this RFR. The Commonwealth **will** not be responsible for any costs or expenses incurred by Bidders responding to this RFR.

Electronic Communication/Update of Bidder’s/Contractor’s Contact Information - It is the responsibility of the prospective bidder and awarded contractor to keep current the email address of the Bidder’s contact person and prospective contract manager, if awarded a contract, and to monitor that email inbox for communications from the PMT, including requests for clarification. The PMT and the Commonwealth assume no responsibility if a prospective Bidder’s/awarded contractor’s designated email address is not current, or if technical problems, including those with the prospective Bidder’s/awarded contractor’s computer, network or internet service provider (ISP) cause email communications sent to/from the prospective Bidder/awarded contractor and the PMT to be lost or rejected by any means including email or spam filtering.

Electronic Funds Transfer (EFT) - All Bidders responding to this RFR **will** be required to participate in the Commonwealth Electronic Funds Transfer (EFT) program for receiving payments, unless the Bidder can provide compelling proof that it would be unduly burdensome. EFT is a benefit to both contractors and the Commonwealth because it ensures fast, safe and reliable payment directly to contractors and saves both parties the cost of processing checks. Contractors are able to track and verify payments made electronically through the Comptroller’s Vendor Web system. A link to the EFT application can be found on the [OSD Forms](#) page (www.mass.gov/osd). Additional information about EFT is available on the [VendorWeb](#) site (www.mass.gov/osc). Click on MASSfinance.

Successful Bidders **will** be required to enroll in EFT as a contract requirement by completing the *Authorization for Electronic Funds Payment Form*. Because the *Authorization for Electronic Funds Payment Form* contains banking information, this form, and all information contained on this form, **shall** not be considered a public record and **shall** not be subject to public disclosure through a public records request. If the Bidder is already enrolled in the program, the Bidder **will** be able to indicate so in its response. The requirement to use EFT may be waived by the PMT on a case-by-case basis if participation in the program would be unduly burdensome on the Bidder. If a Bidder is claiming that this requirement is a hardship or unduly burdensome, the specific reason **must**

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be documented in its response. The PMT **will** consider such requests on a case-by-case basis and communicate the findings with the Bidder.

Emergency Standby Commodities and/or Services - Due to a declaration of a state of emergency where the safety and well-being of Commonwealth citizens are at risk, the Commonwealth of Massachusetts may request specific commodities and/or services from its contractors. Contractors may be called upon to supply and/or deliver to the MSLC on a priority basis such commodities and/or services currently under contract. Such accommodations may be requested from a contractor during an actual emergency. To accommodate such requests, contractors may be requested and **must** make every effort to service these requests from regular sources of supply at the rates set forth in any standard contract resulting from this RFR.

Environmentally Preferable Products and Services - The MSLC and the contractor(s) may negotiate during the contract term to permit the substitution or addition of Environmentally Preferable Products (EPP's) when such products are readily available at a competitive cost and satisfy the MSLC's performance needs.

Executive Order 515, Establishing an Environmental Purchasing Policy – Products and services purchased by state agencies must be in compliance with Executive Order 515, issued October 27, 2009. Under this Executive Order, Executive Departments are required to reduce their impact on the environment and enhance public health by procuring environmentally preferable products and services (EPPs) whenever such products and services perform to satisfactory standards and represent best value, consistent with 801 CMR 21.00. In line with this directive, all contracts, whether departmental or statewide, comply with the specifications and guidelines established by OSD and the EPP Program. EPPs are considered to be products and services that help to conserve natural resources, reduce waste, protect public health and the environment, and promote the use of clean technologies, recycled materials, and less toxic products. Questions concerning the EO or the appropriate specifications may be directed to OSD's EPP Procurement Program: www.mass.gov/epp. The Order can be seen at:

<http://www.mass.gov/governor/legislationeeexecorder/executiveorder/executive-order-no-515.html>

Environmental Response Submission Compliance - In an effort to promote greater use of recycled and environmentally preferable products and minimize waste, all responses submitted should comply with the following guidelines:

- All copies should be printed double sided.
- All submittals and copies should be printed on recycled paper with a minimum post-consumer content of 30% or on tree-free paper (i.e. paper made from raw materials other than trees, such as kenaf). To document the use of such paper, a photocopy of the ream cover/wrapper should be included with the response.
- Unless absolutely necessary, all responses and copies should minimize or eliminate use of non-recyclable or non-re-usable materials such as plastic report covers, plastic dividers, vinyl sleeves and GBC binding. Three ringed binders, glued materials, paper clips and staples are acceptable.
- Bidders should submit materials in a format which allows for easy removal and recycling of paper materials.
- Bidders are encouraged to use other products which contain recycled content in their response documents. Such products may include, but are not limited to, folders, binders, paper clips, diskettes, envelopes, boxes, etc. Where appropriate, Bidders should note which products in their responses are made with recycled materials.
- Unnecessary samples, attachments or documents not specifically asked for should not be submitted.

Evaluation Components - The evaluation criteria is designed to select proposals that offer the best value to the Lottery. Only responsive proposals that meet all required specifications and procedures, as outlined in the RFR will be evaluated, scored and qualified by the PMT. The following components will be some of the criteria considered by the Procurement Management Team (PMT) when evaluating each Response: Supplier Diversity Program (SDP), **Desirables, Highly Desirables**, Cost, and Invest in MA.

Estimated Provisions - The Commonwealth makes no guarantee that any Commodities or Services **will** be purchased from any Contract resulting from this RFR. Any estimates or past procurement volumes referenced in this RFR are included only for the convenience of Bidders, and are not to be relied upon as any indication of future purchase levels.

Freight - Unless otherwise specified, all products and services **shall** be "FOB Destination". The MSLC **will** not assume any separate freight, mileage, travel time or any other associated charges in addition to the bid price. Any charges of this nature are to be included in the bid price.

HIPAA: Business Associate Contractual Obligations - Bidders are notified that any department meeting the definition of a Covered Entity under the Health Insurance Portability and Accountability Act of 1996 (HIPAA) **will** include in the RFR and resulting contract sufficient language establishing the Successful Bidder's contractual obligations, if any, that the department **will** require in order for the department to comply with HIPAA and the privacy and security regulations promulgated thereunder (45 CFR Parts 160,

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162, and 164) (the Privacy and Security Rules). For example, if the department determines that the Successful Bidder is a business associate performing functions or activities involving protected health information, as such terms are used in the Privacy and Security Rules, then the department will include in the RFR and resulting contract a sufficient description of business associate's contractual obligations regarding the privacy and security of the protected health information, as listed in 45 CFR 164.314 and 164.504 (e), including, but not limited to, the Bidder's obligation to: implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the protected health information (in whatever form it is maintained or used, including verbal communications); provide individuals access to their records; and strictly limit use and disclosure of the protected health information for only those purposes approved by the department. Further, the department reserves the right to add any requirement during the course of the contract that it determines it include in the contract in order for the department to comply with the Privacy and Security Rules. Please see other sections of the RFR for any further HIPAA details, if applicable.

