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# **TEXAS LOTTERY COMMISSION**

## ***REQUEST FOR PROPOSALS***

### ***FOR***

## ***LOTTERY DRAWINGS CPA SERVICES***

ISSUED February 1, 2018 4:00 P.M. Central Time  
Request for Proposal No. 362-18-0005



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## GLOSSARY OF TERMS

This Glossary assigns definitions to the listed terms. The definition given to a term listed in this Glossary applies whenever the term appears in this Request for Proposals (RFP) and in any response, including a Proposal, to this Request for Proposals.

<b>Term</b>	<b>Definition</b>
<b>Apparent Successful Proposer</b>	The Proposer recommended by the evaluation committee and approved by the Executive Director, subject to the execution of a completed contract.
<b>Business Hours</b>	The Texas Lottery's business hours are 8:00 a.m. to 5:00 p.m. CT, Monday through Friday, except State holidays.
<b>Contract</b>	The agreement entered into by the Texas Lottery and the Successful Proposer, which will incorporate the contents of this RFP and the Successful Proposer's Proposal, except as specifically provided to the contrary in the Contract and any amendments to the Contract.
<b>Contract Award</b>	The day of the contract announcement following the signing of a Contract between the Texas Lottery and the Successful Proposer.
<b>Day</b>	A calendar day.
<b>On-Line Game (Draw Game)</b>	As defined in Texas Lottery Commission rule 401.301(27), an "on-line-game" is "(A) lottery game which utilizes a computer system to administer plays, the type of game, and amount of play for a specified drawing dates, and in which a player either selects a combination of numbers or allows number selection by a random number generator operated by the computer, referred to Quick Pick. The commission will conduct a drawing to determine the winning combination(s) in accordance with the rules of the specific game being played and the drawing procedures for the specific game." On-line games also may be referred to as draw games.
<b>Drawings Report</b>	Refers to the report resulting from an agreed-upon procedures engagement conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and supporting documentation as appendices.
<b>Executive Director</b>	The Executive Director of the Texas Lottery Commission or an employee of the Texas Lottery Commission authorized to act on behalf of the Executive Director.
<b>Executive Management</b>	The Executive Director of the Texas Lottery Commission and the Charitable Bingo Operations Director.
<b>Fiscal Year</b>	The Texas Lottery's fiscal year, which begins on September 1 and ends on August 31 of the following year.
<b>Historically Underutilized Business (HUB)</b>	A Historically Underutilized Business is a business that is certified by the State of Texas that (1) is at least 51% owned by



	<p>an Asian Pacific American, Black Americans, Hispanic Americans, Native Americans, American women, and/or Veterans (as defined by 38 U.S.C. Section 101(2)) who have suffered at least a 20 percent service-connected disability as defined by 38 U.S.C. Section 101(16); (2) is a for-profit entity that has not exceeded the size standards prescribed by 34 Texas Administrative Code (TAC) §20.294, and has its principal place of business in Texas; and (3) has an owner residing in Texas with a proportionate interest who actively participates in the control, operations and management of the entity's affairs. For further explanation, see the Comptroller of Public Accounts (CPA) HUB rule definitions at 34 TAC §20.282.</p>
<b>HSP</b>	<p>The Historically Underutilized Business Subcontracting Plan (HSP) required by Chapter 2161 of the Texas Government Code and by Texas Lottery Commission Rule, 16 TAC §403.301 (See Attachment C.).</p>
<b>Intellectual Property Rights</b>	<p>The worldwide legal rights or interests evidenced by or embodied in: (i) any idea, design, concept, personality right, method, process, technique, apparatus, invention, discovery, or improvement, including any patents, trade secrets, and know-how; (ii) any work of authorship, including any copyrights, moral rights or neighboring rights; (iii) any trademark, service mark, trade dress, trade name, or other indicia of source or origin; (iv) domain name registrations; and (v) any other proprietary or similar rights. The Intellectual Property Rights of a party include all worldwide legal rights or interests that the party may have acquired by assignment or license with the right to grant sublicenses.</p>
<b>Offered Option</b>	<p>Offered Options are not requested in the response to this RFP, but may be identified by the Proposer and included in its Proposal. A Proposer is not obligated to include an Offered Option in the Proposal. This is an opportunity for Proposers to offer options that the Texas Lottery may not have been aware of at the time the RFP was written. The Texas Lottery makes no commitment to quantity or timing for acquisition of Offered Options and offered options are not considered during evaluation of Proposals.</p>
<b>Major And Prime Contracts</b>	<p>The following Texas Lottery contracts are considered major or prime contracts: lottery operations and services, scratch (instant) ticket manufacturing and services, advertising services, lottery drawings certified public accounting services, document management services, drawings studio and production services, promotional products, TLC Headquarters lease, TLC warehouse lease, internal audit services, internal control system, security</p>



