

REQUEST FOR PROPOSALS

RFP NUMBER: 0A1014
DATE ISSUED: March 26, 2007

The State of Ohio, through the Office of Information Technology, Investment and Governance Division, for the Lottery Commission is requesting proposals for:

Telecommunications Audit and Recovery Services RFP

INQUIRY PERIOD BEGINS: March 26, 2007
INQUIRY PERIOD ENDS: April 11, 2007
OPENING DATE: April 19, 2007
OPENING TIME: 11:00 A.M.
OPENING LOCATION: Office of Information Technology
Contract Management Bid Room
30 East Broad Street, 40th Floor
Columbus, Ohio 43215

PRE-PROPOSAL CONFERENCE DATE: April 6, 2007

This RFP consists of five parts and 9 attachments, totaling 57 consecutively numbered pages. Supplements also are attached to this RFP with a beginning header page and an ending trailer page. Please verify that you have a complete copy.



PART ONE: EXECUTIVE SUMMARY

Purpose. This is a Request for Competitive Sealed Proposals (“RFP”) under Sections 125.071 and 125.18 of the Ohio Revised Code (the “Revised Code”) and Section 123:5-1-8 of the Ohio Administrative Code (the “Administrative Code”). The Lottery Commission has asked the Office of Information Technology to solicit competitive sealed proposals (“Proposals”) for a Telecommunications Audit and Recovery Services (the “Work”), and this RFP is the result of that request.

If a suitable offer is made in response to this RFP, the State of Ohio (the “State”), through the Office of Information Technology, may enter into a contract (the “Contract”) to have the selected offeror (the “Contractor”) perform all or part of the Work. This RFP provides details on what is required to submit a Proposal for the Work, how the State will evaluate the Proposals, and what will be required of the Contractor in performing the Work.

This RFP also gives the estimated dates for the various events in the submission process, selection process, and performance of the Work. While these dates are subject to change, prospective offerors must be prepared to meet them as they currently stand.

Once awarded, the term of the Contract will be from the award date until the Work is completed to the satisfaction of the State and the Contractor is paid or December 31, 2008, whichever is sooner. The State may renew this Contract for up to two additional one-year term(s), subject to and contingent on the discretionary decision of the Ohio General Assembly to appropriate funds for this Contract in each new biennium. Any such renewal of all or part of the Contract also is subject to the satisfactory performance of the Contractor and the needs of the Lottery Commission.

The State may reject any Proposal if the offeror fails to meet a deadline in the submission or evaluation phases of the selection process or objects to the dates for performance of the Work or the terms and conditions in this RFP.

Background. The Lottery Commission is a State Agency authorized by the Ohio Constitution to conduct a statewide lottery whereby net profits are dedicated toward primary, secondary and vocational education in Ohio. The Lottery Commission sells its instant and on-line tickets via approximately 8,500 licensed retailers throughout the State of Ohio. Currently, not all retailers have full service lottery terminals that sell both instant and on-line tickets. The Lottery Commission is currently converting the remaining 270 retailers to full service lottery terminals. That conversion is scheduled to be completed by June 30, 2007. The full service terminals transmit gaming information through dedicated telephone lines. The Lottery Commission and the retailer share the costs for the line charges for each terminal, with the Lottery Commission assuming the bulk of the charges.

The Lottery Commission receives monthly invoices from each telecommunications services provider, which are reviewed for accuracy by the Ohio Office of Information Technology and/or the Lottery Commission’s Office of Information Technology, Telecommunications Bureau and by the Lottery Commission’s Office of Finance.

The technical environment of the Lottery Commission’s telecommunications network consists of:

Voice Services

Provider	Responsibilities
at&t	500 Centrex lines on the State of Ohio Centrex network.
at&t	168 ground start Centrex lines for in-coming calls on the Lottery Commission’s IP-IVR system.
at&t	2 PRI circuits for use with the new Lottery Commission VoIP telephone system.
Verizon North	Approximately 20 Centrex lines terminating on a Nortel Norstar key system.
Century Telephone	Approximately 20 Centrex lines terminating on Nortel M5000 series digital P-

Company	Phones in the Lottery Commission's Lorain regional office.
at&t	Approximately 25-30 Centrex lines residing on a Nortel Norstar key system from in the Lottery Commission's Toledo regional office. The same type and size system is in the Lottery Commission's Dayton regional office.
Cincinnati Bell	Approximately 25-30 ISDN lines terminating on at&t ISDN sets.
Qwest Communications	32 accounts are used for toll-free calling into Lottery Commission facilities, outbound toll charges in Lottery Commission non-State Centrex regional offices, conference bridges, and long distance calling cards.
American Messaging Service	Approximately 200 digital pagers for field representatives and various other "on-call" employees.
Telepage	6 pagers for field representatives working out of the Lottery Commission's Athens regional office.
Verizon Wireless	3 accounts for approximately 50 Blackberry devices, cellular telephones, cellular alarm devices, and several other wireless data devices.

Gaming

Provider	Responsibilities
GTECH	Approximately 8300 Drops <ul style="list-style-type: none"> ▪ Riding on approximately 550 Master analog circuits; ▪ Being transported by 54 T1's split between 2 sites; ▪ Carried over an OC12 between the Lottery and Telco CO's .

LAN/WAN

Provider	Responsibilities
at&t	4 DS3's, 1 from each site to the at&t ATM Cloud and 2 Point-to-Point between the Lausche Building located at 615 West Superior Avenue Cleveland and Brecksville.
at&t	10 T1's, 1 from each remote site to the at&t ATM Cloud.

Objectives. The State has the following objectives that it wants the Work to fulfill, and it will be the Contractor's obligation to ensure that the Work meets these objectives:

To purchase the services of a qualified vendor to provide professional auditing and recovery services of the Lottery Commission's total telecommunications costs, which include costs for all voice and data line services.

Overview of the Work's Scope. The scope of the Work is provided in Attachment Two of this RFP. This section only gives a summary of the Work. If there is any inconsistency between this summary and the attachment's description of the Work, the attachment will govern.

In Phase 1 of the Contract, the Contractor must analyze telecommunications charges to determine whether the Lottery Commission has been invoiced appropriately for its telecommunications services and to recover any compensation or credits owed by the telecommunications services provider(s). The Contractor must review any and all historical billings as far back as legally possible to determine any inaccuracies and submit refund claims subject to approval by the Lottery Commission. This phase of the Contract must be completed by June 30, 2008.

In Phase 2 of the Contract, the Contractor must provide cost saving recommendations and proposals for the Lottery Commission's telecommunications services. This phase of the Contract must be completed by December 31, 2008.

Mandatory Requirement Overview.

The offeror is not in arrears for federal, state and local taxes of any type, and has no outstanding liens, levies, lawsuits, claims, causes of action or investigations of any type pending in which it is involved.

The offeror has a minimum of 36 months experience providing auditing and consulting services.

The offeror has a minimum of 12 months experience providing telecommunications auditing services.

Calendar of Events. The schedule for the RFP process and the Work is given below. The State may change this schedule at anytime. If the State changes the schedule before the Proposal due date, it will do so through an announcement on the State Procurement Website's question and answer area for this RFP. The Website announcement will be followed by an amendment to this RFP, also available through the State's Procurement Website. After the Proposal due date and before the award of the Contract, the State will make schedule changes through the RFP amendment process. Additionally, the State will make changes in the Work schedule after the Contract award through the change order provisions in the General Terms and Conditions Attachment to this RFP. It is each prospective offeror's responsibility to check the Website question and answer area for this RFP for current information regarding this RFP and its Calendar of Events through award of the Contract.

Dates:

Firm Dates

RFP Issued:	March 26, 2007
Inquiry Period Begins:	March 26, 2007
Pre-Proposal Conference Date:	April 6, 2007, at 1:00 p.m.
Inquiry Period Ends:	April 11, 2007, at 8:00 a.m.
Proposal Due Date:	April 19, 2007, at 11:00 a.m.

Estimated Dates

Award Date:	May 31, 2007
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Estimated Work Dates

Work Begins:	June 4, 2007
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There are references in this RFP to the Proposal due date. Unless it is clearly provided to the contrary in this RFP, that any such reference means the date and time (Columbus, Ohio local time) that the Proposals are due and not just the date.

PART TWO: STRUCTURE OF THIS RFP

Organization. This RFP is organized into five parts and has 9 attachments. The parts and attachments are listed below. There also may be one or more supplements to this RFP listed below.

Parts:

- Part 1 Executive Summary
- Part 2 Structure of this RFP
- Part 3 General Instructions
- Part 4 Evaluation of Proposals
- Part 5 Award of the Contract

Attachments:

Attachment One	Evaluation Criteria
Attachment Two	Work Requirements and Special Provisions
Attachment Three	Requirements for Proposals

Attachment Four	General Terms and Conditions
Attachment Five	Sample Contract
Attachment Six	Contractor Performance Form
Attachment Seven	Offeror Profile Summary
Attachment Eight	Personnel Profile Summary
Attachment Nine	Cost Summary

Supplements:

Supplement One	W-9 Form
Supplement Two	Lottery Commission Telecommunications Expenditures 2006

PART THREE: GENERAL INSTRUCTIONS

The following sections provide details on how to get more information about this RFP and how to respond to it. All responses must be complete and in the prescribed format.

Contacts. The following person will represent the State during the RFP process:

Procurement Representative:

Ellie Kohler
 Acquisition Analyst
 Office of Information Technology
 Acquisition Management Office
 30 East Broad Street, 39th Floor
 Columbus, Ohio 43215

During the performance of the Work, a State representative (the “Contract Representative”) will represent the Lottery Commission and be the primary contact for the Work. The State will designate the Contract Representative in writing after the Contract award.

Inquiries. Offerors may make inquiries regarding this RFP anytime during the inquiry period listed in the Calendar of Events. To make an inquiry, offerors must use the following process:

- Access the State’s Procurement Website at <http://procure.ohio.gov/>;
- From the Navigation Bar on the left, select “**Find It Fast**”;
- Select “Doc/Bid/Schedule #” as the Type;
- Enter the RFP number found on the first page of this RFP (the RFP number begins with zero followed by the letter “A”);
- Click the “Find It Fast” button;
- On the document information page, click the “Submit Inquiry” button;
- On the document inquiry page, complete the required “Personal Information” section by providing:
 - First and last name of the prospective offeror’s representative who is responsible for the inquiry,
 - Name of the prospective offeror,
 - Representative’s business phone number, and
 - Representative’s email address;
- Type the inquiry in the space provided including:
 - A reference to the relevant part of this RFP,
 - The heading for the provision under question, and
 - The page number of the RFP where the provision can be found; and
- Click the “Submit” button.

An offeror submitting an inquiry will receive an immediate acknowledgement that the State has received the inquiry as well as an email acknowledging receipt. The offeror will not receive a personalized response to the question nor notification when the State has answered the question.

Offerors may view inquiries and responses on the State's Procurement Website by using the "Find It Fast" feature described above and by clicking the "View Q & A" button on the document information page.

The State usually responds to all inquiries within three business days of receipt, excluding weekends and State holidays. But the State will not respond to any inquiries received after 8:00 a.m. on the inquiry end date.

Pre-Proposal Conference. The State will hold a Pre-Proposal Conference on April 6, 2007, at 1:00 p.m., in the Conference Room, of the Frank J. Lausche Building, 4th floor, 615 W. Superior Avenue, Cleveland, Ohio 44113-1879. The purpose of this conference is to discuss the RFP and the Work with prospective offerors and to allow them to ask questions arising from their initial review of this RFP.

Attendance at the Pre-Proposal Conference is not a prerequisite to submitting a Proposal.

Amendments to the RFP. If the State revises this RFP before the Proposals are due, it will announce any amendments on the State Procurement Website.

Offerors may view amendments by using the "Find It Fast" function of the State's Procurement Webpage (described in the Inquiries Section above) and then clicking on the amendment number to display the amendment.

When an amendment to this RFP is necessary, the State may extend the Proposal due date through an announcement on the State Procurement Website. The State may issue amendment announcements anytime before 5:00 p.m. on the day before Proposals are due, and it is each prospective offeror's responsibility to check for announcements and other current information regarding this RFP.

After the Proposal due date, the State will distribute amendments only to those offerors whose Proposals are under active consideration. When the State amends the RFP after the Proposals due date, the State will permit offerors to withdraw their Proposals within five business days after the amendment is issued. This withdrawal option will allow any offeror to remove its Proposal from active consideration should the offeror feel that the amendment changes the nature of the transaction so much that the offeror's Proposal is no longer in its interests. Alternatively, the State may allow offerors that have Proposals under active consideration to modify their Proposals in response to the amendment.

If the State allows offerors to modify their Proposals in response to an amendment, the State may limit the nature and scope of the modifications. Unless otherwise provided in the State's notice, offerors must make any modifications or withdrawals in writing and submit them to the State within five business days after the amendment is issued at the address and in the same manner required for the submission of the original Proposals. If this RFP provides for a negotiation phase, this submission procedure will not apply to changes negotiated during that phase. The State may reject any modification that is broader in scope than the State has authorized in the announcement of the amendment and treat it as a withdrawal of the offeror's Proposal.

Proposal Submittal. Each offeror must submit a technical section and a cost section as part of its total Proposal before the opening time on the Proposal due date. The offeror must submit the technical section as a separate package from the cost section of its Proposal, and each section must be submitted in its own separate, opaque package. The package with the technical section of the Proposal must be sealed and contain 5 complete and signed copies of the technical section of the Proposal, and the package with the cost section also must be sealed and contain 2 complete and signed copies of the cost section of the Proposal. Further, the offeror must mark the outside of each package with either "Telecommunications Audit RFP – Technical Proposal" or "Telecommunications Audit RFP – Cost Summary," as appropriate.

Included in each sealed package, the offeror also must provide an electronic copy of everything contained within the package on CD-ROM in Microsoft Office, Microsoft Project, and Adobe Acrobat format, as appropriate. If there is a discrepancy between the hard copy and the electronic copy of the Proposal, the hard copy will control, and the State will base its evaluation of the offeror's Proposal on the hard copy.

Proposals are due no later than 11:00 a.m. on the Proposal due date. Proposals submitted by email, fax, or other electronic means are not acceptable, and the State may reject them. Offerors must submit their Proposals to:

Office of Information Technology
Contract Management Bid Room
30 East Broad Street, 40th Floor
Columbus, Ohio 43215

The State may reject any Proposals or unsolicited modifications that it receives after the deadline. An offeror that mails its Proposal must allow for adequate mailing time to ensure its timely receipt. Offerors also must allow for potential delays due to increased security. The Ohio Building Authority has stationed x-ray equipment on the Rhodes Tower loading dock and uses it to x-ray in-coming deliveries and mail. Loading dock hours are from 7:00 am to 5:00 pm, Monday through Friday, excluding State holidays. No deliveries will be accepted before or after these hours without prior arrangements. Further, all deliveries to Rhodes Tower must be made through the loading dock, where they will be scanned and tagged. Any visitors attempting to bring packages through the Rhodes Tower lobby that cannot be opened for inspection will be redirected to the loading dock to have their packages scanned and tagged. Offerors must allow sufficient time for this additional security process, since the State may reject late Proposals regardless of the cause for the delay.

Each offeror must carefully review the requirements of this RFP and the contents of its Proposal. Once opened, Proposals cannot be altered or withdrawn, except as allowed by this RFP.

By submitting a Proposal, the offeror acknowledges that it has read this RFP, understands it, and agrees to be bound by its requirements. The State is not responsible for the accuracy of any information regarding this RFP that was gathered through a source other than the inquiry process described in the RFP.

Revised Code Section 9.24 prohibits the State from awarding a contract to any entity against whom the Auditor of State has issued a finding for recovery (a "Finding"), if the Finding is unresolved at the time of the award. This also applies to renewals of contracts. By submitting a Proposal, the offeror warrants that it is not subject to an unresolved Finding under Section 9.24 at the time of its submission. Additionally, the offeror warrants that it will notify the Office of Information Technology in writing immediately upon becoming subject to such an unresolved Finding after submitting its Proposal and before the award of a Contract under this RFP. Should the State select the offeror's Proposal for award of a Contract, this warranty of immediate written notice will apply during the term of the Contract, including any renewals or extensions. Further, the State may treat any unresolved Finding against the Contractor that prevents a renewal of the Contract as a breach, in accordance with the provisions of Attachment Four, General Terms and Conditions.

The State may reject any Proposal if the offeror takes exception to the terms and conditions of this RFP, includes unacceptable assumptions or conditions in its Proposal, fails to comply with the procedure for participating in the RFP process, or fails to meet any requirement of this RFP. The State also may reject any Proposal that it believes is not in its interests to accept and may decide not to award a contract to any or all of the offerors responding to this RFP.

Offerors may not prepare or modify their Proposals on State premises.

All Proposals and other material that offerors submit will become the property of the State and may be returned only at the State's option. Offerors should not include any proprietary information in a Proposal or other material submitted as part of the evaluation process, because the State will have the right to use any materials or ideas submitted in any Proposal without compensation to the offeror. Additionally, all Proposals will be open to the public after the State has awarded the Contract.

The State will retain all Proposals, or a copy of them, as part of the Contract file for at least three years. After the three-year retention period, the State may return, destroy, or otherwise dispose of the Proposals and any copies of them.

Waiver of Defects. The State may waive any defects in any Proposal or in the submission process followed by an offeror, but the State will only do so if it believes that it is in the State's interests and will not cause any material unfairness to other offerors.

Multiple or Alternate Proposals. The State will not accept multiple Proposals from a single offeror or any alternative solutions or options to the requirements of this RFP. Additionally, any offeror that disregards a requirement in this RFP simply by proposing an alternative to it will have submitted a defective Proposal that the State may reject. Further, any offeror that submits multiple Proposals may have all its Proposals rejected.