Information Technology - All IT systems and applications developed by, or for Executive department agencies or operating within the Massachusetts Access to Government Network (MAGNet), conform with the Enterprise Information Technology Policies, Standards and Procedures promulgated by the Commonwealth's CIO. Non-conforming IT systems cannot be deployed unless the purchasing agency and their contractor have jointly applied for and received in writing from the Commonwealth's CIO or his designee, notice that a specified deviation **will** be permitted. The Enterprise Information Technology Policies, Standards and Procedures, with the exception of the Enterprise Public Access Policy For e-Government Applications and the Enterprise Public Access For e-Government Applications Standards, are available at mass.gov/itd. The Enterprise Public Access Policy For e-Government Applications and the Enterprise Public Access For e-Government Applications Standards are available in hard copy from the purchasing agency. Purchasing agencies may also obtain a current copy of these documents, on behalf of their contractor, by contacting the Information Technology Division's CommonHelp group at commhelp@state.ma.us or 1 (866) 888-2808.

Please note: Given the pace of information technology innovation, purchasing agencies and their contractors are encouraged to contact the Information Technology Division's CommonHelp group at commhelp@state.ma.us or 1 (866) 888-2808 to signal a system or application design and development initiative. Such advance notice helps to ensure conformance with the relevant Enterprise Technology Policies, Standards and Procedures.

Contractor delivery of IT systems and applications that fail to conform to the Commonwealth's Enterprise Information Technology Policies, Standards and Procedures, absent the Commonwealth CIO's grant of written permission for a deviation, **shall** constitute breach of any contract entered as a result of this Request for Response and any subsequent Request for Quotes. The Commonwealth may choose to require the contractor, at his own cost, to re-engineer the non-conforming system for the purpose of bringing it into compliance with Commonwealth Enterprise Information Technology Policies, Standards and Procedures.

Information Technology - Clarification of Language in Section 11, Indemnification of the Commonwealth Terms and Conditions. Required for the following object codes within the "Expenditure Classification Handbook" as issued by the Office of the Comptroller (OSC):

CODE	TITLE
U01	Telecommunications Services Data
U02	Telecommunications Services Voice
U03	Software and Information Technology (IT) Licenses
U04	Information Technology (IT) Chargeback
U05	Information Technology (IT) Professionals
U06	Information Technology (IT) Cabling
U07	Information Technology (IT) Equipment
U08	Information Technology (IT) Equipment TELP Lease-Purchase
U09	Information Technology (IT) Equipment Rental or Lease
U10	Information Technology (IT) Equipment Maintenance and Repair
U75	Advance Administrative Expenses
U98	Reimbursement for Travel Expenses for IT Professionals

Pursuant to Section 11, Indemnification of the Commonwealth Terms and Conditions, the term "other damages" **shall** include, but **shall** not be limited to, the reasonable costs the Commonwealth incurs to repair, return, replace or seek cover (purchase of comparable substitute commodities and services) under a contract. "Other damages" **shall** not include damages to the Commonwealth as a result of third party claims, provided, however, that the foregoing in no way limits the Commonwealth's right of recovery for personal injury or

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property damages or patent and copyright infringement under Section 11 nor the Commonwealth's ability to join the contractor as a third party defendant. Further, the term "other damages" **shall** not include, and in no event **shall** the contractor be liable for, damages for the Commonwealth's use of contractor provided products or services, loss of Commonwealth records, or data (or other intangible property), loss of use of equipment, lost revenue, lost savings or lost profits of the Commonwealth. In no event **shall** "other damages" exceed the greater of \$100,000, or two times the value of the product or service (as defined in the contract scope of work) that is the subject of the claim. Section 11 sets forth the contractor's entire liability under a contract. Nothing in this section shall limit the Commonwealth's ability to negotiate higher limitations of liability in a particular contract, provided that any such limitation **must** specifically reference Section 11 of the Commonwealth Terms and Conditions.

Insurance - Vendor **shall** maintain, throughout the term of the contract the type of insurance as set forth below:

Workers Compensation Insurance - for officers, employees and agents employed in connection with this contract in accordance with applicable law, including the laws of the Commonwealth of Massachusetts as well as the laws of any other state where the Contractor maintains its principal place of business with a limit of at least two hundred thousand dollars (\$200,000) per occurrence with an annual aggregate of one million dollars (\$1,000,000).

Vehicle Liability Insurance - covering owned, non-owned, substitute and hired vehicles in accordance with applicable laws, including, but not limited to, the automobile insurance laws of the Commonwealth of Massachusetts, and any other states where the Contractor maintains its principal place of business with a combined single limit annual aggregate of one million dollars (\$1,000,000).

Commercial General Liability Insurance - for all damages arising out of bodily injury or death, or damage to personal or real property incurred with respect to work performed under this contract. Said insurance **shall** provide for bodily injury and property damage coverage liability limits of one million dollars (\$1,000,000) per person with an annual aggregate of three million dollars (\$3,000,000) per event.

The vendor **shall** provide certificates of insurance evidencing such coverage to the MSLC within ten (10) days of the date of execution of the contract by the vendor and the MSLC. Failure to provide and maintain such insurance **shall** be deemed a breach of contract, and may, at the sole discretion of the MSLC operate as an immediate termination hereof. Each policy of insurance **shall** expressly provide sixty (60) days prior notice by the insurer to the MSLC of any intent to cancel, failure to renew or material change in the coverage identified above. The automobile liability insurance and the commercial general liability insurance policies **shall** identify the MSLC as an additional insured. All insurance **shall** be maintained from an insurance carrier authorized to conduct business in the Commonwealth of Massachusetts.

Invest in Massachusetts - The MSLC encourages investment in our local economy and is committed to advancing the creation and preservation of jobs in the Commonwealth. As a result, Bidders **must** submit an *Invest in Massachusetts Data Form* (the "IMD Form"). Bidders, regardless of their certification status, are required to complete Parts I and II of the IMD Form in order to be deemed responsive and eligible for consideration. Bidders who are able to and do certify in Part III of the IMD Form that fifty percent (50%) or more of the work-hours performed in connection with any contract arising out of its RFR Response **will** be performed in Massachusetts **will** Business and Technical evaluation points. The IMD Form **will** stand for five percent (5%) of the Bidder/Proposer's Business and Technical evaluation points.

Please be advised, however, that inability to provide such certification **shall** not preclude any Bidder from being awarded a contract if such Bidder receives the most overall points throughout the entire evaluation process.