	management system and monitoring services, risk review and compliance monitoring, security officer services, website hosting services, Houston claim center lease, trademark license and promotional agreements with the Dallas Cowboys, Houston Texans, and Irving Music Factory. The Texas Lottery may add or delete major or prime contracts at its sole option.
<b>Proposal</b>	All information and materials submitted by a Proposer in response to this RFP. This includes the Cost Proposal, Technical Proposal, and other information and materials provided to the Texas Lottery by the Proposer prior to Contract Award.
<b>Proposer</b>	An individual or entity that submits a Proposal. The term includes anyone acting on behalf of the individual or entity that submits a Proposal, such as agents, employees and representatives.
<b>Responsive Proposal</b>	A Proposal submitted which conforms in all material respects to the RFP, as determined by the Texas Lottery.
<b>RFP</b>	This Request for Proposals.
<b>State</b>	The State of Texas and its agencies, boards and commissions, officers and employees.
<b>Subcontractor</b>	A person who contracts with the Successful Proposer to work, to supply commodities, or contribute toward completing work for the Texas Lottery.
<b>Successful Proposer</b>	The Proposer with whom the Texas Lottery executes a Contract to provide the goods and services that this RFP requires.
<b>Texas Lottery Commission, Texas Lottery, Lottery, agency, or TLC</b>	That agency created by Chapters 466 and 467, Texas Government Code. The Texas Lottery Commission may be referred to as the Texas Lottery, Lottery, agency, or TLC throughout this document.
<b>Working Days</b>	Business days occurring Monday through Friday except for the legal holidays observed by the State of Texas. The terms “working days” and “business days” may be used interchangeably.
<b>Works</b>	Any tangible or intangible items or things that have been or will be prepared, created, maintained, serviced or developed by a Successful Proposer (or such third parties as the Successful Proposer may be permitted to engage) at any time following the effective date of the Contract, for or on behalf of TLC under the Contract, including but not limited to any (i) works of authorship (such as literary works, musical works, dramatic works, choreographic works, pictorial, graphic and sculptural works, motion pictures and other audiovisual works, sound recordings and architectural works, which includes but is not limited to lottery games, game names, game designs, ticket format and layout, manuals, instructions, printed material, graphics, artwork, images, illustrations, photographs, computer software, scripts,





	<p>object code, source code or other programming code, HTML code, data, information, multimedia files, text web pages or web sites, other written or machine readable expression of such works fixed in any tangible media, and all other copyrightable works), (ii) trademarks, service marks, trade dress, trade names, logos, or other indicia of source or origin, (iii) ideas, designs, concepts, personality rights, methods, processes, techniques, apparatuses, inventions, formulas, discoveries, or improvements, including any patents, trade secrets and know-how, (iv) domain names, (v) any copies, and similar or derivative works to any of the foregoing, (vi) all documentation and materials related to any of the foregoing, (vii) all other goods, services or deliverables to be provided to TLC under the Contract, and (viii) all Intellectual Property Rights in any of the foregoing.</p>
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## **1 GENERAL INFORMATION**

### **1.1 PURPOSE**

The Texas Lottery Commission is issuing this Request for Proposals (RFP) to invite responses from Texas State Board of Public Accountancy certified public accounting (CPA) firms to provide CPA services for the Texas Lottery to ensure the integrity of lottery drawings. The Texas Lottery Commission is seeking a firm to conduct agreed-upon procedures engagements, in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA), related to verification and certification of lottery drawings. Proposers shall provide information, evidence and demonstrations that will permit awarding a contract in a manner that provides the best value to the Texas Lottery.