Changes to Proposals. The State will allow modifications or withdrawals of Proposals only if the State receives them before the Proposal due date. No modifications or withdrawals will be permitted after the due date, except as authorized by this RFP.

Proposal Instructions. Each Proposal must be organized in an indexed binder ordered in the same manner as the response items are ordered in the applicable attachments to this RFP. The requirements for a Proposal's contents and formatting are contained in the attachments to this RFP. The State wants clear and concise Proposals, but offerors must answer questions completely and meet all the RFP's requirements.

The State is not liable for any costs an offeror incurs in responding to this RFP or from participating in the evaluation process, regardless of whether the State awards the Contract through this process, decides not to go forward with the Work, cancels this RFP for any reason, or contracts for the Work through some other process or through another RFP.

Location of Data. Unless the State agrees otherwise in writing, the selected offeror and its subcontractors must do the Work and keep all State data at the location(s) disclosed in the offeror's Proposal. Additionally, if Attachment Two contains any restrictions on where the Work may be done or where any State data may be kept, the State may reject any Proposal that proposes to do any Work or make State data available outside of those geographic restrictions.

PART FOUR: EVALUATION OF PROPOSALS

Disclosure of Proposal Contents. The State will seek to open the Proposals in a manner that avoids disclosing their contents. Additionally, the State will seek to keep the contents of all Proposals confidential until the Contract is awarded. But the State will prepare a registry of Proposals that contains the name of each offeror. The public may inspect that registry after the State opens the Proposals.

Rejection of Proposals. The State may reject any Proposal that is not in the required format, does not address all the requirements of this RFP, objects to the terms or conditions, or that the State determines is excessive in price or otherwise not in the State's interests to accept. In addition, the State may cancel this RFP, reject all the Proposals, and seek to do the Work through a new RFP or other means.

Evaluation of Proposals Generally. The evaluation process may consist of up to six distinct phases:

1. Initial review;
2. Technical evaluation;

3. Evaluation of costs;
4. Request for more information;
5. Determination of responsibility; and
6. Contract Negotiations.

The State may decide whether phases four and six are necessary, and the State may rearrange the order in which it proceeds with the phases. The State also may add or remove sub-phases to any phase at any time, if the State believes doing so will improve the evaluation process.

Clarifications and Corrections. During the evaluation process, in the State's sole discretion, it may request clarifications from any offeror under active consideration and may give any offeror the opportunity to correct defects in its Proposal, if the State believes doing so would not result in an unfair advantage for the offeror, and it is in the State's interests. The State may reject any clarification that is non-responsive or broader in scope than what the State requested. If the State does so, or if the offeror fails to respond to the request for clarification, the State then may request a corrected clarification, consider the offeror's Proposal without the clarification, or disqualify the offeror's Proposal.

Corrections and clarifications must be completed off State premises.

Initial Review. The State will review all Proposals for their format and completeness. The State normally rejects incomplete or incorrectly formatted Proposals, though it may waive any defects or allow an offeror to submit a correction, if the State believes doing so would not result in an unfair advantage for the offeror and it is in the State's interests. Further, if the Auditor of State does not certify a Proposal due to lateness, the State will not open it. After the initial review, the State will forward all timely, complete, and properly formatted Proposals to an evaluation team, which the Procurement Representative will lead.

Technical Evaluation. The State will evaluate each Proposal that the Procurement Representative has determined is timely, complete, and properly formatted. The evaluation will be scored according to the requirements identified in this RFP, including the requirements in Attachment One. Other attachments to this RFP may further refine these requirements, and the State has a right to break these requirements into components and weight any components of a requirement according to their perceived importance.

The State also may have the Proposals or portions of them reviewed and evaluated by independent third parties or various State personnel with experience that relates to the Work or to a criterion in the evaluation process. Additionally, the State may seek reviews from end users of the Work or the advice or evaluations of various State personnel that have subject matter expertise or an interest in the Work. The State may adopt or reject any recommendations it receives from such reviews and evaluations or give them such weight as the State believes is appropriate.

During the technical evaluation, the State will calculate a point total for each Proposal that it evaluates. At the sole discretion of the State, it may reject any Proposal receiving a significant number of zeros for sections in the technical portions of the evaluation. The State may select those offerors submitting the highest rated Proposals for the next phase. The number of Proposals that advance to the next phase will be within the State's discretion, but regardless of the number of Proposals selected, they always will be the highest rated Proposals from this phase.

At any time during this phase, in the State's sole discretion, it may ask an offeror to correct, revise, or clarify any portions of its Proposal.

The State will document all major decisions and make these a part of the Contract file, along with the evaluation results for each Proposal considered.

Requirements. Attachment One provides requirements the State will use to evaluate the Proposals, including any mandatory requirements. If the offeror's Proposal meets all the mandatory requirements, the offeror's Proposal may be included in the next phase of the evaluation, which will consider other requirements described in a table in Attachment One.

In the case of any requirements for a team of people the offeror is proposing, the offeror must submit a team to do the Work that collectively meets all the team requirements. But the experience of multiple candidates may not be combined to meet a single requirement. Further, previous experience of the candidate submitted for a Contract Manager position may not be used to meet any other team member requirements. Each candidate proposed for the Work team must meet at least one of the requirements.

This RFP asks for responses and submissions from offerors, most of which represent components of the requirements in Attachment One. While each requirement represents only a part of the total basis for a decision to award the Contract to an offeror, a failure by an offeror to make a required submission or meet a mandatory requirement normally will result in a rejection of that offeror's Proposal. The value assigned above to each requirement is only a value used to determine which Proposal is the most advantageous to the State in relation to the other Proposals that the State received. It is not a basis for determining the importance of meeting that requirement.

If the State does not receive any Proposal that meets all the mandatory requirements, the State may cancel this RFP. Alternatively, if the State believes it is in its interests, the State may continue to consider the highest-ranking Proposals despite their failure to meet all the mandatory requirements. In doing this, the State may consider one or more of the highest-ranking Proposals. However, the State may not consider any lower-ranking Proposals unless all Proposals ranked above it are also considered, except as provided below.

In any case where no Proposal meets all the mandatory requirements, it may be that an upper ranking Proposal contains a failure to meet a mandatory requirement that the State believes is critical to the success of the RFP's objectives. When this is so, the State may reject that Proposal and consider lower ranking Proposals. Before doing so, the State may notify the offeror of the situation and allow the offeror an opportunity to cure its failure to meet that mandatory requirement.

If the offeror cures its failure to meet a mandatory requirement that the State has deemed critical to the success of the RFP's objectives, the State may continue to consider the offeror's Proposal. But if the offeror is unwilling or unable to cure the failure, its Proposal may be rejected. The State then may continue to consider the other remaining Proposals, including, if the State so chooses, Proposals that ranked lower than the rejected Proposal.

Cost Evaluation. Once the technical merits of the Proposals are considered, the State may consider the costs of one or more of the highest-ranking Proposals. But it is within the State's discretion to wait until after any interviews, presentations, and demonstrations to evaluate costs. Also, before evaluating the technical merits of the Proposals, the State may do an initial review of costs to determine if any Proposals should be rejected because of excessive cost. And the State may reconsider the excessiveness of any Proposal's cost at any time in the evaluation process.

The State may select one or more of the Proposals for further consideration in the next phase of the evaluation process based on the price performance formula contained in Attachment One. The Proposal(s) selected for consideration in the next phase always will be the highest-ranking Proposal(s) based on this analysis. That is, the State may not move a lower-ranking Proposal to the next phase unless all Proposals that rank above it also are moved to the next phase, excluding any Proposals that the State disqualifies because of excessive cost or other irregularities.

If the State finds that it should give one or more of the highest-ranking Proposals further consideration, the State may move the selected Proposals to the next phase. The State alternatively may choose to bypass any or all subsequent phases and make an award based solely on its scoring of the preceding phases, subject only to its review of the highest-ranking offeror's responsibility, as described below.

Requests for More Information. The State may require some offerors to interview, make a presentation about their Proposals, or demonstrate their products or services. If the presentations, demonstrations, or interviews are held as part of the technical evaluation phase, all offerors that have Proposals under evaluation may participate. Alternatively, if the presentations, demonstrations, or interviews are held after the technical evaluation, the State normally will limit them to one or more of the highest ranking offerors. The State normally will limit such presentations, demonstrations, and interviews to areas in which it seeks further information from the highest ranking offeror or offerors. Typically, these discussions provide an offeror with an opportunity to do one or more of the following:

- Clarify its Proposal and ensure a mutual understanding of the Proposal's content;
- Showcase its approach to the Work; and
- Demonstrate the professionalism, qualifications, skills, and work knowledge of its proposed candidates.

The State will schedule the presentations, demonstrations, and interviews at its convenience and discretion. The State will determine the scope and format of any such presentations, demonstrations, and interviews and may record them. Additionally, if the State moves more than one offeror to this phase, the scope and format of these presentations, demonstrations, and interviews may vary from one offeror to the next, depending on the particular issues or concerns the State may have with each offeror's Proposal.

The State normally will not rank interviews, demonstrations, and presentations. Rather, if the State conducts the interviews, demonstrations, or presentations as part of the technical evaluation, the State may use the information it gathers during this process in evaluating the technical merits of the Proposals. If the State holds the demonstrations, presentations, or interviews only for one or more of the top-ranking offerors after the evaluation phase, the State may decide to revise its existing Proposal evaluations based on the results of this process.

Determination of Responsibility. The State may review the background of one or more of the highest-ranking offerors and its or their key team members and subcontractors to ensure their responsibility. For purposes of this RFP, a key team member is a person that an offeror identifies by name in its Proposal as a member of its proposed team. The State will not award the Contract to an offeror that it determines is not responsible or that has proposed candidates or subcontractors to do the Work that are not responsible. The State's determination of an offeror's responsibility may include the following factors: experience of the offeror and its key team members and subcontractors, its and their past conduct on previous contracts, past performance on previous contracts, ability to execute this Contract properly, and management skill. The State may make this determination of responsibility based on the offeror's Proposal, reference evaluations, a review of the offeror's financial ability, and any other information the State requests or determines is relevant.

Some of the factors used in determining an offeror's responsibility, such as reference checks, may also be used in the technical evaluation of Proposals in phase two of the evaluation process. In evaluating those factors in phase two, the weight the State assigns to them, if any, for purposes of the technical evaluation will not preclude the State from rejecting a Proposal based on a determination that an offeror is not responsible. For example, if the offeror's financial ability is adequate, the value, if any, assigned to the offeror's relative financial ability in relation to other offerors in the technical evaluation phase may or may not be significant, depending on the nature of the Work. If the State believes the offeror's financial ability is inadequate, the State may reject the offeror's Proposal despite its other merits.

The State may make a responsibility determination at any time during the evaluation process, but it typically will do so only once it has evaluated the technical merits and costs of the Proposals. The State always will review the responsibility of an offeror selected for an award before making the award, if it has not already done so earlier in the evaluation process. If the State determines that the offeror selected for award is not responsible, the State then may go down the line of remaining offerors, according to rank, and determine responsibility with the next highest-ranking offeror.

Reference Checks. As part of the State's determination of an offeror's responsibility, the State may conduct reference checks to verify and validate the offeror's and its proposed candidates' and subcontractors' past performance. Reference checks that indicate poor or failed performance by the offeror or a proposed candidate or subcontractor may be cause for rejection of the offeror's Proposal. Additionally, the State may reject an offeror's Proposal as non-responsive if the offeror fails to provide requested reference contact information.

The State may consider the quality of an offeror's and its candidates' and subcontractors' references as part of the technical evaluation phase, as well as in the State's determination of the offeror's responsibility. The State also may consider the information it receives from the references in weighing any requirements contained in the technical evaluation phase, if that information is relevant to the requirement. In checking an offeror's or any of its proposed candidates' or subcontractors' references, the State will seek information that relates to the offeror's previous contract performance. This may include performance with other governmental entities, as well as any other information the State deems important for the successful operation and management of the Work and a positive working relationship between the State and the offeror. In doing this, the State may check references other than those provided in the offeror's Proposal. The State also may use information from other sources, such as third-party reporting agencies.

Financial Ability. Part of State's determination of an offeror's responsibility may include the offeror's financial ability to perform the Contract. This RFP may expressly require the submission of audited financial statements from all offerors in their Proposals, but if this RFP does not make this an express requirement, the State still may insist that an offeror submit audited financial statements for up to the past three years, if the State is concerned that an offeror may not have the financial ability to carry out the Contract. Also, the State may consider financial information other than the information that this RFP requires as part of the offeror's Proposal, such as credit reports from third-party reporting agencies.

Contract Negotiations. The final phase of the evaluation process may be contract negotiations. It is entirely within the discretion of the State whether to permit negotiations. An offeror must not submit a Proposal assuming that there will be an opportunity to negotiate any aspect of the Proposal, and any Proposal that is contingent on the State negotiating with the offeror may be rejected. The State is free to limit negotiations to particular aspects of any Proposal or the RFP, to limit the offerors with whom the State negotiates, and to dispense with negotiations entirely. If negotiations are held, they will be scheduled at the convenience of the State, and the selected offeror or offerors must negotiate in good faith.

The State may limit negotiations to specific aspects of the RFP or the offeror's Proposal. Should the evaluation result in a top-ranked Proposal, the State may limit negotiations to only that offeror and not hold negotiations with any lower-ranking offeror. If negotiations are unsuccessful with the top-ranked offeror, the State then may go down the line of remaining offerors, according to rank, and negotiate with the next highest-ranking offeror. Lower-ranking offerors do not have a right to participate in negotiations conducted in such a manner.

If the State decides to negotiate simultaneously with more than one offeror, or decides that negotiations with the top-ranked offeror are not satisfactory and therefore negotiates with one or more of the lower-ranking offerors, the State then will determine if an adjustment in the ranking of the offerors with which it held negotiations is appropriate based on the negotiations. The Contract award, if any, then will be based on the final ranking of offerors, as adjusted.

Auction techniques that reveal one offeror's price to another or disclose any other material information derived from competing Proposals are prohibited. Any oral modification of a Proposal will be reduced to writing by the offeror as described below.

Following negotiations, the State may set a date and time for the offeror(s) with which the State conducted negotiations to submit a best and final Proposal. If negotiations were limited and all changes were reduced to signed writings during negotiations, the State need not require a best and final Proposal.

If best and final Proposals are required, they may be submitted only once, unless the State determines that it is in the State's interest to conduct additional negotiations. In such cases, the State may require another submission of best and final Proposals. Otherwise, discussion of or changes in the best and final Proposals will not be allowed. If an offeror does not submit a best and final Proposal, the State will treat that offeror's previous Proposal as its best and final Proposal.

The State usually will not rank negotiations and normally will hold them only to correct deficiencies in or enhance the value of the highest-ranked offeror's Proposal.

From the opening of the Proposals to the award of the Contract, everyone evaluating Proposals on behalf of the State will seek to limit access to information contained in the Proposals solely to those people with a need to know the information. The State also will seek to keep this information away from other offerors, and the State may not tell one offeror about the contents of another offeror's Proposal in order to gain a negotiating advantage.

Before the award of the Contract or cancellation of the RFP, any offeror that seeks to gain access to the contents of another offeror's Proposal may be disqualified from further consideration.

Negotiated changes will be reduced to writing and become a part of the Contract file, which will be available for public inspection after award of the Contract or cancellation of the RFP. Unless the State agrees otherwise in writing, the offeror must draft and sign the written changes and submit them to the State within five business days. If the State accepts the changes, the State will give the offeror written notice of the State's acceptance, and the negotiated changes to the successful offer will become a part of the Contract.

Failure to Negotiate. If an offeror fails to provide the necessary information for negotiations in a timely manner, or fails to negotiate in good faith, the State may terminate negotiations with that offeror and seek such other remedies as may be available in law or in equity.

PART FIVE: AWARD OF THE CONTRACT

Contract Award. The State plans to award the Contract based on the schedule in the RFP, if the State decides the Work is in its best interests and has not changed the award date.

Under Ohio's anti-terrorism legislation, effective April 14, 2006, the selected offeror must complete a Declaration Regarding Material Assistance/Non-assistance to a Terrorist Organization to certify that the offeror has not provided material assistance to any terrorist organization listed on the Terrorist Exclusion List. The form and the Terrorist Exclusion List are available on the Ohio Homeland Security Website. The form must be submitted with the offeror's Proposal. If an offeror answers yes or fails to answer any question on the form, the State may not award the Contract to that offeror. The offeror may request the Department of Public Safety to review such a denial of an award. More information concerning this law is available at: <http://www.homelandsecurity.ohio.gov>.

Included with this RFP, as Attachment Five, is a sample of the Contract for the RFP. The State will issue two originals of the Contract to the Contractor proposed for award. That offeror must sign and return the two originals to the Procurement Representative. The Contract will bind the State only when the State's duly authorized representative signs all copies and returns one to the Contractor with an award letter, the State issues a purchase order, and all other prerequisites identified in the Contract have occurred.

The Contractor must begin work within ten business days after the State issues a purchase order under the Contract. If the State awards a Contract pursuant to this RFP, and the Contractor is unable or unwilling to begin the Work within the time specified above, the State may cancel the Contract, effective immediately on notice to the Contractor. The State then may return to the evaluation process under this RFP and resume the process without giving further consideration to the originally selected Proposal. Additionally, the State may seek such other remedies as may be available to the State in law or in equity for the selected offeror's failure to perform under the Contract.