Evaluation Criteria- Bidder scores **will** be used to rank Bidders and **will** determine which Bidders **will** proceed to subsequent stages of the evaluation and/or enter into negotiations with the Commonwealth to receive a Contract award.

Mandatory and Desirable - **Mandatory** specifications in this RFR are identified with the words "**must**", "**shall**", "**will**", "**mandatory**", or "**is required**". However, Vendors **must** assume that every specification included herein is a **mandatory** specification, unless it is clearly indicated to be otherwise. A **mandatory** specification is one that **must** be met in order for a response to be considered responsive. Any response, which fails to meet a **mandatory** specification of the RFR, **will** be deemed non-responsive and **will** be disqualified. **Desirable** specifications are designated with the words, "is desired", "**desirable**", and "**highly desirable**". Unless there is an explicit indication to the contrary stated in this RFR, Vendors may receive evaluation points for "**desirable**" goods and services.

Minimum Bid Duration - Bidder responses/bids made in response to this RFR **must** remain in effect for 90 days from the date of bid submission.

News Releases - The Successful Vendor **shall** not issue any news releases, advertising or promotional materials pertaining to the performance of the contract without prior approval by the Executive Director of the MSLC.

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Ownership of Responses - All documentation, materials, data, etc., submitted in response to this RFR **shall** become the property of the MSLC and **will** not be returned to the Bidder. Bidders are cautioned that ideas, techniques, information, etc., submitted as part of the Bidders response may be used by the MSLC without separate payment to the Bidder or Sub-Contractors.

Payments - Payment **shall** be made for services only after such services have been delivered and accepted by the MSLC. Payments **shall** be made only in arrears. No advance payments can be made to Vendors. Payment **will** be made 45 days after acceptance and following receipt of invoice.

Pricing: Federal Government Services Administration (GSA) or Veteran's Administration Supply - The MSLC reserves the right to request from the Successful Bidder(s) initial pricing schedules and periodic updates available under their GSA or other federal pricing contracts. In the absence of proprietary information being part of such contracts, compliance for submission of requested pricing information is expected within 30 days of any request. If the contractor receives a GSA or Veteran's Administration Supply contract at any time during this contract period, it **must** notify the MSLC contract manager.

Pricing: Price Limitation - The Bidder **must** agree that no other customer of similar size and similar terms and conditions **shall** receive a lower price for the same commodity and service during the contract period, unless this lower price is immediately effective for the MSLC. The Bidder **must** also agree to provide current or historical pricing offered or negotiated with other governmental or private entities at any time during the contract period upon request of the contract manager.

Prime Contractor Responsibility - The MSLC requires a single point of responsibility for performance of any Contract that may result from this RFR. Subcontractors may be used, but the Prime Contractor **must** accept full responsibility for the subcontractor's performance. All subcontractors **must** be identified by the Prime Contractor and the Prime Contractor **must** describe the type of contractual arrangement that **will** exist with all subcontractors. The Prime Contractor **shall** be responsible for meeting all of the terms of the Contract resulting from the RFR. Prior approval of the department is required for any subcontracted service of the contract. Contractors are responsible for the satisfactory performance and adequate oversight of its subcontractors. Subcontractors are required to meet the same state and federal financial and program reporting requirements and are held to the same reimbursable cost standards as contractors.

Prompt Payment Discounts (PPD) - All Bidders responding to this procurement should agree to offer discounts through participation in the Commonwealth Prompt Payment Discount (PPD) initiative for receiving early and/or on-time payments, unless the Bidder can provide compelling proof that it would be unduly burdensome. PPD benefits both contractors and the Commonwealth. Contractors benefit by increased, usable cash flow as a result of fast and efficient payments for commodities or services rendered. Participation in the Electronic Funds Transfer initiative further maximizes the benefits with payments directed to designated accounts, thus eliminating the impact of check clearance policies and traditional mail lead time or delays. The Commonwealth benefits because contractors reduce the cost of products and services through the applied discount. Payments that are processed electronically can be tracked and verified through the Comptroller's Vendor Web system. Bidders should submit agreeable terms for Prompt Payment Discount using the PPD form within their proposal, unless otherwise specified by the PMT. The PMT **will** review, negotiate or reject the offering as deemed in the best interest of the Commonwealth. Please note that PPD may be considered in the evaluation process.

Public Records - All responses and information submitted in response to this RFR are subject to the Massachusetts Public Records Law, M.G.L., c. 66, § 10, and to c. 4, § 7, cl. 26. Any statements in submitted responses that are inconsistent with these statutes **shall** be disregarded.

Reasonable Accommodation - Bidders with disabilities or hardships that seek reasonable accommodation, which may include the receipt of RFR information in an alternative format, **must** communicate such requests in writing to the contact person. Requests for accommodation **will** be addressed on a case by case basis. A Bidder requesting accommodation **must** submit a written statement which describes the Bidder's disability and the requested accommodation to the contact person for the RFR. The PMT reserves the right to reject unreasonable requests.

Rejection of Bids - The MSLC may reject any and all bids in response to this RFR if it deems it is in its best interest to do so. The MSLC may also reject any and all bids for any of the following reasons:

- a) fails to adhere to one or more of the provisions established in this RFR;
- b) fails to submit its bid at the time or in the format specified herein, or to supply the minimum information requested herein;
- c) fails to meet unconditionally all of the **mandatory** performance and business specifications of this RFR;
- d) fails to state in writing its acceptance of the **mandatory** terms and conditions in Attachment A of this RFR as they appear in Attachment A without change or alteration;
- e) fails to submit its bid, to the required address, before or on the deadline date established by the Procurement Calendar;

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- f) materially misrepresents its services or provides demonstrably false information in its bid;
- g) fails to submit costs on the Cost Table (Attachment C), or to guarantee the costs for 90 days;
- h) refuses to provide clarification, if requested by the Procurement Committee; or
- i) fails to sign a Contract within ten (10) business days of receipt of the Contract for signing.

Restriction on the Use of the Commonwealth Seal - Bidders and contractors are not allowed to display the Commonwealth of Massachusetts Seal in their bid package or subsequent marketing materials if they are awarded a contract because use of the coat of arms and the Great Seal of the Commonwealth for advertising or commercial purposes is prohibited by law.

Revisions to this RFR - If it becomes necessary to revise any part of this RFR, or if additional data is necessary to clarify any of its provisions, a supplement **will** be mailed or faxed to Vendors who have obtained a copy of the RFR directly from the MSLC and not by any other means or subscriptions.

RFR Cancellation - The MSLC reserves the right to cancel this bid at any time before a Contract has been executed and approved, in which event the MSLC **will** reject any and all bids received in response to this RFR. Should the bid be canceled, all expenses related to preparation of response to this RFR remain the responsibility of the Vendor.