### **1.2 OUR VISION AND MISSION**

- 1.2.1 Vision – To be the preeminent Lottery and Charitable Bingo agency through innovative leadership.
- 1.2.2 Texas Lottery Mission – The Texas Lottery is committed to generating revenue for the State of Texas through the responsible management and sale of entertaining lottery products. The Texas Lottery will incorporate the highest standard of security, integrity and responsible gaming principles, set and achieve challenging goals, provide quality customer service and utilize a TEAM approach.
- 1.2.3 Charitable Bingo Mission – Provide authorized organizations the opportunity to raise funds for their charitable purposes by conducting bingo. Determine that all charitable bingo funds are used for a lawful purpose. Promote and maintain the integrity of the charitable bingo industry throughout Texas.

### **1.3 OUR CORE VALUES**

- 1.3.1 Integrity and Responsibility — The Texas Lottery Commission works hard to maintain the public trust by protecting and ensuring the security of our lottery games, systems, drawings and operational facilities. We value and require ethical behavior by our employees, licensees and vendors. We promote the integrity of Charitable Bingo in Texas for the benefit of charitable organizations.
- 1.3.2 Innovation — We strive to incorporate innovation into our products to provide the citizens of Texas with the best entertainment experience available through our products. We pursue the use of technology that enhances the services that we provide to our customers and reduces our operating expenses. All proposed innovations must be authorized by Texas law, and do not include video lottery, casino gaming, internet-based lottery sales, fantasy sports, or any other activities not authorized by law.



- 1.3.3 Fiscal Accountability — We emphasize fiscal accountability by ensuring that all expenditures directly or indirectly generate revenue, enhance security, fulfill regulatory requirements, improve customer service and/or boost productivity. We recognize our responsibility in generating revenue for the State of Texas without unduly influencing players to participate in our games. We maximize benefits to charities through the continual examination and review of Charitable Bingo operations.
- 1.3.4 Customer Responsiveness — The Texas Lottery Commission takes pride in providing exemplary service to the people of Texas through the courteous dissemination of clear and accurate information about our products, services and regulatory functions. We seek and respond to feedback expressed by our employees, retailers, licensees and the playing and non-playing public. We apply this feedback in the development of our products and in the services that we provide.
- 1.3.5 Teamwork — We are committed to creating an environment of mutual respect where open, honest communication is our cornerstone. We embrace the diversity of our team and individual perspectives in working together to achieve our common goals.
- 1.3.6 Excellence — We strive for excellence by taking a position of leadership on issues that impact the Texas Lottery Commission and achieve challenging goals by focusing on our core values.

## 1.4 SCHEDULE OF EVENTS

The following time periods are set forth for informational and planning purposes only. The Texas Lottery reserves the right to change any of the time periods and will post all changes on the Electronic State Business Daily, <http://esbd.cpa.state.tx.us/>, and/or the Texas Lottery website, <http://www.txlottery.org/> (Click on About Us, Doing Business with TLC, Procurement).

Date	Event
February 1, 2018 (4:00 p.m., CENTRAL TIME)	Issuance of RFP
February 12, 2018 (1:30 p.m., CENTRAL TIME)	Pre-Proposal Conference at Texas Lottery Headquarters
February 22, 2018 (4:00 p.m., CENTRAL TIME) (Late Questions will not be answered)	Written Questions Due
March 1, 2018 (4:00 p.m., CENTRAL TIME)	Final date for submission of draft HSP forms and final date to conduct one-on-one workshops (in person or via telephone conference)
March 8, 2018	Responses to Written Questions Issued
March 21, 2018 (4:00 p.m., CENTRAL TIME) (Late Proposals will not be considered)	Deadline for Proposals



on or before April 25, 2018 (or as soon as possible thereafter)	Announcement of Apparent Successful Proposer
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## 1.5 SUCCESSFUL PROPOSER'S / LOTTERY RELATIONSHIP

The Texas Lottery Commission is a part of the Executive Branch of Texas State Government. The Texas Lottery will not relinquish control over lottery operations. The Successful Proposer shall function under the supervision of the Texas Lottery. Its operations will be subject to the same scrutiny and oversight that would apply if all operations were performed by Texas Lottery employees. Accordingly, all operations must be conducted in adherence to applicable statutes and the highest ethical standards.