Contract. If this RFP results in a Contract award, the Contract will consist of this RFP, including all attachments, written amendments to this RFP, the Contractor's accepted Proposal, and written, authorized amendments to the Contractor's Proposal. It also will include any materials incorporated by reference in the above documents and any purchase orders and change orders issued under the Contract. The form of the Contract is included as a one-page attachment to this RFP, but it incorporates all the documents identified above. The general terms and conditions for the Contract are contained in Attachment Four to this RFP. If there are conflicting provisions between the documents that make up the Contract, the order of precedence for the documents is as follows:

1. This RFP, as amended;
2. The documents and materials incorporated by reference in the RFP;
3. The Contractor's Proposal, as amended, clarified, and accepted by the State; and
4. The documents and materials incorporated by reference in the Contractor's Proposal.

Notwithstanding the order listed above, change orders and amendments issued after the Contract is executed may expressly change the provisions of the Contract. If they do so expressly, then the most recent of them will take precedence over anything else that is part of the Contract. To be binding on the State, a duly authorized representative of the Office of Information Technology must sign any change order under or amendment to the Contract.

ATTACHMENT ONE: EVALUATION CRITERIA

Mandatory Requirements. The first table lists this RFP's mandatory requirements. If the offeror's Proposal meets all the mandatory requirements, the offeror's Proposal may be included in the next part of the technical evaluation phase described in the next table.

Mandatory Requirements	Reject	Accept
The offeror is not in arrears for federal, state and local taxes of any type, and has no outstanding liens, levies, lawsuits, claims, causes of action or investigations of any type pending in which it is involved.		
The offeror has a minimum of 36 months experience providing auditing and consulting services.		
The offeror has a minimum of 12 months experience providing telecommunications auditing services.		

Scored Criteria. In the technical evaluation phase, the State will rate the technical merits of the Proposals based on the following requirements and the weight assigned to each requirement:

Scored Criteria	Weight	Does Not Meet	Meets	Exceeds	Greatly Exceeds
Offeror Requirements					
<p>1. Minimum of 36 months experience providing auditing and consulting services. At least 24 months of this experience must be in telecommunications auditing.</p> <ul style="list-style-type: none"> • For each project referenced, provide a detailed description of the service performed. • For each project referenced, provide the customer services that were audited (long distance, local, cellular, data lines, etc.), and, if applicable, difficulty in recovery. • For each project referenced, provide the method used for reconciling the invoices with the inventory, and the variance from month-to-month in the bills. • For each project referenced, specify if the invoices were validated based on actual rate and tariff application against installed inventory on a monthly basis or if trend analysis was used to determine exceptions. • For each project referenced describe how invoice charges were validated against; a) inventory; b) contract terms; c) tariffs; d) threshold; e) taxes; f) regulatory fees. • For each project referenced, describe how the client was assisted in preventing duplicate payments from occurring in the future. 	15	0	5	7	9
2. Minimum of 1 telecommunications auditing project performed for a governmental or other Lottery organization.	10	0	5	7	9
3. Minimum of 3 projects where the offeror was responsible for providing recommendations for efficiencies.	15	0	5	7	9
Contract Manager Requirement					
<p>Minimum of 60 months experience providing 36 months of this experience must be in telecommunications auditing.</p> <ul style="list-style-type: none"> • For each client referenced, provide a detailed description of the candidate's role and responsibilities on the project. 	10	0	5	7	9

Scored Criteria	Weight	Does Not Meet	Meets	Exceeds	Greatly Exceeds
Work Plan Phase 1					
Proposed methodologies to determine refund: <ul style="list-style-type: none"> Types of records or information to be reviewed; Time frame of records or information to be reviewed during audit period; Resources, tools, and processes used to perform project; and Gathering and assembling all invoices that address all activity for the audit period. 	20	0	5	7	9
Work Plan response to: <ul style="list-style-type: none"> Proposed time frame to complete audit; Proposed amount of work to be performed by Lottery Commission staff; Reporting of audit status including initial findings, potential issues, audit findings, open issues, final reporting and end-summary recap of audit findings; Management reports (types, content, frequency); Identifying overcharges or billing errors on invoices; Negotiating resolution of identified overcharges or billing errors; Submitting claims for over-billing to the service provider and resolving those claims; Ensuring that lines not found in the audit do not mysteriously reappear or lines found not to be working are suddenly repaired; and Managing a variety of billing media (e.g., electronic, CD-ROM, paper). 	20	0	5	7	9
Proposed methodology for collecting refund including but not limited to: <ul style="list-style-type: none"> Ensuring that refunds are received in a timely manner; Ensuring that refunds are properly credited; Resources, tools, and processes used to collect refunds; Offeror's participation or role in collection process; Expected role of Lottery Commission staff in collection process; Proposed timeframe for collecting refunds; Monitoring claims until they are credited; and Managing and closing invoice and credit disputes. 	10	0	5	7	9

Scored Criteria	Weight	Does Not Meet	Meets	Exceeds	Greatly Exceeds
Work Plan Phase 2					
Proposed methodology for: <ul style="list-style-type: none"> Developing recommendations for efficiencies; Resources, tools and processes used to perform work; Time frame for providing recommendations for efficiencies; and Anticipated types of recommendations and efficiencies. 	20	0	5	7	9
Proposed methodology for identifying and recommending cost-saving opportunities for on-going telecommunication service costs.	20	0	5	7	9
Proposed types of documentation to support identified cost savings.	15	0	5	7	9
Proposed methodology for assisting Lottery Commission with implementation of cost-saving opportunities.	15	0	5	7	9
Resource Allocation Plan	5	0	5	7	9

Price Performance Formula. The award will be based on a scoring ratio of 70:30 with 70 percent referring to the technical requirements and 30 percent referring to cost.

Criteria	Weight	Maximum Points
Technical Requirements	70%	700
Phase 1 Cost	23%	230
Phase 2 Cost	7%	70
Total	100%	1000

To ensure that the scoring ratio is maintained, the State will use the following formulas to adjust the points awarded to each offeror.

The offeror with the highest point total for the Technical Proposal will receive 700 points. The remaining offerors will receive a percentage of the maximum points available based upon the following formula.

Technical Proposal Points = (Offeror's Technical Proposal Points / Highest Number of Technical Proposal Points Obtained) X 700

The offeror with the lowest proposed percentage of the State's savings in the offeror's cost summary (the lowest "Fee") will receive 300 points. The remaining offerors will receive a percentage of the maximum cost points available based upon the following formula (Phase 1 and Phase 2 Costs will be calculated separately as illustrated below to determine the maximum points. The example below illustrates a single cost/point scenario).

Cost Points = (Lowest Fee / Offeror's Fee) X 300

Total Points Score: The total points score is calculated using the following formula:

Total Points = Technical Proposal Points + Cost Points

Below is an example of the calculation process.

Offeror Name	Number of Offeror, General and Staffing Technical Proposal Points Obtained	Proposed Cost
Offeror A	625	\$11,000
Offeror B	570	\$8,000
Offeror C	490	\$7,000

Offeror A's Offeror, Technical Proposal Points = $625/625 \times 700 = 700$

Offeror A's Cost Points = $7,000/11,000 \times 300 = 190.91$

Offeror A's Total Points = 890.91

Offeror B's Offeror, Technical Proposal Points = $570/625 \times 700 = 638.4$

Offeror B's Cost Points = $7,000/8,000 \times 300 = 262.5$

Offeror B's Total Points = 900.90

Offeror C's Offeror, Technical Proposal Points = $490/625 \times 700 = 548.8$

Offeror C's Cost Points = $7,000/7,000 \times 300 = 300$

Offeror C's Total Points = 848.80

Offeror B is the highest rated offeror as a result of the evaluation process.

ATTACHMENT TWO: WORK REQUIREMENTS AND SPECIAL PROVISIONS
PART ONE: WORK REQUIREMENTS

This attachment describes the Work and what the Contractor must do to get the job done. It also describes what the Contractor must deliver as part of the completed Work (the "Deliverables"). Additionally, it gives a detailed description of the Work's schedule.

Scope of Work.

The State will provide oversight for the Work, but the Contractor must provide overall Work management for the tasks under this Contract, including the day-to-day management of its staff. The Contractor also must assist the State with coordinating assignments for State staff, if any, involved in the Work. Additionally, the Contractor must provide all administrative support for its staff and activities. Throughout the Work effort, the Contractor must employ ongoing management techniques to ensure a comprehensive Work Plan is developed, executed, monitored, reported on, and maintained.

The Contractor must provide a Contract Manager for the Work. The Contractor must employ the proposed Contract Manager as a regular, fulltime employee on the Proposal submission date and throughout the term of the Contract, including all renewals of it. Additionally, the Contractor's full-time Contract Manager must perform at least 30% of the effort required to complete the auditing Work. The Contractor may use its other personnel to meet the remaining 70% of the effort. The Contractor may not use subcontractor personnel to perform any of the work.

A. Phase I: Analysis and Recovery

The Contractor must:

1. Analyze all of the Lottery Commission's historical telecommunications billings for services beginning as far back as legally possible,
 - a. The Lottery Commission will provide the Contractor with all invoices in its possession. These will be paper invoices.
 - b. The Contractor must contact all service providers to obtain complete invoices and information pertaining to the Lottery Commission's costs for invoices not in the Lottery Commission's possession.
2. Determine whether there are any billing errors.
 - a. Submit refund claims and recover any over charges and inappropriate fees assessed to the Lottery Commission as identified through the analysis. Prior to the Contractor initiating action, each recommended recovery action must be approved by the Lottery Commission. The Lottery Commission will respond to the recommended recovery action within 1 week of receiving the recommendation report.
 - b. Remit any and all recovered funds in the form of refunds or credits to the service Customer of Record.
3. Disputed billing errors. If a service provider disputes the Contractor's findings, the Contractor must inform the Lottery Commission about such dispute and the Lottery Commission will refer the dispute to the Public Utilities Commission of Ohio (PUCO) for resolution.

B. Phase II: Cost-Saving Recommendations/Proposals

The Contractor must:

1. Identify and recommend cost-saving opportunities for the Lottery Commission's on-going telecommunications services costs.
2. Present cost-saving opportunities to the Lottery Commission and, if the Lottery Commission approves any of the recommendations, assist with implementing them. For example, if the Contractor recommends replacing one telecommunication service with another, The Lottery Commission may require the Contractor to assist it in drafting specifications.

The Lottery Commission's telecommunications services are limited to the providers established in certain regions as imposed by regulations or contracts with the State of Ohio. Therefore, certain recommendations may not be feasible for implementation; and the Contractor will not be entitled to any compensation if its recommendations are not or cannot be implemented by the Lottery Commission.

The Contractor must provide recommendations for cost savings to the Lottery Commission no later than December 31, 2008.

C. Status, Progress, and Management Reporting Requirements

The Contractor must provide status and progress report(s) consisting of, but not limited to:

- Number of billing errors identified;
- Number of billing errors communicated to appropriate telecommunication service company(ies);
- Number of billing errors that have a refund request or credit memo initiated;
- Number of billing errors for which a refund request or credit memo has been accepted by appropriate service provider but is still pending; and
- Number of billing errors for which a refund request or credit memo is completed.

The Contractor must provide Management Reports which will include, but not be limited to:

- Name of supplier involved in dispute;
- Nature of dispute;
- Severity of dispute;
- Probability of recovery;
- Date dispute brought to attention of service provider;
- Target date for resolution of dispute;
- Total days required to settle dispute; and
- Summarize the type of error, and amount of error by the service provider (contract or tariff error, billing input error)

Reports must track billing errors by service provider and type. Reports must track the dispute resolution process to ensure all disputes are settled efficiently and resolved in the least amount of time. Reports must indicate the dollar amounts for each service category. Supporting documentation and copies of credit memos must be provided to the Lottery Commission Telecommunications Audit Project Manager for file retention.

Contractor Responsibilities and Deliverables. The Contractor must meet all RFP requirements for the Work and complete all Work satisfactorily.

Maintain Work Plan. The Work Plan must allow sufficient time for the State's staff to review all Work. The State will determine the number of business days it needs for such reviews and provide that information to the Contractor after award and early in the development of the Work Plan. (See Attachment Three for components of the Work Plan.)

Meeting Attendance and Reporting Requirements. The Contractor's management approach to the Work must adhere to the following meeting and reporting requirements:

- Immediate Reporting - The Contract Manager or a designee must immediately report any staffing changes for the Work to the Contract Representative (see: Attachment Four: Part Two: Replacement Personnel).
- Attend Status Meetings - The Contract Manager and other Work team members must attend status meetings with the Contract Representative and other people deemed necessary to discuss Work issues. The Contract Representative will schedule these meetings, which will follow an agreed upon agenda and allow the Contractor and the State to discuss any issues that concern them.

- Provide Status Reports - The Contractor must provide written status reports to the Contract Representative at least one full business day before each status meeting.
- The Contractor's proposed format and level of detail for the status report is subject to the State's approval.
- Prepare Monthly Status Reports - During the Work, the Contractor must submit a written monthly status report to the Contract Representative by the fifth business day following the end of each month. At a minimum, monthly status reports must contain the following:
 - A description of the overall completion status of the Work in terms of the approved Work Plan (schedule and cost);
 - Updated Work schedule;
 - The plans for activities scheduled for the next month;
 - The status of any Deliverables;
 - Time ahead or behind schedule for applicable tasks;
 - A risk analysis of actual and perceived problems; and
 - Strategic changes to the Work Plan, if any.

Work Hours and Conditions. The Lottery Commission's regular work hours are 8 a.m. to 5 p.m. Monday through Friday. If it becomes necessary for Contract staff to work at the Lottery Commission's office, the Lottery Commission can provide a desk, telephone, and access to a network subject to the Lottery Commission's security policies.

PART TWO: SPECIAL PROVISIONS

Submittal of Deliverables. The Contractor must perform its tasks in a timely and professional manner that produces Deliverables that fully meet the Contract's requirements. And the Contractor must provide the Deliverables no later than the due dates the Contract requires. At the time of delivery of a written Deliverable, the Contractor must submit an original and one copy of each Deliverable, plus an electronic copy. The Contractor must provide the electronic copy in a file format acceptable to the State.

By submitting a Deliverable, the Contractor represents that, to the best of its knowledge, it has performed the associated tasks in a manner that meets the Contract's requirements.

The Contractor's Fee Structure. The Contract award will be for a fee based on the percentage(s) specified in the Contractor's cost summary. The percentage or percentages will be applied to actual savings accruing to the State from the Work of the Contractor in Phases I and II. In the case of Phase 1, the percentage will be payable only after and only to the extent that the State actually receives a refund in the form of a refund or credit from its telecommunications carrier or carriers and that refund or credit has resulted from the Contractor's Work within 24 months of the Completion of Phase 1.

In the case of Phase II, the fee will be paid only after the State receives an invoice from a telecommunications carrier that reflects actual savings resulting from implementing recommendations of the Contractor.

In no case will the State pay the Contractor a fee based on any refunds received after 24 months from the date of implementation of the recommended efficiency. In the case of savings from the recommendations in Phase II, no payment will be made for any savings reflected in an invoice received after two years from the date of implementation of the recommended efficiency. And in no case will the State pay for any recommendations that it does not implement, regardless of the reason. The total fees payable under this method of calculation will represent the not-to-exceed fixed price of the Contract.

Reimbursable Expenses. None.

Bill to Address. Ohio Lottery Commission, Accounts Payable, 615 W. Superior Ave., Cleveland, OH, 44113-1879

Location of Data. The Contractor may not remove original invoices and files from Lottery Commission premises. The Contractor may not distribute or forward any information obtained from the Lottery

Commission without express permission from the Lottery Commission. Upon completion of the Contract requirements, the Contractor must return any Lottery Commission files to the agency. The Contractor will be allowed to copy invoices and files as needed to perform the duties required by this RFP. The audit may not be performed offshore.

ATTACHMENT THREE: REQUIREMENTS FOR PROPOSALS

Proposal Format. Each Proposal must include sufficient data to allow the State to verify the total cost for the Work and all of the offeror's claims of meeting the RFP's requirements. Each Proposal must respond to every request for information in this attachment, whether the request requires a simple "yes" or "no" or requires a detailed explanation. Simply repeating the RFP's requirement and agreeing to comply may be an unacceptable response and may cause the Proposal to be rejected.

These instructions describe the required format for a responsive Proposal. The offeror may include any additional information it believes is relevant. An identifiable tab sheet must precede each section of a Proposal, and each Proposal must follow the format outlined below. All pages, except pre-printed technical inserts, must be sequentially numbered. Any material deviation from the format outlined below may result in a rejection of the non-conforming Proposal.