Service Representative - The selected Vendor **must** assign (a) service representative(s) which the MSLC may contact regarding the service performance during the contract term. The MSLC reserves the option to require this individual(s) be replaced if it finds that the individual(s) is not responsive or compatible.

Small Business Purchasing Program (SBPP) - Vendor (Procurements between \$50,000.00 and \$150,000.00 only) Small Business Preference – Special consideration **will** be given to eligible small businesses responding to this procurement who participate in the Small Business Purchasing Program (SBPP). To determine eligibility and to participate in the SBPP, please review the requirements and general program information at www.mass.gov/sbpp. The Department intends to provide SBPP eligible Bidders with a 10% preference in the evaluation process.

Subcontracting Policies - Prior approval of the department is required for any subcontracted service of the contract. Contractors are responsible for the satisfactory performance and adequate oversight of its subcontractors. Human and social service subcontractors are also required to meet the same state and federal financial and program reporting requirements and are held to the same reimbursable cost standards as contractors.

Supplier Diversity Program (SDP) Plan - Massachusetts Executive Order 524 established a policy to promote the award of State Contracts in a manner that develops and strengthens Minority and/or Women Business Enterprises (M/WBEs). As a result, M/WBEs are strongly encouraged to submit bid responses to this RFR, either as prime vendors, joint venture partners or subcontractors. All Bidders, regardless of their certification status, are required to submit a completed SDP Plan Form as part of their response for evaluation. It is required that Supplier Diversity Program (SDP) participation accounts for no less than 10% of the total points in the evaluation. Higher evaluation points may be awarded to SDP Plans that show more commitments for use of certified vendors in the primary industry directly related to the scope of the RFR, subcontracting expenditures and partnerships for the purpose of contracting with the Commonwealth.

The PMT **requires** Bidders to make a significant commitment to partner with certified Minority- and Women-Owned Businesses in order to be awarded a contract. A Supplier Diversity Office (SDO), formerly known as SOMWBA, certified Bidder may not list itself or an affiliate) as being a Supplier Diversity Program (SDP) partner to its own company. In addition, a narrative statement can be included to supplement the SDP Plan Form providing further details of the SDP commitments. The submission of this narrative statement does not replace the requirement of the SDP Plan Form. Bidders **must** submit one form for each M/WBE SDP Relationship. **Please note that no Bidder will be awarded a contract unless and until they agree to commit to at least one (1) of following three (3) SDP Components selected by the PMT:**

1. **Subcontracting:** If Bidder commits to Subcontracting in their SDP plan, then they **must** commit to subcontract a specific dollar amount, or a minimum percentage of dollars earned through an awarded contract, with a SDO certified company. Although this is only one of several options to meet the requirements for participation in the Supplier Diversity Program, Bidder's submission of subcontracting commitments may be weighted most heavily. The PMT **will** set timelines for progress reviews (either quarterly or semi-annually) for the purpose of compliance and tracking of submitted commitments. Please note that all subcontracting partnerships require inclusion of that contract between the Bidder and the M/WBE subcontractor in the Bidder's bid package.
2. **Ancillary Uses of Certified M/WBE Firm(s):** If a Bidder commits to Ancillary Uses of certified M/WBE Firm(s) in their SDP plan, then they **must** include dollar or percentage expenditure commitments for use of these firm(s) with

Audit and Financial Consulting Services



or without the use of written commitments between the Bidder and the M/WBE Firm(s). A description of the ancillary uses of certified M/WBEs, if any, **must** be included on the SDP Plan Form.

3. **Growth & Development:** If a Bidder commits to Growth and Development in their SDP plan, then they **must** submit a plan for education, training, mentoring, resource sharing, and joint activities.

Once an SDP Plan is submitted, negotiated and approved, the PMT or the Contract Manager **will** then monitor the contractor's performance.

Resources available to assist Prime Bidders in finding potential M/WBE partners can be found at: [SDP Procurement Resources and Guides](#) or www.mass.gov/sdp.

Supplier Diversity Program Subcontracting Policies - Prior approval of the agency is required for any subcontracted service of the contract. Agencies may define required deliverables including, but not limited to, documentation necessary to verify subcontractor commitments and expenditures with Minority- or Women-Owned Business Enterprises (M/WBEs) for the purpose of monitoring and enforcing compliance of subcontracting commitments made in a Bidder's Supplier Diversity Program (SDP) Plan. Contractors are responsible for the satisfactory performance and adequate oversight of its subcontractors.

Taxes, Fees, Assessments, Etc. - Vendors **must** pay all taxes, fees and assessments associated with furnishing the products as part of the contract.

Trademarks, Patents, Etc. - Unless otherwise clearly stated in this RFR, any reference to a particular trademark, trade name, patent, design, type, specification, producer or supplier is not intended to restrict this RFR to any manufacturer or proprietor or to constitute an endorsement of any good or service, and the MSLC may consider clearly identified offers of substantially equivalent goods and services submitted in response to such reference.

The Procurement Management Team ("PMT") reserves the right to modify, amend or cancel the terms of this RFR at any time.

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Section I - Purpose of Procurement

The Massachusetts State Lottery Commission (MSLC) seeks to engage a firm of independent public accountants who are licensed as certified public accountants (CPAs), to conduct and perform:

1. A financial audit of the MSLC's financial statements in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States for the fiscal years that end on June 30, 2013, 2014 and 2015, with annual two (2) optional (FY) years of 2016 and 2017.
2. Agreed Upon Procedure (AUP) reviews for multistate draw games Mega Millions, Powerball (and related Megaplier and Powerplay games), and Lucky for Life conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA).
3. Other auditing and financial consulting services as assigned by MSLC.

Section II - Acquisition Method

This procurement **will** be a fee-for-service contract.

Section III - Single or Multiple Contractor Contract

The MSLC intends to award a single contract as a result of this procurement, but reserves the right to award multiple contracts. The firm may complete performance with the use of subcontractors.

Section IV - Single or Multiple Users

It is the intent of this contract that the MSLC is the only user.

Section V - Anticipated Duration of Contract

Any contract resulting from this RFR **shall** be for the period of three (3) years commencing on the resulting contract start date.

The MSLC **shall** have the option to extend the term of any Contract(s) resulting from this RFR for up to two (2) one year periods. The MSLC **shall** exercise its option by submitting written notice to the Vendor at least thirty (30) days prior to the termination.

Section VI - Anticipated Expenditures

The expenditure associated with this procurement is to be determined.

If, due to unforeseen circumstances, the scope of services is substantially changed or modified, the MSLC maintains the right to amend the contract and increase the maximum obligation in order to obtain the best value.