## 1.6 PROCUREMENT AUTHORITY

This RFP and all activities leading toward the execution of a written contract pursuant to this RFP are being conducted in accordance with the State Lottery Act (TEX. GOV'T CODE ANN. §§ 466.001 et seq.), as amended; the Texas Lottery's administrative regulations (16 TAC §§ 401.101, et seq.); and other applicable laws of the State of Texas. All Proposers should read and be familiar with the State Lottery Act and 16 TAC §401.101.

## 1.7 PROPOSALS SUBJECT TO THE TEXAS PUBLIC INFORMATION ACT

- 1.7.1 The Texas Lottery is subject to the Texas Public Information Act (Act) (TEX. GOV'T CODE ANN., ch. 552). Proposals submitted to the Texas Lottery in response to this RFP are subject (in their entirety) to release by the Texas Lottery as public information. A Proposal, or specific parts thereof, may however be shown by the Proposer to fall within one or more of the exceptions to disclosure provided in the Act, the State Lottery Act or other applicable law, subject to a final determination by the Attorney General of Texas. Marking an entire Proposal as "confidential" or "copyrighted" is unacceptable. If a Proposer believes that parts of its Proposal are confidential under the Act, it should specify the confidential information by marking "Confidential" on each page or by each paragraph containing such information prior to submitting the Proposal to the Texas Lottery. In response to this Section, Proposers shall provide the Texas Lottery with specific and detailed reasons for each item marked "Confidential". Vague and general claims to confidentiality are not acceptable. This detail is necessary so that the Texas Lottery will have sufficient information to provide to the Attorney General, if a ruling regarding the confidentiality of such information is requested. Failure of a Proposer to respond to such notification may result in the release of all or part of the Proposal as public information. It is the Proposer's obligation to submit briefing to the Attorney General setting forth the basis upon which the requested information should remain confidential. The Attorney General may determine all or part of a Proposal to be public information even though parts of the Proposal were marked "Confidential" by the Proposer.



- 1.7.2 The Texas Lottery assumes no responsibility for asserting legal arguments to the Attorney General on behalf of Proposers.
- 1.7.3 Proposers are advised to consult with their legal counsel concerning disclosure issues resulting from this procurement process and to take precautions to safeguard trade secrets and other proprietary information.

## **1.8 MISUNDERSTANDING OR LACK OF INFORMATION**

By submitting a Proposal, a Proposer covenants and agrees that it fully understands and will abide by the terms and conditions of the RFP and it will not make any claims for, or have any rights to, cancellation or relief without penalty because of any misunderstanding or lack of information. The Executive Director reserves the right to accept Proposals by waiving minor technicalities if the Executive Director, within his or her sole discretion, determines it to be in the best interests of the Texas Lottery. The decision of the Executive Director shall be conclusive, and subject to protest under Section 2.17 of this RFP.

## **1.9 REJECTION OF PROPOSALS AND CANCELLATION OF RFP**

Issuance of this RFP and/or retention of Proposals does not constitute a commitment on the part of the Texas Lottery to award a Contract. The Texas Lottery maintains the right to reject any or all Proposals, and to cancel this RFP, if the Texas Lottery, in its sole discretion, considers it to be in its best interests to do so.

## **1.10 OWNERSHIP OF PROPOSALS**

All materials submitted by a Proposer will become the property of the Texas Lottery and may be used as the Texas Lottery deems appropriate.

## **1.11 INCURRED EXPENSES**

The Texas Lottery accepts no obligations for costs incurred in preparing and submitting a Proposal. Proposals shall be submitted at the sole expense of the Proposer. All Proposals shall be prepared simply and economically, providing a straightforward, concise delineation of the Proposer's capabilities to satisfy the requirements of this RFP.

## **1.12 PROPOSAL TENURE**

All Proposals shall be valid for a period of one hundred and eighty (180) Days from the deadline for submitting Proposals.

## **1.13 NO TEXAS LOTTERY OBLIGATIONS**

The Texas Lottery reserves the right to select qualified Proposals to this RFP without discussion of the Proposals with Proposers. It is understood that all Proposals will become a part of the Texas Lottery's official procurement files after the Contract has been awarded



or the procurement has been terminated, and will be available for public inspection except for portions that the Proposer has designated as proprietary and confidential (see Sections 552.110 and 552.305 of the Public Information Act and RFP section 1.7 above).

#### **1.14 SUCCESSFUL PROPOSER'S OBLIGATIONS**

The Successful Proposer shall always be responsible for the performance of any contractual obligations that may result from the award of the Contract and shall be liable for the non-performance of any or all Subcontractors.