Each Proposal must contain the following:

- Cover Letter
- Certification
- Location of Data
- Offeror Profile
- Contractor Performance
- Personnel Profile Summary
- Time Commitment
- Assumptions
- Work Plan
- Sample Reports
- Resource Allocation Plan
- Support Requirements
- Conflict of Interest Statement
- Billing Disputes
- Proof of Insurance
- Litigation Bond
- Payment Address
- Legal Notice Address
- W-9 Form
- Declaration Regarding Terrorist Organizations
- Cost Summary (must be separately sealed)

Cover Letter. The offeror must include a cover letter in the form of a standard business letter that provides an executive summary of the solution the offeror plans to provide, and an individual authorized to legally bind the offeror must sign the letter. The letter also must include the following:

- a. A statement regarding the offeror's legal structure (e.g., an Ohio corporation), federal tax identification number, D-U-N-S number, and principal place of business;
- b. A list of the people who prepared the offeror's Proposal, including their titles;
- c. The name, phone number, fax number, email address, and mailing address of a contact person who has authority to answer questions regarding the Proposal;
- d. A list of all subcontractors, if any, that the offeror will use on the Work, if the State selects the offeror to do the Work;
- e. For each proposed subcontractor, the offeror must attach a letter from the subcontractor, signed by someone authorized to legally bind the subcontractor, with the following included in the letter:

1. The subcontractor's legal status, federal tax identification number, D-U-N-S number, and principal place of business;
 2. The name, phone number, fax number, email address, and mailing address of a person who is authorized to legally bind the subcontractor to contractual obligations;
 3. A description of the part of the Work the subcontractor will do;
 4. A commitment to do the part of the Work if the offeror is selected;
 5. A statement that the subcontractor has read and understands the RFP and will comply with the requirements of the RFP; and
 6. A statement that the subcontractor will maintain any permits, licenses, and certifications required to perform its portion of the Work;
- f. A statement that the offeror's Proposal meets all the requirements of this RFP for the Work;
 - g. A statement that the offeror has not taken any exception to the terms and conditions in this RFP;
 - h. A statement that the offeror does not assume there will be an opportunity to negotiate any aspect of its Proposal;
 - i. A statement that the offeror will comply with all federal and Ohio laws, rules, and regulations;
 - j. A statement that the offeror is proposing a Contract Manager who is a regular, fulltime employee of the offeror;
 - k. A statement that the offeror's regular, fulltime employees will perform at least 30% of the effort involved in the Work;
 - l. A statement that the offeror will not substitute, at Work start-up, personnel for those evaluated by the State, except when a candidate's unavailability is no fault of the offeror (e.g. the candidate resigns, is deceased, etc.); and
 - m. A statement that the offeror is not now subject to an "unresolved" finding for recovery under Revised Code Section 9.24 and that the offeror will notify the State anytime it becomes subject to such a finding before the award of a Contract arising out of this RFP.
 - n. A statement that the offeror is not in arrears for federal, state and local taxes of any type, and that there are no outstanding liens, levies, lawsuits, claims, causes of action or investigations of any type pending in which it is involved. If such an acknowledgement cannot be provided, the offeror must provide detailed information explaining such lien, levy, lawsuit or investigation.

All offerors must submit a response that contains an affirmative statement using the language in paragraphs a through n above.

Certification. Each Proposal must include the following certification on company letterhead signed by an individual authorized to legally bind the offeror:

(Insert offeror's name) affirms that, if awarded the Contract, it will be the prime Contractor on the Work.

(Insert offeror's name) affirms that it will not and will not allow others to perform work for the State of Ohio outside of any geographic restrictions in the RFP or at any location not disclosed in its proposal without express written authorization from the Contract Representative. (Insert offeror's name) also affirms that it will not and will not allow others take data that belongs to the State of Ohio outside any geographic restrictions in the RFP or any locations disclosed in its proposal without express written authorization from the Contract Representative.

(Insert offeror's name) affirms that all personnel provided for the Work will have a valid I-9 form on file with (Insert offeror's name) and will have presented valid employment authorization documents, if they are not United States citizens.

(Insert offeror's name) affirms that any small business program participants will provide necessary data to ensure program reporting and compliance.

(Insert offeror's name) is and will remain during performance of the Contract a separate and independent enterprise from the State of Ohio, the Office of Information Technology, and the Lottery Commission. (Insert offeror's name) has a full opportunity to find other business opportunities and has made a significant investment in its business. Moreover, (insert offeror's name) will retain sole and absolute control over the manner and means of carrying out its obligations and activities under the Contract. The Contract will not create any joint employment relationship between (insert offeror's name), any of its personnel, its subcontractors, or their personnel and the State of Ohio, the Office of Information Technology, or the Lottery Commission.

(Insert offeror's name) affirms that the people supplied under the Contract are either (1) employees of (insert offeror's name), with (insert offeror's name) withholding all appropriate taxes, deductions, and contributions required under law, or (2) independent contractors to (insert offeror's name).

(Insert offeror's name) affirms that it has obtained a written acknowledgement from its independent contractors that they are and will remain separate and independent enterprises from the State of Ohio, the Office of Information Technology, and the Lottery Commission for all purposes, including the application of the Fair Labor Standards Act, Social Security Act, Federal Unemployment Tax Act, Federal Insurance Contributions Act, the Internal Revenue Code, Ohio tax law, worker's compensation law, and unemployment insurance law.

Location of Data. As part of its Proposal, the offeror must disclose the following:

1. The location(s) where the offeror and its subcontractors will perform all services;
2. The location(s) where the offeror and its subcontractors will maintain or make any State data applicable to the Contract available; and
3. The offeror's and its subcontractors' principal places of business.

Offeror Profile. Each Proposal must include a profile of the offeror's capability, capacity, and relevant experience providing services similar to the Work. The profile also must include the offeror's legal name, address, telephone number, and fax number; home office location; date established; ownership (such as public firm, partnership, or subsidiary); firm leadership (such as corporate officers or partners); number of employees; number of employees the offeror will engage in tasks directly related to the Work; and any other background information that will help the State gauge the ability of the offeror to fulfill the obligations of the Contract.

Contractor Performance. The offeror must complete Attachment Six, Contractor Performance Form.

Offeror Profile Summary Form. This RFP includes an Offeror Profile Summary Form as an attachment. The offeror must use this form and fill it out completely to provide the required information.

The Offeror Profile Summary Form contained in this document has been customized for the applicable offeror requirements. (Refer to Attachment Seven.) Each page of the form may contain minor variations. If an offeror elects to duplicate the form electronically, the offeror must carefully review each page of the form to ensure that it has been copied accurately. Failure to duplicate the form exactly may lead to the rejection of the offeror's Proposal.

Each offeror must meet all the mandatory requirements in the RFP. If an offeror does not meet all the mandatory requirements, the State may reject the offeror's Proposal as non-responsive.

The various sections of the Offeror Profile Summary Forms are described below:

Mandatory Experience and Qualifications. The offeror must complete this section to demonstrate that it has the experience needed to meet the RFP's mandatory requirements. (Refer to Attachment Seven.) For each reference, the offeror must provide the following information:

- **Contact Information.** The offeror must provide a client contact name, title, phone number, email address, company name, and mailing address. The offeror also must include the same information for an alternate client contact, in case the State cannot reach the primary contact. Failure to provide this information or providing information that is inaccurate or out of date may result in the State not including the reference in the evaluation process or rejecting the offeror's Proposal. The contact information given must be for a person within the client's organization and not a co-worker or a contact within the offeror's organization, subsidiaries, partnerships, etc.
- **Work Name.** The offeror must provide the name or title for the work, such as a project name, from which it obtained the mandatory experience.
- **Dates of Experience.** The offeror must complete this area with a beginning month and year and an ending month and year to show the length of time the offeror performed the work, not just the length of time the offeror was engaged by the reference.
- **Description of the Related Service Provided.** The State will not assume that, since the experience requirement is provided at the top of the page, all descriptions on that page relate to that requirement. The offeror must reiterate the experience being described, including the capacity in which the work was performed and the role of the offeror on the Work. It is the offeror's responsibility to customize the description to clearly substantiate the qualification.
- **Description of how the related service shows the offeror's experience, capability, and capacity to develop the Deliverables and do the Work.**

The offeror must list each work experience separately and completely every time it is referenced, regardless of whether it is on the same or different pages of the form.

Required Experience and Qualifications. The offeror must complete this section to demonstrate that it meets the requirements for experience. (Refer to Attachment Seven.) For each reference, the offeror must provide the information in the same manner as described under Attachment Seven above.

THE OFFEROR MAY NOT USE THE EXPERIENCE OR QUALIFICATIONS OF A SUBCONTRACTOR TO MEET ANY OF THE ABOVE MANDATORY QUALIFICATIONS OR EXPERIENCE. THESE MUST BE FULFILLED EXCLUSIVELY THROUGH THE QUALIFICATIONS AND EXPERIENCE OF THE OFFEROR.

Personnel Profile Summaries. Each Proposal must include a profile for each key member of the proposed work team. This RFP includes Personnel Profile Summary Forms as Attachment Eight, and the offeror must use these forms and fill them out completely for each reference.

The Personnel Profile Summary Forms contained in this RFP have been customized for the applicable candidate requirements. Each page of the forms may contain minor variations. If an offeror elects to duplicate the forms electronically, the offeror must carefully review each form to ensure that it has been copied accurately. Failure to duplicate the forms exactly may lead to the rejection of the offeror's Proposal.

The offeror must propose a Work team that collectively meets all the requirements in this RFP, as demonstrated through the Personnel Profile Summary Forms. Additionally, each team member may have mandatory requirements listed in this RFP that the team member must individually meet. The offeror must name all candidates proposed, and each must meet the technical experience for the candidate's position.

The State will not consider a candidate's overlapping months of experience toward meeting the experience requirements in this RFP. Therefore, for each requirement for a key position, the Personnel Profile Summary Forms for the candidate must demonstrate that the candidate meets the requirement through a work experience that does not overlap in time with any other work experience used to meet any other requirement for the position.

The offeror must demonstrate that all candidate requirements have been met by using the Personnel Profile Summary Forms. The various sections of the forms are described below:

- a) **Candidate References.** If the offeror provides less than three work experiences, the offeror must explain why. The State may reject the Proposal if less than three work experiences are given for a candidate.
- b) **Education and Training.** The offeror must use this section to list the education and training of the proposed candidate and demonstrate, in detail, the proposed candidate's ability to properly perform under the Contract. The offeror must show how the candidate's education and training relates to the requirements of the RFP.
- c) **Mandatory Experience and Qualifications.**

The offeror must complete this section to show how a candidate meets the mandatory experience requirements, if any are applicable to that candidate. If any candidate does not meet the mandatory requirements for the position the candidate is proposed to fill, the offeror's Proposal may be rejected as non-responsive. (See Attachment Eight.)

- d) **Required Experience and Qualifications.** The offeror must complete this section to show how its candidate meets the experience requirements. (Refer to Attachment Eight.)

For each reference, the offeror must provide the following information:

- **Candidate's Name.**
- **Contact Information.** The offeror must provide a client contact name, title, phone number, email address, company name, and mailing address. The offeror also must include the same information for an alternate client contact, in case the State cannot reach the primary contact. Failure to provide this information or providing information that is inaccurate or out of date may result in the State not including the reference in the evaluation process or rejecting the offeror's Proposal. The contact information given must be for a person within the client's organization and not a co-worker or a contact within the offeror's organization, subsidiaries, partnerships, etc.
- **Dates of Experience.** The offeror must complete this section with a beginning month and year and an ending month and year to show the length of time the candidate performed the technical experience being described, not just the length of time the candidate worked for the company.
- **Description of the Related Service Provided.** The State does not assume that, since the technical requirement is provided at the top of the page, all descriptions on that page relate to that requirement. Offerors must reiterate the technical experience being described, including the capacity in which the experience was performed and the role of the candidate in the project as it relates to this Project. It is the Offeror's responsibility to customize the description to clearly substantiate the candidate's qualification.

The candidate's project experience must be listed separately and completely every time it is referenced, regardless of whether it is on the same or different pages of the form.

Personnel. The offeror must submit a statement and a chart that clearly indicate the time commitment of the proposed Contract Manager and the offeror's proposed team members for the Work. The offeror also must include a statement indicating to what extent, if any, the Contract Manager may work on other tasks or assignments unrelated to the Work during the term of the Contract. The State may reject any Proposal that commits the proposed Contract Manager or any proposed personnel to other assignments during the term of the Work, if the State believes that any such commitment may be detrimental to the offeror's performance.

Time Commitment. The offeror must submit a statement and a chart that clearly indicate the time commitment of the proposed Contract Manager and the offeror's proposed team members for the Work. The offeror also must include a statement indicating to what extent, if any, the Contract Manager may work on other tasks or assignments unrelated to the Work during the term of the Contract. The State may reject any Proposal that commits the proposed Contract Manager or any proposed personnel to other assignments during the term of the Work, if the State believes that any such commitment may be detrimental to the offeror's performance.

Assumptions. The offeror must list all the assumptions the offeror made in preparing the Proposal. If any assumption is unacceptable to the State, the State may reject the Proposal. No assumptions may be included regarding negotiation, terms and conditions, or requirements.

Work Plan. The State encourages responses that demonstrate a thorough understanding of the nature of the Work and what the Contractor must do to get the Work done properly. To this end, the offeror must submit a Work Plan that the offeror will use to create a consistent and coherent management plan for the Work. The Work Plan must include detail sufficient to give the State an understanding of how the offeror's knowledge and approach will:

- Manage the Work;
- Guide Work execution;
- Document planning assumptions and decisions;
- Provide a monthly report of expected refunds and credits;
- Provide a monthly status report of all activities transacted during the reporting month;
- Facilitate communication among stakeholders; and
- Define key management review as to content, scope, and schedule.

The offeror must provide an analysis of the procedures and methodologies required to perform the Work required in Phase 1 and Phase 2 of the project. The offeror must provide sufficient detail and rationale to support its proposed procedures and methods to allow the State to determine the offeror's capability and capacity to perform the work in a timely and efficient manner. The State will consider the complexity of the offeror's approach, supporting evidence and reasoning, utilization of available resources and the offeror's identification of and planned management of any obstacles to perform the Work.

The Work Plans must include detail sufficient to give the State an understanding of how the offeror will manage an auditing process that includes, but is not limited to, the following:

1. Gather and assemble all invoices that address all activity for the audit period;
2. Identify overcharges or billing errors in billing statements;
3. Negotiate resolution of identified over-charges or billing errors;
4. Submit claims for over-billing to the service provider and for resolving those claims.
5. Ensure that lines not found in the audit do not mysteriously reappear or lines found not to be working are suddenly repaired.
6. Provide reports to cover:
 - a. Initial findings
 - b. Status of the audit (to include but not be limited to: potential issues, what has been discovered, open issues, final report, and end-summary recap of all audit findings).
7. Ensure that refunds are received in a timely manner and credited to the proper account
8. Monitor claims until they are credited.
9. Describe the offerors capability to manage a variety of billing media (e.g., electronic, CD-ROM, paper) during the audit.
10. Describe how invoice and credit disputes are managed and closed.
11. Describe how the offeror will identify and recommend cost-saving opportunities for on-going telecommunications services costs.
12. Develop recommendations for efficiencies.
13. Identify resources, tools and processes used to perform work.
14. Time frame for providing recommendations for efficiencies.
15. Anticipate types of recommendations and efficiencies.

16. Identify and recommend cost-saving opportunities for on-going telecommunications services costs.
17. Provide documentation to support identified cost savings.
18. Assist the Lottery Commission with implementation of cost-saving opportunities.

Review Areas:

- **Review Area 1** – Voice Circuits (including cellular, pagers, Blackberry devices, cellular, alarm devices, etc.)
- **Review Area 2** – Gaming Network
- **Review Area 3** – Local Area and Wide Area Networks

Provide an estimate of savings that could be recovered from this audit. Use the chart below.

Service Type	Lottery Commission Approximate Annual Expenditure	Estimated Cost Recovery (%)
Long Distance and Toll Free	\$702,657.31	
Local Access	\$446,148.71	
Local Area and Wide Area Networks	\$153,089.59	
Wireless Services	\$28,413.79	
Gaming Network	\$7,320,465.00	
TOTAL	\$8,650,774.40	

Sample Reports. The offeror must provide sample reports used in previous projects. Reports should include but not be limited to:

- Initial findings reports;
- Monthly status reports; and
- Final report.

Resource Allocation Plan. The resource allocation plan must show how the offeror intends to fill positions to do the work required by this Contract. For the tasks listed below, the offeror must describe in detail how it determines candidate qualifications, interviews candidates, and/or determines candidates for hire and the hiring process.

Tasks may include but not be limited to: Performing the audit; negotiating refunds; handling disputes.

The offeror must provide resumes for all key staff assigned to perform audits during the project. Resumes must allow the State to determine that staff assigned to perform the audits have a minimum of 5 years experience performing telecommunications audits.

Support Requirements. The offeror must describe the support it wants from the State other than what the State has offered in this RFP. Specifically, the offeror must address the following:

- Nature and extent of State support required in terms of staff roles, percentage of time available, and so on;
- Assistance from State staff and the experience and qualification levels required; and
- Other support requirements.

The State may not be able or willing to provide the additional support the offeror lists in this part of its Proposal. The offeror therefore must indicate whether its request for additional support is a requirement for its performance. If any part of the list is a requirement, the State may reject the offeror's Proposal, if the State is unable or unwilling to meet the requirements.

Conflict of Interest Statement. Each Proposal must include a statement indicating whether the offeror or any people that may work on or benefit from the Work through the offeror have a possible conflict of interest (e.g., employed by the State of Ohio, etc.) and, if so, the nature of that conflict. The State may reject a Proposal in which an actual or apparent conflict is disclosed. The State also may terminate the Contract for cause if it discovers any actual or apparent conflict of interest that the offeror did not disclose in its Proposal.

Billing Disputes. The offeror must describe any billing disputes that have occurred within the past three (3) years where the dispute totaled five thousand dollars (\$5,000.00) or more.

Proof of Insurance. The offeror must provide the certificate of insurance required by Attachment Four. The policy may be written on an occurrence or claims made basis.

Litigation Bond. The offeror must submit a litigation bond in the amount of \$100,000.00. A claim upon the bond may be made by the State if:

1. The offeror sues the State of Ohio, or any of its officers, employees, other offerors, or sales retailers with regard to any matter relating to the award of a Contract pursuant to this RFP; and
2. The State or other defendant is the prevailing party in such suit; and
3. The court determines that such suit or any portion thereof was frivolous, was commenced in bad faith, or was not based upon reasonable grounds.

The purpose of the bond is to discourage unwarranted litigation by permitting the State or other defendants to recover damages, including reasonable attorneys' fees, resulting from such litigation. The litigation bond must remain in effect for one (1) year from the date of submission of the Proposal. Failure to submit the required litigation bond with the offeror's proposal may be cause for rejection of an offeror's Proposal.

Payment Address. The offeror must give the address to which the State should send payments under the Contract.

Legal Notice Address. The offeror must give the name, title, and address to which the State should send legal notices under the Contract.