The Vendor **will** be bound by the terms of the contract and the MSLC **will** not be responsible for price increases due to market fluctuations or product availability.

Section VII - Performance and Contract Specifications

A. Performance Requirements

The MSLC seeks to engage a firm of independent public accountants who are licensed as certified public accountants (CPA), to conduct and perform:

1. A financial audit of the MSLC's financial statements in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States for the fiscal years that end on June 30, 2013, 2014, and 2015, with annual optional years of 2016, and 2017. The audit should result in the issuance of an accounting opinion and a report on internal control and operations over financial reporting.
2. Agreed Upon Procedure (AUP) reviews for multistate draw games Mega Millions, Powerball (and related Megaplier and Powerplay games), and Lucky for Life conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA). Note: There **will** be a separate report issued for each, for a total of five (5) reports.
3. Other auditing and financial consulting services as assigned by the MSLC.
4. The Successful Bidder may be required to report before the Massachusetts State Lottery Commission on occasion.

Description of Entity to be Audited

The MSLC was established by the enactment of St. 1971, Chapter 813, §2. The law created a State Lottery Commission in the Office of the State Treasurer. The State Treasurer is the Chairman of the Commission. Other members of the Commission are the Secretary of Public Safety, the State Comptroller, and two persons appointed by the Governor for terms coterminous with that of the Governor. The law directs the State Treasurer to appoint a Director of the Lottery, subject to the approval of the Governor. The MSLC is regulated by G.L. c. 10, §§ 22-35, and 961 Code of Massachusetts Regulations (CMR) 2.00-4.00 et seq.

The MSLC's operations are included in the comprehensive annual financial report of the Commonwealth of Massachusetts and follow the Commonwealth's fiscal year (FY), which ends on June 30th.

The accounting policies and the financial statements of the MSLC are prepared in accordance with generally accepted accounting principles (GAAP) as applicable to governmental units as prescribed by the Governmental Accounting Standards Board (GASB). For the purposes of fiscal control, the activities of the MSLC are accounted for as part of the State and Arts Lotteries special revenue funds in the records of the Commonwealth. Special revenue funds are used to account for proceeds of specific restricted or committed revenue sources that have been segregated according to state finance laws to support specific governmental activities. Special revenue funds are accounted for using the current financial resources measurement focus and modified accrual basis of accounting.

For the most recent year ended June 30, 2012, Lottery ticket sales were approximately \$4.7 billion. Prizes paid were approximately \$3.4 billion. Net profit returned to the Commonwealth was \$984 billion.

Functions/Degree of Involvement

MSLC management **will** rely on the advice and assistance of the auditors for the following purposes including, but not limited to:

- Compiling the financial statements.
- Determination as to whether the financial statements, footnotes and supplementary information are presented fairly in accordance with U.S. generally accepted accounting principles.
- Determination as to whether the MSLC has adhered to specific financial compliance requirements.
- Review of systems and controls.
- Identification of internal control deficiencies and opportunities for operational improvements in the areas of financial accounting, reporting, and information technology.

Vendor Qualifications Requirements

1. The vendor **must** certify and confirm that it meets the independence standards of U.S. General Accounting Office's Government Auditing Standards, as revised.
2. The vendor **must** certify and confirm that it is a member of, or working towards applying to be a member of, prior to final contracting, the American Institute of Certified Public Accountants Governmental Audit Quality Center.
3. The vendor **must** certify and confirm that its supervisory personnel (partners and managers) assigned to the contract are licensed members of the American Institute of Certified Public Accountants (AICPA).
4. The vendor **must** have a local office in the Greater Boston area with a full service staff providing all of the services described herein. It is **highly desirable** that said office be sufficiently staffed with all capabilities necessary to perform requirements of this contract. Please describe the firm's Greater Boston area office's operation and location (address).
5. Supervisory personnel (partners and managers) assigned by the firm **must** each have at least five (5) years of experience in the audit of government organizations including state conducted lottery experience. It is **highly desirable** that these governmental and lottery audits be comparable in complexity and size to that of the Massachusetts State Lottery Commission (MSLC). Please describe experience in conducting audits of governmental organizations and state conducted lotteries.
6. The vendor **must** have prior experience auditing special revenue funds that are accounted for using the current financial resources measurement focus and modified accrual basis of accounting. It is **highly desirable** that the Bidder has a significant amount of experience in this area. Please provide details consistent of such experience (description of such experience).
7. Bidders **must** provide an organizational chart which identifies all staff that **will** support the MSLC account. The organizational chart should include the position titles, number of positions, names of personnel (e.g., key management staff), corporate directors and/or officers who **will** provide direction or oversight to the MSLC account.
8. It is **highly desirable** that the firm provide an engagement team with significant experience auditing U.S state lotteries similar to the MSLC. Please provide detailed résumés and a description of such experience for each expected member of the engagement team. Also please provide the expected percentage of hours to be worked for each member of the engagement team (Note: DO NOT INCLUDE ANY RATES OR COSTS- The Cost Table - Attachment C (One Original) **must** be sealed separately in an envelope and submitted with the bid. Do not include the Cost Table in the bid or

copies.). The Successful Bidder **shall** commit to providing the same engagement team for the MSLC. If the Team Lead(s) are re-assigned or no longer assigned to the MSLC account, the Successful Bidder **shall** fill the vacant position with an individual who has comparable or better experience, and training. That replacement **shall** be made subject to MSLC's approval.

9. The MSLC has its own in-house customized software and systems that produce data and reports used to enter accounting entries into the Massachusetts Management Accounting and Reporting System (MMARS) which is the statewide accounting and reporting system. It is **highly desirable** that the Successful Bidder is familiar with the MMARS system and, if so, provides a description of your familiarity with MMARS.
10. It is **highly desirable** that the vendor submit an expected timeline of the financial audit based on the following: Fiscal year begins on July 1st and ends on June 30th. There is a two month accounts payable period (July and August) in which invoices are received and paid for services provided for the fiscal year just ended on June 30th. Final MSLC financial reports for the year just ended on June 30th are typically not available until after the accounts payable period has ended on August 31st, usually the second or third week in September. The Office of the Comptroller (OSC) deadline for submission of the audited financial statements for incorporation into the Commonwealth's financial report is the second week of October.
11. It is **highly desirable** that the vendor submit an expected timeline of the Agreed Upon Procedure (AUP) reviews based on the following: The Agreed Upon Procedure reviews are based on sales and prize expense activity for the period beginning on April 1st and ending on March 31st.
12. It is **desirable** that the Successful Bidder's reputation be of the highest quality and integrity. Please provide any evidence of the firm's reputation locally, nationally, and internationally.
13. It is **desirable** that the Successful Bidder's submit its space and equipment (if any) requirements to be made available to the auditor by the MSLC.
14. Vendor **must** provide a minimum of three (3) references from the past three (3) years for which work has been performed similar in scope and size to that specified in this RFR. (See Attachment F).