#### **1.15 CAPTIONS**

The captions to the Sections of this RFP are for convenience only and are not part of the RFP's substantive terms.

#### **1.16 PARTS INCORPORATED**

All attachments listed in the Table of Contents are incorporated into and expressly made a part of this RFP.



## 2 PROPOSAL PROCESS

### 2.1 CONTACT PERSON

The sole point of contact for communications concerning this RFP will be Sonya Bebley, whose mailing address and email address, are as follows:

Sonya Bebley  
Contracts Specialist  
Texas Lottery Commission  
P. O. Box 16630  
Austin, TX 78761-6630  
Phone (512) 344-5413  
contracts@lottery.state.tx.us

The Texas Lottery Headquarters' physical address for deliveries is:

Sonya Bebley  
Contracts Management and Procurement  
Texas Lottery Commission  
611 East 6th Street  
Austin, TX 78701

### 2.2 PROHIBITION AGAINST UNAUTHORIZED CONTACT

- 2.2.1 The Texas Lottery is committed to a procurement process that maintains the highest level of integrity. Accordingly, Proposers, as well as their agents, liaisons, advocates, lobbyists, "legislative consultants," representatives or others promoting their position, are limited to those communications authorized by and described in this RFP. Any attempt to influence any of the participants, whether that attempt is oral or written, formal or informal, direct or indirect, outside of this RFP process is strictly prohibited.
- 2.2.2 Should allegations of improper contact be made prior to Contract Award, the Executive Director may investigate those allegations and, in his sole discretion, disqualify a Proposer.

### 2.3 PRE-PROPOSAL CONFERENCE

Prospective Proposers should plan to attend a Pre-Proposal Conference to be held at the Texas Lottery Headquarters (611 East 6th Street, Austin, Texas). See the Schedule of Events for the date and time. The Pre-Proposal Conference will include an overview of the RFP and a presentation on the HUB Subcontracting Plan (HSP) requirements. A question-and-answer session will also take place regarding general, technical and HSP questions. Attendance at the Pre-Proposal Conference is recommended, but not mandatory. A video



of the Pre-Proposal Conference will be posted on the Texas Lottery website at [www.txlottery.org](http://www.txlottery.org). All prospective Proposers are highly encouraged to view the video.

- 2.3.1 In addition, drawings are open to the public, and prospective Proposers are strongly encouraged to attend before the pre-Proposal Conference to get a better understanding of what is expected. To see the entire process drawings are from 10:45a.m. -1:45p.m. and 7 – 11:00 p.m., prospective Proposers should make arrangements in advance with Sonya Bebley and plan to arrive by 10:45a.m. or 7 p.m. on the night of the drawing. After the live drawing, prospective Proposers are free to stay and observe the procedures after the drawing.

## **2.4 INQUIRIES**

- 2.4.1 Written inquiries concerning this RFP will be accepted and responses posted on the Electronic State Business Daily (ESBD), <http://esbd.cpa.state.tx.us/>, and the Texas Lottery website, [www.txlottery.org](http://www.txlottery.org), according to the timetable established in the Schedule of Events. Inquiries received after the deadlines set in the Schedule of Events may be reviewed by the Texas Lottery, but will not be answered. Any addenda or amendments, whether made as a result of a prospective Proposer's written inquiries or otherwise, will be posted on the ESBD and the Texas Lottery website. It is the responsibility of the Proposer to check these websites for any additional information regarding this RFP.
- 2.4.2 Inquiries shall be submitted by email by the inquiry submission deadline to:
- contracts@lottery.state.tx.us
- 2.4.3 A Proposer shall inquire in writing and should obtain clarification as to any ambiguity, conflict, discrepancy, exclusionary specification, omission or error in this RFP (collectively, "errors") prior to submitting a Proposal, but in no event shall be entitled to additional compensation, relief or time by reason of any error or its later correction. If a Proposer fails to obtain written clarification of any errors, the Proposer shall submit a Proposal at its own risk; and, if awarded a Contract, the Proposer shall be deemed to have waived any claim to contest the Texas Lottery's interpretation thereof.