W-9 Form. The offeror must complete the attached W-9 form in its entirety. The offeror must submit at least one originally signed W-9. All other copies of a Proposal may contain copies of the W-9. The offeror must indicate on the outside of the binder which Proposal contains the originally signed W-9.

Declaration Regarding Terrorist Organizations. The offeror must complete a Declaration Regarding Material Assistance/Non-assistance to Terrorist Organizations in its entirety. The offeror must submit at least one originally signed copy of this form, which should be included with the offeror's originally signed Proposal. All other copies of the offeror's Proposal may contain copies of this form. The form is available at: <http://www.homelandsecurity.ohio.gov>.

Cost Summary. This RFP includes a Cost Summary Form provided as an attachment. Offerors may not reformat this form. Each offeror must complete the Cost Summary Form in the exact format provided, since the State may reject any Proposal with a reformatted Cost Summary Form or that is not separately sealed. (See: Part Three: General Instructions, Proposal Submittal.)

The Cost Summary Form must not include exceptions, additional terms and conditions, or assumptions.

The offeror's total cost for the entire Project will be the not-to-exceed fixed price, and will be based on the percentages in the offeror's Cost Summary Form.

The State will not be liable for or pay any Work costs that the offeror does not identify in its Proposal.

ATTACHMENT FOUR: GENERAL TERMS AND CONDITIONS

PART ONE: PERFORMANCE AND PAYMENT

Statement of Work. The selected offeror's proposal (the "Proposal") and the State's Request for Proposals (the "RFP"), which are collectively referred to as the "RFP Documents", are a part of this contract (the "Contract") and describe the work (the "Work") the selected offeror (the "Contractor") must do and any materials the Contractor must deliver (the "Deliverables") under this Contract. The Contractor must do the Work in a professional, timely, and efficient manner and must provide the Deliverables in a proper fashion. The Contractor also must furnish its own support staff necessary for the satisfactory performance of the Work.

The Contractor must consult with the appropriate State representatives and others necessary to ensure a thorough understanding of the Work and satisfactory performance. The State may give instructions to or make requests of the Contractor relating to the Work, and the Contractor must comply with those instructions and fulfill those requests in a timely and professional manner. Those instructions and requests will be for the sole purpose of ensuring satisfactory completion of the Work and will not amend or alter the scope of the Work.

Term. Unless this Contract is terminated or expires without renewal, it will remain in effect until the Work is completed to the satisfaction of the State and the Contractor is paid. But the current General Assembly cannot commit a future General Assembly to an expenditure. Therefore, this Contract will automatically expire at the end of each biennium, the first of which is June 30, 2009. The State may renew this Contract in the next biennium by issuing written notice to the Contractor of the decision to do so. This expiration and renewal procedure also will apply to the end of any subsequent biennium during which the Work continues, subject to the State's approval. Termination or expiration of this Contract will not limit the Contractor's continuing obligations with respect to Deliverables that the State pays for before or after termination or limit the State's rights in such.

The State's funds are contingent upon the availability of lawful appropriations by the Ohio General Assembly. If the General Assembly fails to continue funding for the payments and other obligations due as part of this Contract, the State's obligations under this Contract will terminate as of the date that the funding expires without further obligation of the State.

The Work has a completion date that is identified in the RFP Documents. The RFP Documents also may have several dates for the delivery of Deliverables or reaching certain milestones in the Work. The Contractor must make those deliveries, meet those milestones, and complete the Work within the times the RFP Documents require. If the Contractor does not meet those dates, the Contractor will be in default, and the State may terminate this Contract under the Suspension and Termination Section contained in Part II of this Attachment Four.

But the State also may have certain obligations to meet. Those obligations, if any, also are listed in the RFP Documents. If the State agrees that the Contractor's failure to meet the delivery, milestone, or completion dates in the RFP Documents is due to the State's failure to meet its own obligations in a timely fashion, then the Contractor will not be in default, and the delivery, milestone, and completion dates affected by the State's failure to perform will be extended by the same amount of time as the State's delay. The Contractor may not rely on this provision unless the Contractor has in good faith exerted reasonable management skill to avoid an extension and has given the State meaningful written notice of the State's failure to meet its obligations within five business days of the Contractor's realization that the State's delay may impact the Work. The Contractor must deliver any such notice to both the Contract Representative and Procurement Representative and title the notice as a "Notice of State Delay." The notice must identify any delay in detail, as well as the impact the delay has or will have on the Work. Unless the State decides, in its sole and exclusive judgment, that an equitable adjustment in the Contractor's Fee is warranted in the case of an extended delay, an extension of the Contractor's time to perform will be the Contractor's exclusive remedy for the State's delay. Should the State determine that an equitable adjustment in the Contractor's Fee is warranted, the equitable adjustment will be handled as

a Change Order under the Changes Section of this Contract, and the extension of time and equitable adjustment will be the exclusive remedies of the Contractor for the State's delay.

The State seeks a complete solution to what the Work is intended to accomplish, and the Contractor must provide any incidental items omitted in the RFP Documents as part of the Contractor's not-to-exceed fixed price. All required components and processes for the Work to be complete and useful to the State are included in the Work and the not-to-exceed fixed price, unless the RFP expressly provides otherwise.

Compensation. In consideration of the Contractor's promises and satisfactory performance, the State will pay the Contractor the amount(s) identified in the RFP Documents (the "Fee"), plus any other expenses identified as reimbursable in the RFP Documents. In no event, however, will payments under this Contract exceed the "not-to-exceed" amount in the RFP Documents without the prior, written approval of the State and, when required, the Ohio Controlling Board and any other source of funding. The Contractor's right to the Fee is contingent on the complete and satisfactory performance of the Work or, in the case of milestone payments or periodic payments of an hourly, daily, weekly, monthly, or annual rate, all relevant parts of the Work tied to the applicable milestone or period. Payment of the Fee also is contingent on the Contractor delivering a proper invoice and any other documents the RFP Documents require. An invoice must comply with the State's then current policies regarding invoices and their submission. The State will notify the Contractor in writing within 15 business days after it receives a defective invoice of any defect and provide the information necessary to correct the defect.

The Contractor must send all invoices under this Contract to the "bill to" address in the RFP Documents or in the applicable purchase order.

The State will pay the Contractor interest on any late payment, as provided in Section 126.30 of the Ohio Revised Code (the "Revised Code"). If the State disputes a payment for anything covered by an invoice, within 15 business days after receipt of that invoice, the State will notify the Contractor, in writing, stating the grounds for the dispute. The State then may deduct the disputed amount from its payment as a nonexclusive remedy. If the Contractor has committed a material breach, in the sole opinion of the State, the State also may withhold payment otherwise due to the Contractor. Both parties will attempt to resolve any claims of material breach or payment disputes through discussions among the Contract Manager, the Contractor's executive responsible for the Work, the Contract Representative, and the State Contract Management Administrator. The State will consult with the Contractor as early as reasonably possible about the nature of the claim or dispute and the amount of payment affected. When the Contractor has resolved the matter to the State's satisfaction, the State will pay the disputed amount within 30 business days after the matter is resolved. The State has no obligation to make any disputed payments until the matter is resolved, and the Contractor must continue its performance under this Contract pending resolution of the dispute or claim.

If the State has already paid the Contractor on an invoice but later disputes the amount covered by the invoice, and if the Contractor fails to correct the problem within 30 calendar days after written notice, the Contractor must reimburse the State for that amount at the end of the 30 calendar days as a nonexclusive remedy for the State. On written request from the Contractor, the State will provide reasonable assistance in determining the nature of the problem by giving the Contractor reasonable access to the State's facilities and any information the State has regarding the problem.

If the RFP Documents provide for any retainage, the State will withhold from each invoice paid the percentage specified in the RFP Documents as retainage. The State will pay the retainage only after the State has accepted all the Work and then only in accordance with the payment schedule specified in the RFP Documents.

Reimbursable Expenses. The State will pay all reimbursable expenses identified in the RFP Documents, if any, in accordance with the terms in the RFP Documents and, where applicable, Section 126.31 of the Revised Code. The Contractor must assume all expenses that it incurs in the performance of this Contract that are not identified as reimbursable in the RFP Documents.

In making any reimbursable expenditure, the Contractor always must comply with the more restrictive of its own, then current internal policies for making such expenditures or the State's then current policies. All reimbursable travel will require the advance written approval of the State's Contract Representative. The Contractor must bill all reimbursable expenses monthly, and the State will reimburse the Contractor for them within 30 business days of receiving the Contractor's invoice.

Right of Offset. The State may set off the amount of any Ohio tax liability or other obligation of the Contractor or its subsidiaries to the State, including any amounts the Contractor owes to the State under this or other contracts, against any payments due from the State to the Contractor under this or any other contracts with the State.

Certification of Funds. None of the rights, duties, or obligations in this Contract will be binding on the State, and the Contractor will not begin its performance, until all the following conditions have been met:

- (a) All statutory provisions under the Revised Code, including Section 126.07, have been met;
- (b) All necessary funds are made available by the appropriate State entities;
- (c) If required, the Controlling Board of Ohio approves this Contract; and
- (d) If the State is relying on federal or third-party funds for this Contract, the State gives the Contractor written notice that such funds are available.

Employment Taxes. All people furnished by the Contractor (the "Contractor Personnel") are employees or subcontractors of the Contractor, and none are or will be deemed employees or contractors of the State. No Contractor Personnel will be entitled to participate in, claim benefits under, or become an "eligible employee" for purposes of any employee benefit plan of the State by reason of any work done under this Contract. The Contractor will pay all federal, state, local, and other applicable payroll taxes and make the required contributions, withholdings, and deductions imposed or assessed under any provision of any law and measured by wages, salaries, or other remuneration paid by or which may be due from the Contractor to the Contractor Personnel. The Contractor will indemnify, defend (with the consent and approval of the Ohio Attorney General), and hold the State harmless from and against all claims, losses, liability, demands, fines, and expense (including court costs, defense costs, and redeemable attorney fees) arising out of or relating to such taxes, withholdings, deductions, and contributions with respect to the Contractor Personnel. The Contractor's indemnity and defense obligations also apply to any claim or assertion of tax liability made by or on behalf of any Contractor Personnel or governmental agency on the basis that any Contractor Personnel are employees or contractors of the State, that the State is the "joint employer" or "co-employer" of any Contractor Personnel, or that any Contractor Personnel are entitled to any employee benefit offered only to eligible regular fulltime or regular part-time employees of the State.

Sales, Use, Excise, and Property Taxes. The State is exempt from any sales, use, excise, and property tax. To the extent sales, use, excise, or any similar tax is imposed on the Contractor in connection with the Work, such will be the sole and exclusive responsibility of the Contractor. And the Contractor will pay such taxes, together with any interest and penalties not disputed with the appropriate taxing authority, whether they are imposed at the time the services are rendered or a later time.

PART TWO: WORK AND CONTRACT ADMINISTRATION

Related Contracts. The Contractor warrants that the Contractor has not and will not enter into any contracts without written approval of the State to perform substantially identical services for the State, such that the Work under this Contract duplicates the work done or to be done under the other State contracts.

Other Contractors. The State may hold other contracts for additional or related work, including among others independent verification and validation (IV&V) efforts for the Work. The Contractor must fully cooperate with all other contractors and State employees and coordinate its Work with such other contractors and State employees as may be required for the smooth and efficient operation of all related or additional work. The Contractor may not act in any way that may unreasonably interfere with the work of any other contractors or the State's employees. Further, the Contractor must fully cooperate with any IV&V contractor assigned to the Work. Such cooperation includes expeditiously providing the IV&V contractor with full and complete access to all Work product, records, materials, personnel, meetings, and correspondence as the IV&V contractor may request. If the State assigns an IV&V contractor to the Work, the State will obligate the IV&V contractor to a confidentiality provision similar to the Confidentiality Section contained in this Contract. The Contractor must include the obligations of this provision in all its contracts with its subcontractors for the Work.

Subcontracting. The Contractor may not enter into subcontracts related to the Work after award without written approval from the State. But the Contractor will not need the State's written approval to subcontract for the purchase of commercial goods that are required for satisfactory completion of the Work. All subcontracts will be at the sole expense of the Contractor unless expressly stated otherwise in the RFP Documents.

The State's approval of the use of subcontractors does not mean that the State will pay for them. The Contractor will be solely responsible for payment of its subcontractor and any claims of subcontractors for any failure of the Contractor or any of its other subcontractors to meet the performance schedule or performance specifications for the Work in a timely and professional manner. The Contractor must hold the State harmless for and must indemnify the State against any such claims.

The Contractor assumes responsibility for all Deliverables whether it, a subcontractor, or third-party manufacturer produces them in whole or in part. Further, the Contractor will be the sole point of contact with regard to contractual matters, including payment of all charges resulting from the Contract. And the Contractor will be fully responsible for any default by a subcontractor, just as if the Contractor itself had defaulted.

If the Contractor uses any subcontractors, each subcontractor must have a written agreement with the Contractor. That written agreement must incorporate this Contract by reference. The agreement also must pass through to the subcontractor all provisions of this Contract that would be fully effective only if they bind both the subcontractor and the Contractor. Among such provisions are the limitations on the Contractor's remedies, the insurance requirements, record keeping obligations, and audit rights. Some sections of this Contract may limit the need to pass through their requirements to subcontracts to avoid placing cumbersome obligations on minor subcontractors. But this exception is applicable only to sections that expressly provide an exclusion for small-dollar subcontracts. Should the Contractor fail to pass through any provisions of this Contract to one of its subcontractors and the failure damages the State in any way, the Contractor must indemnify the State for the damage.

Record Keeping. The Contractor must keep all financial records in accordance with generally accepted accounting principles consistently applied. The Contractor also must file documentation to support each action under this Contract in a manner allowing the documentation to be readily located. And the Contractor must keep all Work-related records and documents at its principal place of business or at its office where the work was performed.

In addition, the Contractor must keep a separate account for the Work (the "Work Account"). All payments made from the Work Account may be only for obligations incurred in the performance of this Contract and must be supported by contracts, invoices, vouchers, and any other data needed to audit and verify the payments. All payments from the Work Account must be for obligations incurred only after the effective date of this Contract, unless the State has given specific written authorization for making prior payments from the Work Account.

Audits. During the term of this Contract and for three years after the payment of the Contractor's Fee, on reasonable notice, and during customary business hours, the State may audit the Contractor's records and other materials that relate to the Work. This audit right also applies to the State's duly authorized representatives and any person or organization providing financial support for the Work.

Unless it is impracticable to do so, the Contractor must keep all records related to this Contract in a single location, either at the Contractor's principle place of business or its place of business where the work was done. If this is not practical, the Contractor must assume the cost of collecting, organizing, and relocating the records and any technology needed to access the records to the Contractor's office nearest Columbus, Ohio whenever the State or anyone else with audit rights requests access to the Contractor's Work records. The Contractor will do so with all due speed, not to exceed ten business days.

If any audit reveals any material deviation from the Work's specifications, any misrepresentation, or any overcharge to the State, the State will be entitled to recover damages, as well as the cost of the audit.

For each subcontract in excess of \$25,000.00, the Contractor must require its subcontractors to agree to the requirements of this section and the record-keeping section. Subcontracts with smaller amounts involved need not meet this requirement, but the Contractor may not artificially break up contracts with its subcontractors to take advantage of this exclusion.

Insurance. The Contractor must provide the following insurance coverage at its own expense throughout the term of this Contract:

- (a) Workers' compensation insurance, as required by Ohio law, and if some of the Work will be done outside Ohio, the laws of the appropriate state(s) where any portion of the Work will be done. The Contractor also must maintain employer's liability insurance with at least a \$1,000,000.00 limit.
- (b) Commercial General Liability insurance coverage for bodily injury, personal injury, wrongful death, and property damage. The defense cost must be outside of the policy limits. Such policy must designate the State of Ohio as an additional insured, as its interest may appear. The policy also must be endorsed to include a blanket waiver of subrogation. At a minimum, the limits of the insurance must be:

- \$ 2,000,000 General Aggregate
- \$ 2,000,000 Products/Completed Operations Aggregate
- \$ 1,000,000 Per Occurrence Limit
- \$ 1,000,000 Personal and Advertising Injury Limit
- \$ 100,000 Fire Legal Liability
- \$ 10,000 Medical Payments

The policy must be endorsed to provide the State with 30-days prior written notice of cancellation or material change to the policy. And the Contractor's Commercial General Liability must be primary over any other insurance coverage.

- (c) Commercial Automobile Liability insurance with a combined single limit of \$500,000.
- (d) Professional Liability insurance covering all staff with a minimum limit of \$1,000,000 per incident and \$3,000,000 aggregate. If the Contractor's policy is written on a "claims made" basis, the Contractor must provide the State with proof of continuous coverage at the time the policy is renewed. If for any reason the policy expires, or coverage is terminated, the Contractor must purchase and maintain "tail" coverage through the applicable statute of limitations.

The certificate(s) must be in a form that is reasonably satisfactory to the State as to the contents of the policies and the quality of the insurance carriers. All carriers must have at least an "A-" rating by A.M. Best.

State Personnel. During the term of this Contract and for one year after completion of the Work, the Contractor may not hire or otherwise contract for the services of any State employee involved directly or indirectly with the Work.

Replacement Personnel. If the RFP Documents contain the names of specific people who will do the Work, then the quality and professional credentials of those people were material factors in the State's decision to enter into this Contract. Therefore, the Contractor must use all commercially reasonable efforts to ensure the continued availability of those people. Also, the Contractor may not remove those people from the Work without the prior, written consent of the State, except as provided below.

The Contractor may remove a person listed in the RFP Documents from the Work, if doing so is necessary for legal or disciplinary reasons. But the Contractor must make a reasonable effort to give the State 30 calendar days' prior, written notice of the removal.