Time Requirements

Audit/financial report(s) for fiscal year (FY) **must** be completed by a deadline to be set by the Office of the Comptroller (OSC) for Component Unit Reporting (generally the second week in October).

Prior Audit Workpaper Review

It will be the responsibility of the Successful Vendor to review, if necessary, any prior workpaper(s) of prior auditing firms as part of the normal auditing procedures.

IMPORTANT: Bidders must include anything not previously mentioned in this RFR. If there is any requirement of which the MSLC is not aware, but will require MSLC resources (employee time, supplies, etc.) or incur a cost to the MSLC, Bidders must include these items in this proposal and include related costs in Attachment C – Cost Table. Examples of such items would include, but not be limited to: travel, lodging, storage, training, reprogramming of existing applications, etc.

B. Contract Requirements

To be eligible for contract award, a Bidder **must** meet the following qualifications:

- A. Bidder **must** agree to the terms and conditions contained within the Commonwealth Terms and Conditions attached hereto as Attachment A.
- B. Bidder **must** comply with all Federal, State and local rules and regulations as they apply to the work to be performed under this RFR.
- C. Bidder **must** provide, if applicable, a detailed description of information regarding any company bankruptcy proceedings, criminal investigations, charges filed against the company, directors or managers, any mergers, acquisitions, etc., any name changes within the last five (5) years. The Successful Bidder **must** continue to provide any such new information, including but not limited to notices of bankruptcy, litigation, and contract defaults, during the life of the contract period. The Successful Bidder **must** also include: the most current audited annual financial statements, gross annual revenue for the most recently completed fiscal year, last bankruptcy and current/pending litigation, defaults on contracts, current days to pay, date of last order, etc., as appropriate.

The MSLC reserves the right to obtain, from sources other than the Bidder, information concerning a Bidder, the Bidder's capabilities and the Bidder's performance under other contracts which the MSLC deems pertinent to this RFR and to consider such information in evaluating the Bidder's bid.

C. Written Inquiries

Bidders may submit questions concerning this RFR no later than the date and time specified in Section IX A, Procurement Calendar. They may be mailed, emailed, faxed or delivered. The Procurement Management Team **will** review & consolidate inquiries received before the deadline, and prepare written answers. All responses **will** be posted on the Commonwealth Procurement Access and Solicitation (Comm-PASS) Site www.comm-pass.com. (Comm-PASS provides automated Subscription Services that offers prospective Bidders a secure, web-based desktop that contains tools to track and manage postings including solicitation announcements, Request for Responses (RFRs), and Contracts that match the subscriber-designated set of categories and sub-categories). The source(s) of the question(s) will not be revealed.

All inquiries **must** be made in writing to:

Jacqueline S. Kassis
Massachusetts State Lottery Commission
60 Columbian Street
Braintree, MA 02184
Tel#: (781) 849-5674
Fax #: (781) 849-5554
lotteryprocurement@masslottery.com

This inquiry procedure provides the only means by which a Bidder may request information on the performance, business and procedural requirements of this RFR, including the **mandatory** Commonwealth Terms and Conditions in Attachment A.

Bidders are cautioned that an inquiry should be presented in generic terms and **MUST NOT CONTAIN COST DATA**. The inclusion of cost information in an inquiry may result in the Bidder's disqualification.

D. Oral Presentation

Bidders may be required to make oral presentations. Oral presentations **will** take place at the MSLC Headquarters, 60 Columbian Street, Braintree, MA. Tentatively, oral presentations **will** take place at the

convenience of the MSLC. Time allotments and the format **shall** be the same for all oral presentations and **will** include time for question and answer session. The MSLC **will** give notice of at least five (5) days prior to the date of the oral presentation.

These presentations are to provide the PMT with a better understanding of the capabilities of the Bidders and to allow the PMT to ask questions related to the written submissions. Bidders may not supplement their original submissions or alter the strategies furnished in their written proposals.

Section VIII - Instructions for Submission of Responses

1. Bidders **must** adhere strictly to the bidding procedures as outlined herein.

IMPORTANT

Responses to this RFR or any parts thereof received by the MSLC after the required date and time will be rejected as non-responsive to the RFR. Delivery of responses to any office or location other than the Lottery's Braintree office, will *NOT* constitute receipt by the MSLC. It is the sole responsibility of the respondent to ensure that responses are received at the proper location, prior to the stated deadline, and the receipt properly acknowledged by MSLC personnel.

Cost information must appear only as described below in Part 4 - Cost Table Preparation. Do not include cost information in any other part of the response. Inclusion of cost information in any other part of the response may result in disqualification of the respondent.

2. Bid Preparation Response Format

All Responses **must** be presented using the same numbering and ordering sequence used in this RFR or as otherwise specified.

The following four (4) parts **must** be submitted for a Vendor's bid to be considered responsive:

Part 1 - Bidder Letter of Transmittal

Part 1 of the Bid response **must** contain a Letter of Transmittal from the Vendor signed by an individual authorized to bind the Bidder contractually. It **must**:

- A. state that the Bid, including the prices in the Cost Table, **will** remain in effect for a period of 90 calendar days after the Bid Due Date given in the Transmittal Letter, or until a Contract is made and approved, or the RFR is terminated, whichever occurs first.
- B. include the name, title, address, telephone and fax numbers and email addresses of one or more individuals who can respond to requests for additional information.
- C. include the name, title, address, telephone and fax numbers and email addresses of one or more individuals who are authorized to negotiate and sign a Contract for the Vendor.
- D. include a statement that the Bidder has read and understands the technical and business specifications of this RFR and agrees that its Bid meets all the technical and business requirements of this RFR.
- E. state that pursuant to M.G.L. c. 7, s. 22 (20), the undersigned certifies under the penalties of perjury that this proposal is in all respects bona fide, fair and made without collusion or fraud with any

other person. The word "person" **shall** mean any natural person, joint venture, partnership, corporation or other business or legal entity.