## **2.5 SUBMISSION OF PROPOSAL**

- 2.5.1 Proposals must be delivered to Sonya Bebley at the address provided in Section 2.1 and received no later than the deadline established in the Schedule of Events. Late Proposals will not be considered. No exceptions will be made.
- 2.5.2 The Proposer shall submit one (1) signed original and ten (10) copies of its Proposal. For Part 5 only, Proposers shall provide one (1) signed original and two (2) copies of all required HSP documentation. All Proposals submitted must be bound in a three-ring binder, organized and arranged to correspond directly with the numbered sections of this RFP, and all pages must be numbered. For Parts 1, 2 and 3 only, Proposers may provide a blanket acknowledgment and acceptance in lieu of a section-by-section response. For Parts





- 4, and 6 only, Proposers shall provide a section-by-section response to the RFP. For Part 5, Proposers shall follow the instructions for completing and submitting a HSP.
- 2.5.3 If a Proposer is claiming any part(s) of its Proposal is confidential, the Proposer must provide a detailed response to Section 1.7 and clearly mark each item of the claimed material as "Confidential". A Proposer may not amend a commitment to comply with a specific section of this RFP by a later reference back to that section.
- 2.5.4 The Proposer's Commitment (Attachment A) and the Background Information Certification (Attachment D-1) shall be signed by an officer or agent of the Proposer with authority to contractually bind the Proposer, and the attachments must be included with the original Proposal.
- 2.5.5 Proposers are required to propose a complete solution, in their Proposal, to the Texas Lottery's requirements. Any items not specifically requested, but integral to the requested services, shall be included in the Proposal and identified in the appropriate sections thereof.
- 2.5.6 Proposers responding to this RFP must fully and completely address all goods, services and other requirements described in this RFP. Incomplete or partial Proposals will not be considered. The Proposer shall provide all information that the Proposer believes would be helpful to the Texas Lottery in evaluating the Proposer's ability to fulfill the RFP requirements.
- 2.5.7 In addition to the printed Proposal, the Proposer must also submit one copy of the text portion of its Proposal, excluding the Sealed Cost Proposal, on a compact disk or USB drive in a searchable PDF file. If there is any disparity between the contents of the printed Proposal and the contents of the Proposal contained in electronic format, the contents of the printed Proposal shall take precedence. The electronic or soft copy required herein will not be accepted in lieu of the signed original and copies as required in Section 2.5.2.
- 2.5.8 Proposals that have been copyrighted, in whole or in part, by any Proposer are unacceptable and may be rejected as non-responsive.

## **2.6 RESPONSE FORMAT & CONTENTS**

The Proposer must demonstrate its understanding of the requested goods and services and must address specifically, in writing, the Proposer's approach to providing each requirement in this RFP. Each Proposal must be organized in the manner described below:

- (a) Letter of Transmittal;
- (b) Executive Summary;
- (c) Section-by-section response to the RFP (see Section 2.5.2 above);
- (d) Sealed Cost Proposal (Attachment to the original proposal only);
- (e) Proposer's Commitment (Attachment A); and
- (f) Background Information Certification (Attachment D-1).



## **2.7 LETTER OF TRANSMITTAL**

- 2.7.1 Proposers must submit a Letter of Transmittal that identifies the entity submitting the Proposal and includes a commitment by that entity to provide the goods and services required by the Texas Lottery in this RFP. The Letter of Transmittal must state that the Proposal is valid for one hundred and eighty (180) Days from the Day after the deadline for submitting Proposals. Any Proposal containing a term of less than one hundred and eighty (180) Days for acceptance shall be rejected. The Letter of Transmittal must be signed by a person(s) legally authorized to bind the Proposer to the representations in the Proposal. The Proposer should also indicate, in its Letter of Transmittal, why it believes it is the most qualified Proposer to provide the goods and services required by the Texas Lottery in this RFP.
- 2.7.2 The Letter of Transmittal must include a statement of acceptance of the terms and conditions set forth in Part 3 of this RFP that will be included in the Contract. If the Proposer takes exception to any of the proposed terms and conditions, those exceptions must be noted in the Letter of Transmittal. Proposers shall provide specific and detailed reasons for each exception, together with suggested alternative language. Vague and general exceptions are not acceptable. Proposers should realize, however, that failure to accept the terms and conditions specified in Part 3 of the RFP may result in disqualification of the Proposal.