If the Contractor removes a person listed in the RFP Documents from the Work for any reason other than those specified above, the State may assess liquidated damages in the amount of \$1,500.00 for every day between the date on which the individual was removed and the date that this Contract is terminated or the individual's qualified replacement, selected in accordance with the process identified in this section, starts performing on the Work. The State also may provide the Contractor with written notice of its default under this section, which the Contractor must cure within 30 days. Should the Contractor fail to cure its default within the 30 day cure period, this Contract will terminate immediately for cause, and the State will be entitled to damages in accordance with the Suspension and Termination Section of this Contract due to the termination. Should the State assess liquidated damages or otherwise be entitled to damages under this provision, it may offset these damages from any Fees due under this Contract.

The Contractor must have qualified replacement people available to replace any people listed in the RFP Documents by name or identified as a key individual on the Work. When the removal of a listed person is permitted under this Section, or if a person becomes unavailable, the Contractor must submit the resumes for two replacement people to the State for each person removed or who otherwise becomes unavailable. The Contractor must submit the two resumes, along with such other information as the State may reasonably request, within five business days after the decision to remove a person is made or the unavailability of a listed person becomes known to the Contractor.

The State will select one of the two proposed replacements or will reject both of them within ten business days after the Contractor has submitted the proposed replacements to the State. The State may reject the proposed replacements for any legal reason. Should the State reject both replacement candidates due to their failure to meet the minimum qualifications identified in the RFP Documents, or should the Contractor fail to provide the notice required under this Section or fail to provide two qualified replacement candidates for each removed or unavailable person, the Contractor will be in default and the cure period for default specified elsewhere in this Contract will not apply. In any such case, the State will have the following options:

- (a) The State may assess liquidated damages in the amount of \$1,500.00 for every day between the date on which the Contractor failed to provide the applicable notice, failed to provide the two replacement candidates, or the date the State rejected all candidates for cause and the date on which the Contractor affects a cure or the Contract expires without renewal or is terminated.
- (b) The State may terminate this Contract immediately for cause and without any cure period.

Should the State exercise its option under item (a) above, it nevertheless will be entitled anytime thereafter to exercise its option under item (b) above. Additionally, should the State terminate this Contract under this provision, it will be entitled to damages in accordance with the Suspension and Termination Section of this Contract due to the termination. Should the State assess liquidated damages

or otherwise be entitled to damages under this provision, it may offset these damages from any Fees due under this Contract.

The State may determine that the proposed replacement candidates meet the minimum qualifications of this Contract and still substantially reduce the value the State perceived it would receive through the effort of the original individual(s) the Contractor proposed and on whose credentials the State decided to enter into this Contract. Therefore, the State will have the right to reject any candidate that the State determines may provide it with diminished value.

Should the State reject both proposed candidates for any legal reason other than their failure to meet the minimum qualifications identified in the RFP Documents, the State may terminate this Contract for its convenience.

The State has an interest in providing a healthy and safe environment for its employees and guests at its facilities. The State also has an interest in ensuring that its operations are carried out in an efficient, professional, legal, and secure manner. Therefore, the State will have the right to require the Contractor to remove any individual involved in the Work, if the State determines that any such individual has or may interfere with the State's interests identified above. In such a case, the request for removal will be treated as a case in which an individual providing services under this Contract has become unavailable, and the Contractor must follow the procedures identified above for replacing unavailable people. This provision also applies to people that the Contractor's subcontractors engage, if they are listed by name or as a key person in the RFP Documents.

Suspension and Termination. The State may terminate this Contract if the Contractor defaults in meeting its obligations under this Contract and fails to cure its default within the time allowed by this Contract, or if a petition in bankruptcy (or similar proceeding) has been filed by or against the Contractor. The State also may terminate this Contract if the Contractor violates any law or regulation in doing the Work, or if it appears to the State that the Contractor's performance is substantially endangered through no fault of the State. In any such case, the termination will be for cause, and the State's rights and remedies will be those identified below for termination for cause.

On written notice, the Contractor will have 30 calendar days to cure any breach of its obligations under this Contract, provided the breach is curable. If the Contractor fails to cure the breach within 30 calendar days after written notice, or if the breach is not one that is curable, the State will have the right to terminate this Contract immediately on notice to the Contractor. The State also may terminate this Contract in the case of breaches that are cured within 30 calendar days but are persistent. "Persistent" in this context means that the State has notified the Contractor in writing of the Contractor's failure to meet any of its obligations three times. After the third notice, the State may terminate this Contract on written notice to the Contractor without a cure period if the Contractor again fails to meet any obligation. The three notices do not have to relate to the same obligation or type of failure. Some provisions of this Contract may provide for a shorter cure period than 30 calendar days or for no cure period at all, and those provisions will prevail over this one. If a particular section does not state what the cure period will be, this provision will govern.

Moreover, the State may terminate this Contract for its convenience and without cause or if the Ohio General Assembly fails to appropriate funds for any part of the Work. If a third party is providing funding for the Work, the State also may terminate this Contract should that third party fail to release any funds for the Work. The RFP Documents normally identify any third party source of funds for the Work, but an absence of such in the RFP Documents will not diminish the State's rights under this section.

The notice of termination, whether for cause or without cause, will be effective as soon as the Contractor receives it. Upon receipt of the notice of termination, the Contractor must immediately cease all activity on the Work and take all steps necessary to minimize any costs the Contractor will incur related to this Contract. The Contractor also must immediately prepare a report and deliver it to the State. The report must be all-inclusive and must detail the Work completed at the date of termination, the percentage of the Work's completion, any costs incurred in doing the Work to that date, and any Deliverables completed or partially completed but not delivered to the State at the time of termination. The Contractor also must

deliver all the completed and partially completed Deliverables to the State with its report. But if the State determines that delivery in that manner would not be in its interest, then the State may designate a suitable alternative form of delivery, which the Contractor must honor.

If the State terminates this Contract for cause, the State will be entitled to cover for the Work by using another Contractor on such commercially reasonable terms as the State and the covering contractor may agree. The Contractor will be liable to the State for all costs related to covering for the Work to the extent that such costs, when combined with payments already made to the Contractor for the Work before termination, exceed the costs that the State would have incurred under this Contract. The Contractor also will be liable for any other direct damages resulting from its breach of this Contract or other action leading to termination for cause.

If the termination is for the convenience of the State, the Contractor will be entitled to compensation for any Work that the Contractor has performed before the termination. Such compensation will be the Contractor's exclusive remedy in the case of termination for convenience and will be available to the Contractor only once the Contractor has submitted a proper invoice for such, with the invoice reflecting the amount that the State determines it owes to the Contractor. The State will make that determination based on the lesser of the percentage of the Work completed or the hours of work performed in relation to the estimated total hours required to perform all the Work.

The State will have the option of suspending rather than terminating the Work, if the State believes that doing so would better serve its interests. In the event of a suspension for the convenience of the State, the Contractor will be entitled to receive payment for the work performed before the suspension. In the case of suspension of the Work rather than termination for cause, the Contractor will not be entitled to any compensation for any work performed. If the State reinstates the Work after suspension for cause, rather than terminating this Contract after the suspension, the Contractor may be entitled to compensation for work performed before the suspension, less any damage to the State resulting from the Contractor's breach of this Contract or other fault. Any amount due for work before or after the suspension for cause will be offset by any damage to the State from the default or other event giving rise to the suspension.

In the case of a suspension for the State's convenience, the State will calculate the amount of compensation due to the Contractor for work performed before the suspension in the same manner as provided in this section for termination for the State's convenience. The Contractor will not be entitled to compensation for any other costs associated with a suspension for the State's convenience, and the State will make no payment under this provision to the Contractor until the Contractor submits a proper invoice. If the State decides to allow the Work to continue rather than terminating this Contract after the suspension, the State will not be required to make any payment to the Contractor other than those payments specified in this Contract and in accordance with the payment schedule specified in this Contract for properly completed Work.

Any notice of suspension, whether with or without cause, will be effective immediately on the Contractor's receipt of the notice. The Contractor will prepare a report concerning the Work just as is required by this Section in the case of termination. After suspension of the Work, the Contractor may not perform any Work without the consent of the State and may resume the Work only on written notice from the State to do so. In any case of suspension, the State retains its right to terminate this Contract rather than to continue the suspension or resume the Work. If the suspension is for the convenience of the State, then termination of the Contract will be a termination for convenience. If the suspension is with cause, the termination will also be for cause.

The State may not suspend the Work for its convenience more than twice during the term of this Contract, and any suspension for the State's convenience may not continue for more than 30 calendar days. If the Contractor does not receive notice to resume or terminate the Work within the 30-day suspension, then this Contract will terminate automatically for the State's convenience at the end of the 30 calendar day period.

Any default by the Contractor or one of its subcontractors will be treated as a default by the Contractor and all of its subcontractors. The Contractor will be solely responsible for satisfying any claims of its subcontractors for any suspension or termination and must indemnify the State for any liability to them. Notwithstanding the foregoing, each subcontractor must hold the State harmless for any damage caused to them from a suspension or termination. They must look solely to the Contractor for any compensation to which they may be entitled.

Representatives. The State's representative under this Contract will be the person identified in the RFP Documents or in a subsequent notice to the Contractor as the "Contract Representative." The Contract Representative will review all reports the Contractor makes in the performance of the Work, will conduct all liaison with the Contractor, and will accept or reject the Deliverables and the completed Work. The Contract Representative may delegate his or her responsibilities for individual aspects of the Work to one or more managers, who may act as the Contract Representative for those individual portions of the Work.

The Contractor's Contract Manager under this Contract will be the person identified on the RFP Documents as the "Contract Manager." The Contract Manager will be the Contractor's liaison with the State under this Contract. Additionally, the Contract Manager will conduct all Work meetings and prepare and submit to the Contract Representative all reports, plans, and other materials that the RFP Documents require from the Contractor.

Either party, upon written notice to the other party, may designate another representative. However, the Contractor may not replace the Contract Manager without the approval of the State if that person is identified in the RFP Documents by name or as a key individual on the Work.

Work Responsibilities. The State will be responsible for providing only those things, if any, expressly identified in the RFP Documents. If the State has agreed to provide facilities or equipment, the Contractor, by signing this Contract, warrants that the Contractor has either inspected the facilities and equipment or has voluntarily waived an inspection and will use the equipment and facilities on an "as is" basis.

The Contractor must assume the lead in the areas of management, design, and development of the Work. The Contractor must coordinate the successful execution of the Work and direct all Work activities on a day-to-day basis, with the advice and consent of the Contract Representative. The Contractor will be responsible for all communications regarding the progress of the Work and will discuss with the Contract Representative any issues, recommendations, and decisions related to the Work.

If any part of the Work requires installation on the State's property, the State will provide the Contractor with reasonable access to the installation site for the installation and any site preparation that is needed. After the installation is complete, the Contractor must complete an installation letter and secure the signature of the Contract Representative certifying that installation is complete and the Work, or applicable portion of it, is operational. The letter must describe the nature, date, and location of the installation, as well as the date the Contract Representative certified the installation as complete and operational.

Unless otherwise provided in the RFP Documents, the Contractor is solely responsible for obtaining all official permits, approvals, licenses, certifications, and similar authorizations required by any local, state, or federal agency for the Work and maintaining them throughout the duration of this Contract.

Changes. The State may make reasonable changes within the general scope of the Work. The State will do so by issuing a written order under this Contract describing the nature of the change ("Change Order"). Additionally, if the State provides directions or makes requests of the Contractor without a change order, and the Contractor reasonably believes the directions or requests are outside the specifications for the Work, the Contractor may request a Change Order from the State. The parties will handle such changes as follows: The Contractor will provide pricing to the State. The State will execute a Change Order once it and the Contractor have agreed on the description of and specifications for the change, as well as any equitable adjustments that need to be made in the Contractor's Fee or the

performance schedule for the work. Then within five business days after receiving the Change Order, the Contractor must sign it to signify agreement with it.

If a change causes an increase in the cost of, or the time required for, the performance of the Work, the Contractor must notify the State in writing and request an equitable adjustment in its Fee, the delivery schedule, or both before the Contractor signs the Change Order. If the Contractor claims an adjustment under this section in connection with a change to the Work not described in a written Change Order, the Contractor must notify the State in writing of the claim within five business days after the Contractor is notified of the change and before work on the change begins. Otherwise, the Contractor will have waived the claim. In no event will the State be responsible for any increase in the Fee or revision in any delivery schedule unless the State expressly ordered the relevant change in writing and the Contractor has complied with the requirements of this section. Provided the State has complied with the procedure for Change Orders in this section, nothing in this clause will excuse the Contractor from proceeding with performance of the Work, as changed.

Where an equitable adjustment to the Contractor's Fee is appropriate, the State and the Contractor may agree upon such an adjustment. If the State and the Contractor are unable to agree, either party may submit the dispute to the senior management of the Contractor and the senior management of the State's Office of Information Technology for resolution. If within 30 calendar days following referral to senior management, the claim or dispute has not been resolved, the Contractor must submit its actual costs for materials needed for the change (or estimated amount if the precise amount of materials cannot be determined) and an estimate of the hours of labor required to do the work under the Change Order. The Contractor must break down the hours of labor by employee position, and provide the actual hourly pay rate for each employee involved in the change. The total amount of the equitable adjustment for the Change Order then will be made based on the actual cost of materials (or estimated materials) and actual rate for each person doing the labor (based on the estimated hours of work required to do the change). Labor rates will be increased by 25% to cover benefits and taxes. The equitable adjustment for the Change Order then will be set based on this amount, plus 15% to cover overhead and profit. This amount will be the not-to-exceed amount of the Change Order. If the change involves removing a requirement from the Work or replacing one part of the Work with the change, the State will get a credit for the work no longer required under the original scope of the Work. The credit will be calculated in the same manner as the Contractor's Fee for the change, and the not-to-exceed amount will be reduced by this credit.

The Contractor is responsible for coordinating changes with its subcontractors and adjusting their compensation and performance schedule. The State will not pay any subcontractor for the Change Order. If a subcontractor will perform any work under a Change Order, that work must be included in the Contractor's not-to-exceed amount and calculated in the same manner as the Contractor's equitable adjustment for the portion of the work the Contractor will perform. The Contractor will not receive an overhead percentage for any work a subcontractor will do under a Change Order.

If the RFP Documents provide for the retainage of a portion of the Contractor's Fee, all equitable adjustments for Change Orders also will be subject to the same retainage, which the State will pay only on completion and acceptance of the Work, as provided in the RFP Documents.

Excusable Delay. Neither party will be liable for any delay in its performance that arises from causes beyond its control and without its negligence or fault. The delayed party must notify the other promptly of any material delay in performance and must specify in writing the proposed revised performance date as soon as practicable after notice of delay. In the event of any such excusable delay, the date of performance or of delivery will be extended for a period equal to the time lost by reason of the excusable delay. The delayed party also must describe the cause of the delay and what steps it is taking to remove the cause. The delayed party may not rely on a claim of excusable delay to avoid liability for a delay if the delayed party has not taken commercially reasonable steps to mitigate or avoid the delay. Things that are controllable by the Contractor's subcontractors will be considered controllable by the Contractor, except for third-party manufacturers supplying commercial items and over whom the Contractor has no legal control.

Independent Status of the Contractor. The parties are independent of one another, and the Contractor's Personnel may act only in the capacity of representatives of the Contractor and not as representatives of the State. Further, the Contractor's Personnel will not be deemed for any purpose to be employees, representatives, or agents of the State. The Contractor assumes full responsibility for the actions of the Contractor's Personnel while they are performing under this Contract and will be solely responsible for paying the Contractor's Personnel (including withholding, and paying income taxes and social security, workers' compensation, disability benefits and the like). The Contractor may not commit, and is not authorized to commit, the State in any manner. The Contractor's subcontractors will be considered the agents of the Contractor for purposes of this Contract.

Publicity. The Contractor may not advertise or publicize that it is doing business with the State or use this Contract or the Contractor's relationship with the State as a marketing or sales tool, unless the State agrees otherwise in writing.

PART THREE: OWNERSHIP AND HANDLING OF INTELLECTUAL PROPERTY AND CONFIDENTIAL INFORMATION

Confidentiality. The State may disclose to the Contractor written material or oral or other information that the State treats as confidential ("Confidential Information"). Title to the Confidential Information and all related materials and documentation the State delivers to the Contractor will remain with the State. The Contractor must treat such Confidential Information as secret, if it is so marked, otherwise identified as such, or when, by its very nature, it deals with matters that, if generally known, would be damaging to the best interests of the public, other contractors, potential contractors with the State, or individuals or organizations about whom the State keeps information. By way of example, information must be treated as confidential if it includes any proprietary documentation, materials, flow charts, codes, software, computer instructions, techniques, models, information, diagrams, know-how, trade secrets, data, business records, or marketing information. By way of further example, the Contractor also must treat as confidential materials such as police and investigative records, files containing personal information about individuals or employees of the State, such as personnel records, tax records, and so on, court and administrative records related to pending actions, any material to which an attorney-client, physician-patient, or similar privilege may apply, and any documents or records excluded by Ohio law from public records disclosure requirements.

The Contractor may not disclose any Confidential Information to third parties and must use it solely to do the Work. The Contractor must restrict circulation of Confidential Information within its organization and then only to people in the Contractor's organization that have a need to know the Confidential Information to do the Work. The Contractor will be liable for the disclosure of such information, whether the disclosure is intentional, negligent, or accidental, unless otherwise provided below.

The Contractor will not be liable for any unintentional disclosure of Confidential Information that results despite the Contractor's exercise of at least the same degree of care as it normally takes to safeguard its own secrets, except when the Contractor's procedures are not reasonable given the nature of the Confidential Information or when the disclosure nevertheless results in liability to the State.