Part 2 - Response to Contract Terms and Conditions

Required Documentation - All Bidders **will** be **required** to complete, execute and return the following documents:

1. All Bidders **must** complete, execute and return the Commonwealth Terms and Conditions (Attachment A) attached to this RFR. This form **must** be unconditionally signed by one of the authorized signatories (see Contractor Authorized Signatory Listing – Attachment H), and submitted without alteration. If the provisions in this document are not accepted in their entirety without modification, the entire Proposal offered in response to this Solicitation may be deemed non-responsive. The company's correct legal name and legal address **must** appear on this form, and **must** be identical to the legal name and legal address on the Request for Taxpayer Identification and Certification Number (Mass. Substitute W9 Form).
 - (a) If the Bidder has already executed and filed the Commonwealth Terms and Conditions, please indicate this in your Response. The Commonwealth Terms and Conditions **shall** be incorporated by reference into any Contract for Commodities and Services executed pursuant to this RFR. A Bidder is required to execute the Commonwealth Terms and Conditions only once.
2. All Bidders **must** complete, execute and return the Standard Contract Form (Attachment B) as follows:
 - (a) as the cover sheet to their Response. Failure to return a completed and executed Standard Contract Form **will** disqualify the Bidder's Response.
 - (b) upon selection for Contract negotiation and execution, if necessary.
 - i. By executing the Standard Contract Form, the Contractor certifies under the pains and penalties of perjury that it has submitted a Response to a Request for Response (RFR) issued by the MSLC and that this Response is the Contractor's offer as evidenced by the execution by the Contractor's authorized signatory, that the Contractor's Response may be subject to negotiation by the MSLC, and that the terms of the RFR, the Contractor's Response and any negotiated terms **shall** be deemed accepted by the MSLC and included as part of the Contract upon execution of the Standard Contract Form by the MSLC's authorized signatory.
 - ii. If you do not have a Vendor Code, leave that portion of the form blank. Signature and date **must** be handwritten in ink, and the signature **must** be that of one of the people authorized to execute contracts on behalf of the Contractor on the Contractor Authorized Signatory Listing.
3. Bidders **must** complete and sign a copy of Attachment D –“Request for Verification of Taxation Reporting Information”– relating to Taxpayer Identification Numbers.
4. The requirements of Attachment E, “Tax Compliance Certification Instructions,” **must** be submitted with the bid certifying compliance with the tax laws of The Commonwealth of Massachusetts. This requirement applies to firms that have previously done business in the Commonwealth of Massachusetts. If your firm has not previously conducted business in the Commonwealth of Massachusetts, please state so on your letterhead and submit as part of Attachment E.
5. Bidders **must** provide a completed Attachment F - Business Reference Form, Bidders **must** provide all requested information on this form for three (3) business references. In completing this form, note that the “Bidder” is the name of the company submitting a Response to this RFR and the “RFR Name/Title” and the “RFR Number” can be found on the cover of the RFR and on the Summary Tab on Comm-PASS

in the Document Number field. Also, please note that: “Reference Name” is the name of the organization (if not applicable, then name of the individual) that is providing the reference; “Contact” is the name of the individual inside the organization that **will** provide the reference; and the “Address,” “Phone #” and “Fax/Internet Address” are those of the “Contact” so that the PMT may be able to reach them.

6. Pursuant to Executive Order 390, any contract with a potential financial benefit of \$150,000 or more **requires** a bidder to complete applicable sections of Attachment G, Supplier Diversity Program (SDP) Form **and include the required attachments (Also, include an up to date copy of the certification letter for each SDP Certified business)** for consideration in the scoring of their submission for any contracting opportunity with the Commonwealth of Massachusetts. For further information on SDO certification, contact the Supplier Diversity Office at (617) 502-8831 or via the Internet at www.mass.gov/sdo. Other resources are available to M/WBE firms that may qualify for SDO certification at www.mass.gov/sdp. The MSLC **requires** that this form and attachments are submitted, regardless of the dollar value, with each bid (refer to General Information and Terms and Conditions, Supplier Diversity Program for further information and requirements).
7. Bidders **must** provide a completed Contractors Authorized Signatory Listing Form, Attachment H if the value of any contract resulting from this RFR is anticipated to exceed \$50,000. **Important: For corporations, please read the signature verification/authorization instructions carefully to avoid unnecessary delays in processing contract(s).**
8. Bidders **must** complete the Authorization for Electronic Funds Payment Form; Attachment I. All Bidders responding to this RFR **must** agree to participate in the Commonwealth Electronic Funds Transfer (EFT) program for receiving payments, unless the Bidder can provide compelling proof that it would be unduly burdensome. EFT is a benefit to both contractors and the Commonwealth because it ensures fast, safe and reliable payment directly to contractors and saves both parties the cost of processing checks. Contractors are able to track and verify payments made electronically through the Comptrollers Vendor Web system. EFT applications can be found on Operation Services Division (OSD) forms page (mass.gov/osd). Additional information about EFT is available on the Vendor Web site (mass.gov/osc; click on MASSfinance).
 - (a) Successful Bidders, upon notification of contract award, **will be required** to enroll in EFT as a contract **requirement** by completing and submitting the Authorization for Electronic Funds Payment Form, Attachment I, to OSD for review, approval and forwarding to the Office of the Comptroller. If the Bidder is already enrolled in the program, it may so indicate in its response. Because the Authorization for Electronic Funds Payment Form contains banking information, this form, and any information contained on this form, **shall not** be considered a public record and **shall not** be subject to public disclosure through a public records request.
 - (b) The requirement to use EFT may be waived by the PMT and the Office of the Comptroller (OSC) on a case-by-case basis if participation in the program would be unduly burdensome on the Bidder. If a Bidder is claiming that this requirement is a hardship or unduly burdensome, the specific reason **must** be documented in its response. The PMT **will** consider such requests on a case-by-case basis and communicate the findings with the Bidder.
9. Prompt Pay Discount (PPD) Form- Attachment K. All Bidders responding to this RFR **must** complete this attachment and may agree to participate in the Commonwealth Prompt Pay Discount initiative for receiving early and/or on-time payments. Prompt Pay benefits both Vendor and the Commonwealth. Vendors benefit by increased, usable cash flow as a result of fast and efficient for commodities and services rendered. Participation in the Electronic Funds Transfer initiative further maximizes the benefits with payments directed to designated accounts, thus eliminating the impact of check clearance

policies and traditional mail lead time or delays. Payments that are processed electronically can be tracked and verified through the Comptroller's VendorWeb system. Note: All Bidders **must** execute this form. After entering the "Bidder Name" and "Date of Offer for prompt/Early Payment Discount", the Bidder should identify the prompt payment discount(s) terms by indicating the "Percentage Discount off of the Proposed Pricing" and the "Turn-around-time for Payments." In the event of a hardship that prevents the Bidder from offering a prompt payment discount, the Bidder may document this fact and provide supporting information. If awarded a contract, the final negotiated prompt payment discounts should be reflected on the Commonwealth Standard Contract Form.

10. Commonwealth of Massachusetts State Lottery Commission's Disclosure Statement (Attachment L) **must** be completed with complete and accurate responses. In the event any information changes regarding these responses the MSLC's Finance Unit **must** be notified in writing immediately.
11. Bidders **must** read, complete and sign the Certification of Compliance Concerning Personal Information and Personal Data (Attachment M).
12. Bidders **must** read, complete and sign the Certification of Compliance Concerning Conflicts of Interest (Attachment O).
13. Changes to the Vendor's contact information, firms name, legal address, payment address, tax identification number, authorized signatories, SDP, or EFT information **must** be promptly reported to the Lottery's Finance Unit. In some cases additional paperwork **will** be required to effect the change.