## **2.8 EXECUTIVE SUMMARY**

- 2.8.1 Proposers must provide an executive summary of their Proposal (excluding cost information) that asserts that the Proposer is providing, in its Proposal, all the requirements of this RFP. If the Proposer is providing goods or services beyond those specifically requested, those goods or services must be identified. If the Proposer is offering goods or services that do not meet the specific requirements of this RFP, but in the opinion of the Proposer are equivalent or superior to those specifically requested, any such differences must be noted in the Executive Summary. The Proposer should realize, however, that failure to provide the goods and services specifically requested may result in disqualification.
- 2.8.2 The Proposer must demonstrate its understanding of the requested goods and services and must address specifically, in writing, the Proposer's approach to providing each requirement in this RFP.
- 2.8.3 The Executive Summary must not exceed five (5) pages and should represent a full and concise summary of the contents of the Proposal.

## **2.9 PROPOSER'S CONTRACTING AUTHORITY**

The Proposer warrants and represents that the person named on the Proposer's Commitment (Attachment A) has the full right, power and is legally authorized to execute the Contract resulting from this RFP on behalf of the Proposer. Commitments must be



unqualified, not limited, and fully commit the Proposer to provide the goods and services required under this RFP.

## 2.10 PROPOSER'S SEALED COST PROPOSAL

- 2.10.1 The Proposer must state its pricing for all goods and services rendered during the course of the proposed Contract, including any and all costs involved that are to be paid or reimbursed by the Texas Lottery. The pricing for the required goods and services is to be presented only in the format set forth in Attachment H of the RFP. Pricing information shall include all costs associated with providing the required goods and services and must be submitted in a separate, sealed envelope clearly marked as such, attached to the original Proposal only. No reimbursement is available to the Successful Proposer beyond the amount agreed to be paid for the goods and services provided. Pricing agreed to in any resulting Contract shall be firm and remain constant through the life of the Contract.
- 2.10.2 The Proposer shall not disclose its Sealed Cost Proposal or other cost information in the body of its written Proposal. Including cost information in the written Proposal may be cause for disqualification.

## 2.11 MULTIPLE PROPOSALS

Each Proposer may submit only one Proposal. If a Proposer submits more than one Proposal, all Proposals from that Proposer may be rejected.

## 2.12 CHANGES, MODIFICATIONS AND CANCELLATION

The Texas Lottery reserves the right to make changes to and/or cancel this RFP and will post all changes and modifications, whether made as a result of a potential Proposer's written inquiries or otherwise, and cancellation notices on the Electronic State Business Daily and the Texas Lottery websites. **It is the responsibility of the Proposer to check these websites for any additional information regarding this RFP. If the Proposer fails to monitor the ESBD and TLC websites for any changes or modifications to the RFP, such failure will not relieve the Proposer of its obligation to fulfill the requirements as posted.**

## 2.13 UPDATES TO INFORMATION SUPPORTING A PROPOSAL

Following the submission of Proposals and prior to the signing of a Contract, the Proposer is under a continuing obligation to notify the Texas Lottery in writing of any updates or changes to information offered in support of its Proposal that might reasonably be expected to affect the Texas Lottery's consideration of the Proposal. Nothing in this section shall be interpreted to permit the unilateral modification by a Proposer of its commitment to provide goods and services described in its Proposal as filed for the cost stated therein.



## **2.14 ADDITIONAL INFORMATION**

By submitting a Proposal, the Proposer grants the Executive Director the right to obtain any information from any lawful source regarding the past history, practices, conduct, ability and eligibility under the State Lottery Act of the Proposer to supply goods, services and to fulfill requirements under this RFP, and the past history, practices, conduct, ability and eligibility of any director, officer or key employee of the Proposer. By submitting a Proposal, the Proposer generally releases from liability and waives all claims against any party providing information about the Proposer at the request of the Executive Director. Such information may be taken into consideration in evaluating Proposals.