The Contractor will not incorporate any portion of any Confidential Information into any work or product, other than a Deliverable, and will have no proprietary interest in any of the Confidential Information. Furthermore, the Contractor must cause all of its Personnel who have access to any Confidential Information to execute a confidentiality agreement incorporating the obligations in this section.

The Contractor's obligation to maintain the confidentiality of the Confidential Information will not apply where such: (1) was already in the Contractor's possession before disclosure by the State, and such was received by the Contractor without obligation of confidence; (2) is independently developed by the Contractor; (3) is or becomes publicly available without breach of this Contract; (4) is rightfully received by the Contractor from a third party without an obligation of confidence; (5) is disclosed by the Contractor with the written consent of the State; or (6) is released in accordance with a valid order of a court or governmental agency, provided that the Contractor (a) notifies the State of such order immediately upon receipt of the order and (b) makes a reasonable effort to obtain a protective order from the issuing court or agency limiting disclosure and use of the Confidential Information solely for the purposes intended to be served by the original order of production. The Contractor must return all originals of any Confidential Information and destroy any copies it has made on termination or expiration of this Contract.

The Contractor may disclose Confidential Information to its subcontractors on a need-to-know basis, but the Contractor first must obligate them to the requirements of this section.

Ownership of Deliverables. The State owns all Deliverables that the Contractor produces under this Contract, with all rights, title, and interest in all intellectual property that come into existence through the Contractor's custom work being assigned to the State. Additionally, the Contractor waives any author rights and similar retained interests in custom-developed material. The Contractor must provide the State with all assistance reasonably needed to vest such rights of ownership in the State. The Contractor will retain ownership of all tools, methods, techniques, standards, and other development procedures, as well as generic and preexisting shells, subroutines, and similar material incorporated into any custom Deliverable ("Pre-existing Materials"), if the Contractor provides the non-exclusive license described in the next paragraph.

The Contractor may grant the State a worldwide, non-exclusive, royalty-free, perpetual license to use, modify, and distribute all Pre-existing Materials that are incorporated into any custom-developed Deliverable rather than grant the State ownership of the Pre-existing Materials. The State may distribute such Pre-existing materials to third parties only to the extent required by governmental funding mandates. The Contractor may not include in any custom Deliverable any intellectual property unless such has been created under this Contract or qualifies as Pre-existing Material. If the Contractor wants to incorporate any Pre-existing Materials into a custom Deliverable, the Contractor must first disclose that desire to the State in writing and seek the State's approval for doing so in advance. The State will not be obligated to provide that approval, unless the Contractor disclosed its intention to do so in the RFP Documents. On the Contractor's request, the State will incorporate into any copies of a custom Deliverable any proprietary notice that the Contractor included with the original copy, if that notice is reasonably necessary to protect the Contractor's interest in any Pre-existing Materials contained in the custom Deliverable.

Subject to the limitations and obligations of the State with respect to Pre-existing Materials, the State may make all custom Deliverables available to the general public without any proprietary notices of any kind.

License in Commercial Material. As used in this section, "Commercial Material" means anything that the Contractor or a third party has developed at private expense, is commercially available in the marketplace, subject to intellectual property rights, and readily copied through duplication on magnetic media, paper, or other media. Examples include written reports, books, pictures, videos, movies, computer programs, and computer source code and documentation.

Any Commercial Material that the Contractor intends to deliver as a Deliverable must have the scope of the license granted in such material disclosed in the RFP Documents or as an attachment referenced in the RFP Documents, if that scope of license is different from the scope of license contained in this section for Commercial Materials.

Except for Commercial Material that is software ("Commercial Software"), if the Commercial Material is copyrighted and published material, then the State will have the rights permitted under the federal copyright laws for each copy of the Commercial Material delivered to it by the Contractor.

Except for Commercial Software, if the Commercial Material is patented, then the State will have the rights permitted under the federal patent laws for each copy of the Commercial Material delivered to it by the Contractor.

Except for Commercial Software, if the Commercial Material consists of trade secrets, then the State will treat the material as confidential. In this regard, the State will assume all obligations with respect to the Commercial Material that the Contractor assumes under the Confidentiality section of this Contract with respect to the State's Confidential Information. Otherwise, the State will have the same rights and duties permitted under the federal copyright laws for each copy of the Commercial Material delivered to it by the Contractor, whether or not the material is copyrighted when delivered to the State.

For Commercial Software, the State will have the rights in items (1) through (6) of this section with respect to the software. The State will not use any Commercial Software except as provided in items (1) through (6) of this section or as expressly stated otherwise in this Contract. The Commercial Software may be:

- (1) Used or copied for use in or with the computer or computers for which it was acquired, including use at any State installation to which such computer or computers may be transferred;
- (2) Used or copied for use in or with a backup computer for disaster recovery and disaster recovery testing purposes or if any computer for which it was acquired is inoperative;
- (3) Reproduced for safekeeping (archives) or backup purposes;
- (4) Modified, adapted, or combined with other computer software, but the modified, combined, or adapted portions of the derivative software incorporating any of the Commercial Software will be subject to same restrictions set forth in this Contract;
- (5) Disclosed to and reproduced for use on behalf of the State by support service contractors or their subcontractors, subject to the same restrictions set forth in this Contract; and
- (6) Used or copied for use in or transferred to a replacement computer.

Commercial Software delivered under this Contract is licensed to the State without disclosure restrictions unless it is clearly marked as confidential or secret. The State will treat any Commercial Software that is marked as confidential or secret as Confidential Information to the extent that such is actually the case.

PART FOUR: REPRESENTATIONS, WARRANTIES, AND LIABILITIES

General Warranties. The Contractor warrants that the recommendations, guidance, and performance of the Contractor under this Contract will: (1) be in accordance with sound professional standards and the requirements of this Contract and without any material defects; and (2) unless otherwise provided in the RFP Documents, be the work solely of the Contractor. The Contractor also warrants that: (1) no Deliverable will infringe on the intellectual property rights of any third party; and (2) the Contractor's work and the Deliverables resulting from that work will be merchantable and fit for the particular purposes described in the RFP Documents.

Additionally, with respect to the Contractor's activities under this Contract, the Contractor warrants that: (1) the Contractor has the right to enter into this Contract; (2) the Contractor has not entered into any other contracts or employment relationships that restrict the Contractor's ability to perform the contemplated services; (3) the Contractor will observe and abide by all applicable laws and regulations, including those of the State regarding conduct on any premises under the State's control; (4) the Contractor has good and marketable title to any goods delivered under this Contract and in which title passes to the State; (5) all hardware, software, firmware, and similar devices and materials provided under this Contract will be designed to operate without regard to the turning of a century and process dates in a manner that takes into account dates occurring before and after the turning of a century; (6) the Contractor has the right and ability to grant the license granted in any Deliverable in which title does not pass to the State; and (7) the Contractor is not subject to any unresolved findings of the Auditor of State under Revised Code Section 9.24 and will not become subject to an unresolved finding that prevents the extension or renewal of this Contract.

The warranties regarding material defects, merchantability, and fitness are one-year warranties. All other warranties will be continuing warranties. If any portion of the Work fails to comply with these warranties, and the Contractor is so notified in writing, the Contractor must correct such failure with all due speed or must refund the amount of the compensation paid for such portion of the Work. The Contractor also must indemnify the State for any direct damages and claims by third parties based on a breach of these warranties. This obligation of indemnification will not apply where the State has modified or misused the Deliverable and the claim is based on the modification or misuse. The State will give the Contractor notice of any such claim as soon as reasonably practicable. If a successful claim of infringement is made, or if the Contractor reasonably believes that an infringement claim that is pending may actually succeed, the Contractor must do one of the following things: (1) modify the Deliverable so that it is no longer infringing; (2) replace the Deliverable with an equivalent or better item; (3) acquire the right for the State to use the infringing Deliverable as it was intended for the State to use under this Contract; or (4) remove the Deliverable and refund the amount the State paid for the Deliverable and the amount of any other Deliverable or item that requires the availability of the infringing Deliverable for it to be useful to the State.

GENERAL EXCLUSION OF WARRANTIES. THE CONTRACTOR MAKES NO WARRANTIES, EXPRESS OR IMPLIED, OTHER THAN THOSE EXPRESS WARRANTIES CONTAINED IN THIS CONTRACT.

Indemnity for Property Damage and Bodily Injury. The Contractor must indemnify the State for all liability and expense resulting from bodily injury to any person (including injury resulting in death) and damage to tangible or real property arising out of the performance of this Contract, provided that such bodily injury or property damage is due to the negligence or other tortious conduct of the Contractor, its employees, agents, or subcontractors. The Contractor will not be responsible for any damages or liability to the extent caused by the negligence or willful misconduct of the State, its employees, other contractors, or agents.

Limitation of Liability. Neither party will be liable for any indirect, incidental, or consequential loss or damage of the other party, including but not limited to lost profits, even if the parties have been advised, knew, or should have known of the possibility of such damages. Additionally, neither party will be liable to the other for direct or other damages in excess of two times the not-to-exceed fixed price of this Contract or \$1,000,000.00, whichever is greater. The limitations in this paragraph do not apply to any obligation of the Contractor to indemnify the State against claims made against it or for damages to the State caused by the Contractor's negligence or other tortious conduct.

PART FIVE: ACCEPTANCE AND MAINTENANCE

Acceptance. There will be no formal acceptance procedure unless the RFP Documents expressly provide otherwise. If the RFP Documents do not provide otherwise, the acceptance procedure will be an informal review by the Contract Representative to ensure that each Deliverable and the Work as a whole comply with the requirements of this Contract. The Contract Representative will have up to 30 calendar days to do this. No formal letter of acceptance will be issued, and passage of the 30 calendar days will imply acceptance, though the State will issue a notice of noncompliance if a Deliverable or the Work as a whole does not meet the requirements of this Contract. If the Contract Representative issues a letter of noncompliance, then the Contractor will have 30 calendar days to correct the problems listed in the noncompliance letter. If the Contractor fails to do so, the Contractor will be in default without a cure period. If the Contract Representative has issued a noncompliance letter, the Deliverables or the Work as a whole will not be accepted until the Contract Representative issues a letter of acceptance indicating that each problem noted in the noncompliance letter has been cured. If the problems have been fixed during the 30 day period, the Contract Representative will issue the acceptance letter within 15 calendar days.

If the Work fails to meet the standard of performance after 90 calendar days from the start of the performance period, the Contractor will be in default and will not have a cure period. In addition to all other remedies the State may have under this Contract, the State will have the right to request correction or replacement of the relevant portion of the Work.

Passage of Title. Title to any Deliverable will pass to the State only on acceptance of the Deliverable. All risk of loss, regardless of the cause, will remain with the Contractor until title to the Deliverable passes to the State.

PART SIX: CONSTRUCTION

Entire Document. This Contract is the entire agreement between the parties with respect to its subject matter and supersedes any previous statements or agreements, whether oral or written.

Binding Effect. This Contract will be binding upon and inure to the benefit of the respective successors and assigns of the State and the Contractor.

Amendments – Waiver. No change to any provision of this Contract will be effective unless it is in writing and signed by both parties. The failure of either party at any time to demand strict performance by the other party of any of the terms of this Contract will not be a waiver of those terms. Waivers must be in writing to be effective, and either party may at any later time demand strict performance.

Severability. If any provision of this Contract is held by a court of competent jurisdiction to be contrary to law, the remaining provisions of this Contract will remain in full force and effect to the extent that such does not create an absurdity.

Construction. This Contract will be construed in accordance with the plain meaning of its language and neither for nor against the drafting party.

Headings. The headings used herein are for the sole sake of convenience and may not be used to interpret any section.

Notices. For any notice under this Contract to be effective, it must be made in writing and sent to the address of the appropriate contact provided elsewhere in the Contract, unless such party has notified the other party, in accordance with the provisions of this section, of a new mailing address. This notice requirement will not apply to any notices that this Contract expressly authorized to be made orally.

Continuing Obligations. The terms of this Contract will survive the termination or expiration of the time for completion of Work and the time for meeting any final payment of compensation, except where such creates an absurdity.

Time. Unless otherwise expressly provided, any reference in this document to a number of days for an action or event to occur means calendar days, and any reference to a time of the day, such as 5:00 p.m., is a reference to the local time in Columbus, Ohio.

PART SEVEN: LAW AND COURTS

Compliance with Law. The Contractor must comply with all applicable federal, state, and local laws while performing under this Contract.

Drug-Free Workplace. The Contractor must comply with all applicable state and federal laws regarding keeping a drug-free workplace. The Contractor must make a good faith effort to ensure that all the Contractor's Personnel, while working on state property, will not have or be under the influence of illegal drugs or alcohol or abuse prescription drugs in any way.

Conflicts of Interest. None of the Contractor's Personnel may voluntarily acquire any personal interest that conflicts with their responsibilities under this Contract. Additionally, the Contractor may not knowingly permit any public official or public employee who has any responsibilities related to this Contract or the Work to acquire an interest in anything or any entity under the Contractor's control, if such an interest would conflict with that official's or employee's duties. The Contractor must disclose to the State knowledge of any such person who acquires an incompatible or conflicting personal interest related to this Contract. And the Contractor must take steps to ensure that such a person does not participate in any action affecting the work under this Contract. But this will not apply when the State has determined, in light of the personal interest disclosed, that person's participation in any such action would not be contrary to the public interest.

Ohio Ethics and Elections Law. The Contractor certifies that it is currently in compliance and will continue to adhere to the requirements of the Ohio ethics law, Revised Code Chapter 102. The Contractor further acknowledges that it has read the requirements of Revised Code Section 3517.13 regarding limitations on political contributions as a basis for eligibility to participate in government contracts and certifies that it and the listed individuals and business associates are in compliance with Section 3517.13 and will remain in compliance for the duration of the contract and for one year following the conclusion of the contract.

Unresolved Finding for Recovery. If the Contractor was subject to an unresolved finding of the Auditor of State under Revised Code Section 9.24 on the date the parties sign this Contract, the Contract is void. Further, if the Contractor is subject to an unresolved finding of the Auditor of State under Revised Code Section 9.24 on any date on which the parties renew or extend this Contract, the renewal or extension will be void.

Equal Employment Opportunity. During the Work, the Contractor must not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, disability, age, or Vietnam-era veteran status ("Protected Status"). The Contractor must ensure that applicants for employment and employees are treated without regard to their Protected Status.

The Contractor must post notices with the provisions of this section in conspicuous places that are available to employees and applicants and must state in all solicitations and advertisements for employees that it is an equal opportunity employer.

Injunctive Relief. Nothing in this Contract is intended to limit the State's right to injunctive relief, if such is necessary to protect its interests or to keep it whole.

Assignment. The Contractor may not assign this Contract or any of its rights or obligations under this Contract without the prior, written consent of the State. The State is not obligated to provide its consent to any proposed assignment.

Governing Law. This Contract will be governed by the laws of Ohio, and venue for any disputes will lie exclusively with the appropriate court in Franklin County, Ohio.

**ATTACHMENT FIVE
SAMPLE CONTRACT**

**A CONTRACT BETWEEN
THE OFFICE OF INFORMATION TECHNOLOGY
ON BEHALF OF THE
OHIO LOTTERY COMMISSION
AND**

(CONTRACTOR)

THIS CONTRACT, which results from RFP 0A1014, entitled **Telecommunications Audit and Recovery Services RFP**, is between the State of Ohio, through the Office of Information Technology, on behalf of The Ohio Lottery Commission, and _____ (the "Contractor").

This Contract consists of this RFP, including all attachments, written amendments to this RFP, the Contractor's Proposal, and written, authorized amendments to the Contractor's Proposal. It also includes any materials incorporated by reference in the above documents, any purchase orders, and Change Orders issued under the Contract. The form of the Contract is this one page attachment to the RFP, which incorporates by reference all the documents identified above. The General Terms and Conditions for the Contract are contained in another attachment to the RFP. If there are conflicting provisions among the documents that make up the Contract, the order of precedence for the documents is as follows:

1. This RFP, as amended;
2. The documents and materials incorporated by reference in the RFP;
3. The Contractor's Proposal, as amended, clarified, and accepted by the State; and
4. The documents and materials incorporated by reference in the Contractor's Proposal.

Notwithstanding the order listed above, Change Orders and amendments issued after the Contract is executed may expressly change the provisions of the Contract. If they do so expressly, then the most recent of them will take precedence over anything else that is part of the Contract.

This Contract has an effective date of the later of _____, 20____, or the occurrence of all conditions precedent specified in the General Terms and Conditions.

TO SHOW THEIR AGREEMENT, the parties have executed this Contract as of the dates below.

CONTRACTOR

STATE OF OHIO
OFFICE OF INFORMATION TECHNOLOGY

SAMPLE – DO NOT FILL OUT

By: _____

By: R. Steve Edmonson

Title: _____

Title: Director, Office of Information Technology
State Chief Information Officer

Date: _____

Date: _____

ATTACHMENT SIX

CONTRACTOR PERFORMANCE FORM

The offeror must provide the following information for the past seven years. Please indicate yes or no in each column.

Yes/No	Description
	The offeror has had a contract terminated for default or cause. If so, the offeror must submit full details, including the other party's name, address, and telephone number.
	The offeror has been assessed any penalties in excess of \$10,000, including liquidated damages, under any of its existing or past contracts with any organization (including any governmental entity). If so, the offeror must provide complete details, including the name of the other organization, the reason for the penalty, and the penalty amount for each incident.
	The offeror was the subject of any governmental action limiting the right of the offeror to do business with that entity or any other governmental entity.
	Trading in the stock of the company has ever been suspended with the date(s) and explanation(s).
	The offeror, any officer of the offeror, or any owner of a 20% interest or greater in the offeror has filed for bankruptcy, reorganization, a debt arrangement, moratorium, or any proceeding under any bankruptcy or insolvency law, or any dissolution or liquidation proceeding.
	The offeror, any officer of the offeror, or any owner with a 20% interest or greater in the offeror has been convicted of a felony or is currently under indictment on any felony charge.