Part 3 - Response to Contract Requirements

Responses should follow the Section and Paragraph numbering format of the requirements/specifications portions contained in this RFR when preparing their response in order for responses to be evaluated in an orderly and efficient manner.

Part 3 of the Bid response **must** consist of a complete response to Section VII of the Performance and Contract Requirements, in particular, paragraph B.1, Bidder Requirements.

Part 4 - Cost Table Preparation

COST INFORMATION MUST ONLY APPEAR IN THIS SECTION OF THE RESPONSE.

Part 4 of the Bid response **must** consist of the Bidder's Cost Table (attachment C).

The Bidders Bid **must** include a fully completed Cost Table (Attachment C) showing the applicable rates and charges for all products which **will** be made a part of the Vendors Contract. Include explanatory materials necessary for a full understanding of the data contained in the Cost Table.

The Bidder must use the Cost Table provided in Attachment C and should make no changes, additions or deletions.

Costs which are not specifically identified in the Bidder's Response, and accepted by the MSLC as part of a Contract, **will** not be compensated under any Contract awarded pursuant to this RFR. Neither the MSLC nor the Commonwealth **will** be responsible for any costs or expenses incurred by Bidders responding to this RFR.

The Cost Table of the winning Vendor **will** be made an integral part of the Vendor's Contract with the Commonwealth, and the Vendor **will** be held to these terms during the life of the Contract.

The Cost Table (Attachment C) **must** be completed comprehensively. When applicable, insert the expression N/C (No Charge) in the appropriate price column. If there is nothing inserted in a price column, the PMT **will** assume N/C (No Charge).

IMPORTANT

The Cost Table - Attachment C (One Original) must be sealed separately in an envelope and submitted with the bid.

Do not include the Cost Table in the bid or copies.

3. Submission of Bids

One (1) original, seven (7) paper copies, and one (1) removable media (CD, DVD, Universal Serial Bus [USB], Flash Drive) excluding the Cost Table (Proposal— Attachment C), a disk of the Bidder's response and attachments **must** be delivered in the same sealed package no later than the date and time shown in Section IX, A. Procurement Calendar. ***The Cost Table - (Attachment C) must be submitted under separate cover in a separate sealed envelope*** clearly marked BID #LOT1305 Audit and Financial Consulting Services ***Cost Table – Attachment C with a separate removable media format included.*** Failure to adhere to this requirement may result in the disqualification of the bid. Responses and attachments received after this deadline date and time **will not** be evaluated. A facsimile response **will not** qualify as a “submission” for deadline purposes in advance of or in lieu of a hard copy submission. Responses and attachments should be delivered to:

Jacqueline S. Kassis
Massachusetts State Lottery Commission
60 Columbian Street
Braintree, MA 02184

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BIDS MUST BE CLEARLY MARKED:

BID #LOT1305 Audit and Financial Consulting Services

Important: Bids enclosed in FedEx or UPS type shipping packages must be clearly marked with the bid number and title on the outer most container in order to be distinguished from regular delivery items. For a bid to be responsive, it must be received by MSLC personnel prior to the bid due date and time.

The MSLC will not be responsible for bid responses not properly marked.

LATE RESPONSES WILL NOT BE CONSIDERED.

Bidders may submit more than one (1) bid. Each bid **must** be submitted under separate cover and **shall** be evaluated separately. Mail or personal delivery, hard copies required, sealed responses, no faxed or electronic responses.

**The Cost Table - Attachment C (One Original)
Must be sealed separately in an envelope and submitted with the bid.
Do not include the Cost Table in the bid or copies.**

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Section IX - Deadline for Responses and Procurement Calendar

Late bids will not be accepted under any circumstances.

A. Procurement Calendar

RFR LOT 1305 Audit and Financial Consulting Services

The dates and times for certain critical events relative to this RFR, including the release of this RFR, submission of bids, etc., are as follows:

EVENT	DATE
Solicitation: Release Date	Tuesday, March 26, 2013
Bidders to submit written questions	Tuesday, April 2, 2013
Official answers published (Estimated)	Tuesday, April 9, 2013
Solicitation: Close Date / Submission Deadline	Friday, April 26, 2013 at 1:00 PM
Solicitation: Announcement of awarded Bidder(s) on Comm-PASS in the Solicitation Update tab (Estimated)	Wednesday, May 29, 2013
Contract Start Date (Estimated)	Thursday, May 30, 2013

All responses **will** be posted to the Commonwealth Procurement Access and Solicitation Site www.comm-pass.com

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Section X – Attachments

It **shall** be the Bidder's responsibility to read this entire document, review all referenced attachments, and comply with all requirements. Bidders are responsible for reviewing Comm-PASS for all the listed specifications and the required Forms that should be submitted with the RFR Response (in order to be considered for selection). Failure to submit the required Forms with the RFR Response, as specified, **will** be considered sufficient grounds for rejection of the Bidders Response.

Attachment A - Commonwealth Terms and Conditions [Two (2) Pages]

Attachment B - Standard Contract Form [Five (5) Pages including the Standard Contract Form (One Page) and Instructions (Four Pages)]

Attachment C - Cost Table [Two (2) Page]

Attachment D – W-9 Request for Verification of Taxation Reporting Information [Two (2) Pages]

Attachment E - Certificate of Compliance [One (1) Page]

Attachment F - Business Reference Form [One (1) Page]

Attachment G – Supplier Diversity Plan (SDP) Form [Two (2) Pages]

Attachment H - Contractor Authorized Signatory Listing [Two (2) Pages]
(Required for Contracts Anticipated to exceed \$50,000, or as required by the RFR)

Attachment I - Authorization for Electronic Funds Transfer (EFT) Payments [One (1) Page]

Attachment J – Invest in Massachusetts Data Form [One (1) Page]

Attachment J1 - Invest in Massachusetts Instructions [One (1) Page]

Attachment K- Prompt Pay Discount Form [One (1) Page]

Attachment L- Commonwealth of Massachusetts State Lottery Commission's Disclosure Statement [Three (3) Pages]

Attachment M- Certification of Compliance Concerning Personal Information and Personal Data Form [One (1) Page]

Attachment N- Lottery Informational Packet (1972-2012)

Attachment O- Certificate of Compliance Concerning Conflicts of Interest [One (1) Page]

Note: Attachments A, B, C, D, E, F, G, H, I, J, J1, K, L M, N, and O are available in electronic form at www.comm-pass.com