If the answer to any item above is affirmative, the offeror must provide complete details about the matter. While an affirmative answer to any of these items will not automatically disqualify an offeror from consideration, at the sole discretion of the State, such an answer and a review of the background details may result in a rejection of the offeror's Proposal. The State will make this decision based on its determination of the seriousness of the matter, the matter's possible impact on the offeror's performance on the Work, and the best interests of the State.

**ATTACHMENT SEVEN
OFFEROR PROFILE SUMMARY**

OFFEROR MANDATORY REQUIREMENTS

REQUIREMENT: Duplicate this form as necessary to provide sufficient evidence that the offeror meets the requirement of: Minimum of 60 months experience providing auditing and consulting services.

Company Name:	Contact Name: (Indicate Primary or Alternate) Contact Title:	
Company Address:	Contact Phone Number: Contact Email Address:	
Work Name:	Beginning Date of Experience: Month/Year	Ending Date of Experience: Month/Year
<p>List Related Service Provided:</p> <ul style="list-style-type: none"> • Provide the type(s) of customer services that were audited and, if applicable, difficulty in recovery. • Provide the method used for reconciling the invoices with the inventory, and the variance from month-to-month in the bills. • Specify whether customer invoices were validated against inventory on a monthly basis or if trend analysis was used to determine exceptions. • Describe how invoice charges were validated against; a) inventory; b) contract terms; c) threshold; d) taxes; e) regulatory fees as appropriate to the audit. <p>Describe how the client was assisted in preventing duplicate payments from occurring in the future</p>		

**ATTACHMENT SEVEN
OFFEROR PROFILE SUMMARY**

**OFFEROR MANDATORY REQUIREMENTS
CONTINUED**

REQUIREMENT: Duplicate this form as necessary to provide sufficient evidence that the offeror meets the requirement of: Minimum of 36 months experience providing telecommunications auditing services.

Company Name:	Contact Name: (Indicate Primary or Alternate) Contact Title:	
Company Address:	Contact Phone Number: Contact Email Address:	
Work Name:	Beginning Date of Experience: Month/Year	Ending Date of Experience: Month/Year
<p>List Related Service Provided:</p> <ul style="list-style-type: none"> • Provide the customer services that were audited (long distance, local, cellular, data lines, etc.), and, if applicable, difficulty in recovery. • Provide the method used for reconciling the invoices with the inventory, and the variance from month-to-month in the bills. • Specify if the invoices were validated based on actual rate and tariff application against installed inventory on a monthly basis or if trend analysis was used to determine exceptions. • Describe how invoice charges were validated against; a) inventory; b) contract terms; c) tariffs; d) threshold; e) taxes; f) regulatory fees. <p>Describe how the client was assisted in preventing duplicate payments from occurring in the future</p>		

**ATTACHMENT SEVEN
OFFEROR PROFILE SUMMARY**

**OFFEROR MANDATORY REQUIREMENTS
CONTINUED**

REQUIREMENT: Duplicate this form as necessary to provide sufficient evidence that the offeror meets the requirement of: Minimum of 6 telecommunications audit projects in the past 3 years.

Company Name:	Contact Name: (Indicate Primary or Alternate) Contact Title:	
Company Address:	Contact Phone Number: Contact Email Address:	
Work Name:	Beginning Date of Experience: Month/Year	Ending Date of Experience: Month/Year
<p>List Related Service Provided:</p> <ul style="list-style-type: none"> • Provide the customer services that were audited (long distance, local, cellular, data lines, etc.), and, if applicable, difficulty in recovery. • Provide the method used for reconciling the invoices with the inventory, and the variance from month-to-month in the bills. • Specify if the invoices were validated based on actual rate and tariff application against installed inventory on a monthly basis or if trend analysis was used to determine exceptions. • Describe how invoice charges were validated against; a) inventory; b) contract terms; c) tariffs; d) threshold; e) taxes; f) regulatory fees. <p>Describe how the client was assisted in preventing duplicate payments from occurring in the future</p>		

**ATTACHMENT SEVEN
OFFEROR PROFILE SUMMARY**

OFFEROR REQUIREMENTS

REQUIREMENT: Duplicate this form as necessary to provide sufficient evidence that the offeror meets the requirement of: Minimum of 6 telecommunications bill auditing projects completed within the past 3 years.

Company Name:	Contact Name: (Indicate Primary or Alternate)	
	Contact Title:	
Company Address:	Contact Phone Number:	
	Contact Email Address:	
Work Name:	Beginning Date of Experience: Month/Year	Ending Date of Experience: Month/Year
List Related Service Provided:		
<ul style="list-style-type: none"> • Provide the customer services that were audited (long distance, local, cellular, data lines, etc.), and, if applicable, difficulty in recovery. • Provide the method used for reconciling the invoices with the inventory, and the variance from month-to-month in the bills. • Specify if the invoices were validated based on actual rate and tariff application against installed inventory on a monthly basis or if trend analysis was used to determine exceptions. • Describe how invoice charges were validated against; a) inventory; b) contract terms; c) tariffs; d) threshold; e) taxes; f) regulatory fees. • Describe how the client was assisted in preventing duplicate payments from occurring in the future. 		

**ATTACHMENT SEVEN
OFFEROR PROFILE SUMMARY**

**OFFEROR REQUIREMENTS
CONTINUED**

REQUIREMENT: Duplicate this form as necessary to provide sufficient evidence that the offeror meets the requirement of: Minimum of 1 auditing project performed for a governmental or other Lottery organization.

Company Name:	Contact Name: (Indicate Primary or Alternate) Contact Title:	
Company Address:	Contact Phone Number: Contact Email Address:	
Work Name:	Beginning Date of Experience: Month/Year	Ending Date of Experience: Month/Year
<p>List Related Service Provided:</p> <p>Describe the organization and the services provided to it.</p> <ul style="list-style-type: none"> • Provide the type(s) of customer services that were audited and, if applicable, difficulty in recovery. • Provide the method used for reconciling the invoices with the inventory, and the variance from month-to-month in the bills. • Specify whether customer invoices were validated against inventory on a monthly basis or if trend analysis was used to determine exceptions. • Describe how invoice charges were validated against; a) inventory; b) contract terms; c) threshold; d) taxes; e) regulatory fees as appropriate to the audit. <p>Describe how the client was assisted in preventing duplicate payments from occurring in the future</p>		

**ATTACHMENT SEVEN
OFFEROR PROFILE SUMMARY**

**OFFEROR REQUIREMENTS
CONTINUED**

REQUIREMENT: Duplicate this form as necessary to provide sufficient evidence that the offeror meets the requirement of: Minimum of 60 months experience providing auditing and consulting services. At least 3 years of this experience must be in telecommunications auditing.

Company Name:	Contact Name: (Indicate Primary or Alternate) Contact Title:	
Company Address:	Contact Phone Number: Contact Email Address:	
Work Name:	Beginning Date of Experience: Month/Year	Ending Date of Experience: Month/Year
<p>List Related Service Provided:</p> <p>For each client referenced, provide a detailed description of the services performed.</p>		

**ATTACHMENT SEVEN
OFFEROR PROFILE SUMMARY**

**OFFEROR REQUIREMENTS
CONTINUED**

REQUIREMENT: Duplicate this form as necessary to provide sufficient evidence that the offeror meets the requirement of: Minimum of 3 projects where the offeror was responsible for providing recommendations for efficiencies.

Company Name:	Contact Name: (Indicate Primary or Alternate) Contact Title:	
Company Address:	Contact Phone Number: Contact Email Address:	
Work Name:	Beginning Date of Experience: Month/Year	Ending Date of Experience: Month/Year
<p>List Related Service Provided:</p> <p>Describe the actual efficiencies recommended and the estimated or known cost savings realized as a result of implementing those efficiencies.</p>		

**ATTACHMENT EIGHT
PERSONNEL PROFILE SUMMARY
(Experience and Qualifications)**

CONTRACT MANAGER CANDIDATE EDUCATION AND TRAINING

Candidate's Name:

Education and Training. This section must be completed to list the education and training of each key candidate and must demonstrate in detail the key candidate's ability to properly execute the Contract based on the relevance of the education and training to the requirements of the RFP.

EDUCATION AND TRAINING	MONTHS/ YEARS	WHERE OBTAINED	DEGREE/MAJOR YEAR EARNED
College			
Technical School			
Other Training			

**ATTACHMENT EIGHT
PERSONNEL PROFILE SUMMARY**

CONTRACT MANAGER REQUIREMENTS

Candidate's Name:

REQUIREMENT: Duplicate this form as necessary to provide sufficient evidence that the Contract Manager meets the requirement of: The proposed Contract Manager has a minimum of 60 months experience providing auditing and consulting services. At least 36 months of this experience must be in telecommunications auditing.

Company Name:	Contact Name: (Indicate Primary or Alternate)	
	Contact Title:	
Company Address:	Contact Phone Number:	
	Contact Email Address:	
Work Name:	Beginning Date of Experience: Month/Year	Ending Date of Experience: Month/Year

List Related Service Provided:

For each client referenced, provide a detailed description of the candidate's role and responsibilities on the project.

ATTACHMENT NINE

COST SUMMARY

The offeror must complete the form below. For Phases 1 and 2 of the project, the offeror will indicate the percentage of audit findings or recovery that will represent the offeror's fee for services for these Phases.

The Optional Extension percentage rates will indicate the percentage of actual realized savings of the State that result from the offeror's Phase 2 suggested and implemented efficiencies by the State and where those implemented efficiencies result in actual savings by the State. The State will pay these identified percentages for two years from the date that recommended efficiencies are implemented.

Phase 1	%
Phase 2	%
1st Optional Phase 2 Extension at Phase 2 Rate	%
2nd Optional Phase 2 Extension at Phase 2 Rate	%

SUPPLEMENTAL INFORMATION HEADER

The following pages contain supplemental information for this competitive document. The supplemental information is contained between this header and a trailer page. If you receive the trailer page, all supplemental information has been received.

If you do not receive the trailer page of this supplement, use the inquiry process described in the document to notify the Procurement Representative.

Note: portions of the supplemental information provided may or may not contain page numbers. The total number of pages indicated on the cover page does not include the pages contained in this supplement.

Supplement 1

W-9 Form

Request for Taxpayer Identification Number and Certification

**Give form to the
requester. Do not
send to the IRS.**

Print or type
See Specific Instructions on page 2.

Name		
Business name, if different from above		
Check appropriate box: <input type="checkbox"/> Individual/ Sole proprietor <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Other ▶	<input type="checkbox"/> Exempt from backup withholding	
Address (number, street, and apt. or suite no.)	Requester's name and address (optional)	
City, state, and ZIP code		
List account number(s) here (optional)		

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. For individuals, this is your social security number (SSN). **However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 2.** For other entities, it is your employer identification number (EIN). If you do not have a number, see **How to get a TIN** on page 2.

Social security number								
or								
Employer identification number								

Note: If the account is in more than one name, see the chart on page 2 for guidelines on whose number to enter.

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), **and**
2. I am not subject to backup withholding because: **(a)** I am exempt from backup withholding, or **(b)** I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or **(c)** the IRS has notified me that I am no longer subject to backup withholding, **and**
3. I am a U.S. person (including a U.S. resident alien).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. (See the instructions on page 2.)

Sign Here	Signature of U.S. person ▶	Date ▶
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Purpose of Form

A person who is required to file an information return with the IRS must get your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to give your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee.

If you are a foreign person, use the appropriate Form W-8. See Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Entities.

Note: If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 30% of such payments **after** December 31, 2001 (29% **after** December 31, 2003). This is called "backup withholding." Payments that may be subject to backup withholding include interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will **not** be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester, or
2. You do not certify your TIN when required (see the Part II instructions on page 2 for details), or
3. The IRS tells the requester that you furnished an incorrect TIN, or
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or

5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the instructions on page 2 and the separate **Instructions for the Requester of Form W-9.**

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of Federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Name. If you are an individual, you must generally enter the name shown on your social security card. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first and then circle the name of the person or entity whose number you enter in Part I of the form.

Sole proprietor. Enter your **individual** name as shown on your social security card on the "Name" line. You may enter your business, trade, or "doing business as (DBA)" name on the "Business name" line.

Limited liability company (LLC). If you are a single-member LLC (including a foreign LLC with a domestic owner) that is disregarded as an entity separate from its owner under Treasury regulations section 301.7701-3, **enter the owner's name on the "Name" line.** Enter the LLC's name on the "Business name" line.

Other entities. Enter your business name as shown on required Federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name" line.

Exempt from backup withholding. If you are exempt, enter your name as described above, then check the "Exempt from backup withholding" box in the line following the business name, sign and date the form.

Individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends. For more information on exempt payees, see the Instructions for the Requester of Form W-9.

If you are a nonresident alien or a foreign entity not subject to backup withholding, give the requester the appropriate completed Form W-8.

Note: If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

Part I—Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box.

If you are a **resident alien** and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see **How to get a TIN** below.

If you are a **sole proprietor** and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are an LLC that is **disregarded as an entity** separate from its owner (see **Limited liability company (LLC)** above), and are owned by an individual, enter your SSN (or "pre-LLC" EIN, if desired). If the owner of a disregarded LLC is a corporation, partnership, etc., enter the owner's EIN.

Note: See the chart on this page for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get **Form SS-5**, Application for a Social Security Card, from your local Social Security Administration office. Get **Form W-7**,

Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or **Form SS-4**, Application for Employer Identification Number, to apply for an EIN. You can get Forms W-7 and SS-4 from the IRS by calling 1-800-TAX-FORM (1-800-829-3676) or from the IRS Web Site at www.irs.gov.

If you are asked to complete Form W-9 but do not have a TIN, write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note: Writing "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded domestic entity that has a foreign owner must use the appropriate Form W-8.

Part II—Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 3, and 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). Exempt recipients, see **Exempt from backup withholding** above.

Signature requirements. Complete the certification as indicated in 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA or Archer MSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to give your correct TIN to persons who must file information returns with the IRS to report interest, dividends, and certain other income paid to you, mortgage interest you paid, the acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA or Archer MSA. The IRS uses the numbers for identification purposes and to help verify the accuracy of your tax return. The IRS may also provide this information to the Department of Justice for civil and criminal litigation, and to cities, states, and the District of Columbia to carry out their tax laws.

You must provide your TIN whether or not you are required to file a tax return. Payers must generally withhold 30% of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to a payer. Certain penalties may also apply.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account ¹
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor ²
4. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee ¹
b. So-called trust account that is not a legal or valid trust under state law	The actual owner ¹
5. Sole proprietorship	The owner ³
For this type of account:	Give name and EIN of:
6. Sole proprietorship	The owner ³
7. A valid trust, estate, or pension trust	Legal entity ⁴
8. Corporate	The corporation
9. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
10. Partnership	The partnership
11. A broker or registered nominee	The broker or nominee
12. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name, but you may also enter your business or "DBA" name. You may use either your SSN or EIN (if you have one).

⁴ List first and circle the name of the legal trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.)

Note: If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.



Supplement 2
Lottery Commission
Telecommunications
Expenditures 2006

TELECOMMUNICATIONS & DATA EXPENDITURES
(FY'05, FY'06, FY'07)

VENDOR	TYPE	FY'05	FY'06	FY'07 (YTD)
AMERITECH (363251481)	VOICE	\$ 7,101,712.05	\$ 7,191,562.52	\$ 2,262,029.91
QWEST COMMUNICATIONS (046141739)	VOICE	\$ 1,054,369.57	\$ 1,042,521.27	\$ 313,310.02
DAS TELECOMMUNICATIONS (00DASCOMM)	VOICE	\$ 314,163.68	\$ 384,230.39	\$ 112,199.93
CENTURYTEL OF OHIO (362951899)	VOICE	\$ 10,072.26	\$ 11,228.02	\$ 3,523.71
VERIZON NORTH (351869961)	VOICE	\$ 11,060.32	\$ 10,111.89	\$ 3,901.09
ALLTEL CORP (340868285)	VOICE	\$ 222.88	\$ 348.24	\$ 94.24
CINCINNATI BELL (202003820)	VOICE	\$ 23,347.03	\$ 23,152.80	\$ 10,745.42
AT & T (134924710)	VOICE	\$ 194,128.33	\$ 250,845.01	\$ 227,786.35
TELEPAGE COMMUNICATION (311288085)	VOICE	\$ 3,237.24	\$ 3,290.22	\$ 1,537.83
SPRINT OHIO (\$10971501)	VOICE	\$ 1,002.34	\$ 1,276.00	\$ -
EMBARQ (FORMERLY SPRINT) (\$20971501)	VOICE	\$ -	\$ -	\$ -
SBC (\$13258076)	VOICE	\$ 383,812.78	\$ 228,406.63	\$ 135.00
SBC PAGING (\$23379064)	VOICE	\$ 21,647.81	\$ 16,152.69	\$ 6,228.76
VERIZON WIRELESS (\$21331821)	VOICE	\$ 6,211.02	\$ 27,165.17	\$ 16,736.46
WINDSTREAM CORP (200792300)	VOICE	\$ -	\$ -	\$ 60.00

TOTAL VOICE LINES = \$ 9,124,987.31 \$ 9,190,290.85 \$ 2,958,288.72

SUPPLEMENTAL INFORMATION TRAILER

This page is the last page of supplemental information for this competitive document. If you received this trailer page, all supplemental information has been received.

Note: portions of the supplemental information provided may or may not contain page numbers. The total number of pages indicated on the cover page does not include the pages contained in this supplement.