## **2.15 PROPOSAL EVALUATION AND CONTRACT AWARD**

- 2.15.1 The Texas Lottery Commission intends to conduct a fair, comprehensive and impartial evaluation of all Proposals received in response to this RFP using an evaluation committee. The evaluation committee will be selected by the Executive Director and may consist of Texas Lottery employees or outside individuals with expertise in particular areas. In addition, the Texas Lottery's General Counsel, other in-house legal counsel, and outside legal counsel may assist by advising the evaluation committee. Texas Lottery employees and consultants may also assist in the process as technical non-voting members of the evaluation committee.
- 2.15.2 Each member of the evaluation committee will independently score each Proposal responsive to this RFP. Evaluation committee members may seek, obtain and consider the opinions of other committee members or subject matter experts (including Texas Lottery staff, staff from other Texas agencies and consultants retained by the Texas Lottery) when evaluating and independently scoring particular areas of the Proposals.
- 2.15.3 The evaluation committee may request clarification of information or representations in a Proposal before completing the initial evaluation. Requests for clarification and responses to requests for clarification will be in writing and will become part of the evaluation record.
- 2.15.4 The procurement process will be conducted in accordance with 16 TAC § 401.101.
- 2.15.5 At a minimum, the factors to be considered by the evaluation committee in evaluating Proposals shall include:
- (i) the proposer's price to provide the goods or services;
  - (ii) the probable quality of the offered goods or services;
  - (iii) The agency's evaluation of the likelihood of the proposal to produce the desired outcome for the agency, considering, among other criteria:
    - (I) the quality of the proposer's past performance in contracting with the agency, with other state entities, or with private sector entities;
    - (II) the qualifications of the proposer's personnel;
    - (III) the experience of the proposer in providing the requested goods or services;
    - (IV) the financial status of the proposer; and



- (iv) whether the proposer performed the good faith effort required by the HUB subcontracting plan, when the agency has determined that subcontracting is probable.

The evaluation committee also may consider vendor performance reviews maintained by the Texas Comptroller of Public Accounts under TEX. GOV'T CODE ANN. Section 2262.055.

A copy of the scoring matrix is included as Attachment G.

- 2.15.6 A written notice of Contract Award will be posted on the ESBD, and sent to all Proposers immediately following execution of the Contract.

## **2.16 ORAL PRESENTATIONS AND/OR SITE VISITS**

The Texas Lottery, in its sole discretion, reserves the right to conduct site visits and/or to require Proposers to make oral presentations prior to the Contract Award and may consider such presentations and visits when evaluating Proposals. Proposers will be notified in writing and will be provided with equal advance notification of site visits and/or oral presentation assignments and guidelines.

## **2.17 PROTEST PROCEDURE**

Any protest shall be governed by TEX. GOV'T CODE ANN. § 466.101 and 16 TAC §§ 401.102-103.



### **3 CONTRACTUAL TERMS AND CONDITIONS**

#### **3.1 INTRODUCTION**

This part sets forth terms and conditions applicable to the procurement process as well as terms and conditions that will become part of the Contract. The Texas Lottery reserves the right to incorporate additional provisions in the Contract in the best interest of the Texas Lottery.

#### **3.2 GOVERNING LAW AND VENUE**

The procurement process, the award procedure, and the Contract shall be governed by, construed and interpreted in accordance with the applicable laws of the State of Texas. Any and all actions or suits brought by a Proposer or any related party regarding this RFP or the Contract shall be brought in the state district court located in Austin, Travis County, Texas. By submitting a Proposal, a Proposer is deemed to waive the right to bring any action in any other court. This section is purely a venue provision and shall not be deemed a waiver of sovereign immunity.

#### **3.3 CONTRACT ELEMENTS**

- 3.3.1 The Contract between the Texas Lottery and the Successful Proposer will follow the general format specified by the Texas Lottery. The Texas Lottery reserves the right to negotiate provisions in addition to those stipulated in this RFP. The contents of this RFP, as modified by published addenda or amendments, and the Successful Proposer's Proposal will be incorporated into the Contract. In the event of any conflict or contradiction between or among these documents, the documents shall control in the following order of precedence: the written Contract, the RFP, and the Successful Proposer's Proposal. Specific exceptions to this general rule may be noted in the Contract.
- 3.3.2 The Texas Lottery has determined that subcontracting opportunities are probable under this RFP. Therefore, the Texas Lottery requires the submission of an HSP as a part of each Proposal, as discussed further in Part 5 of this RFP. The HSP, if accepted by the Texas Lottery, will become a provision of the Contract.
- 3.3.3 If any term or provision of this RFP or the Contract is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the RFP or Contract shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

#### **3.4 AMENDMENTS**

The Contract may be amended only by written agreement signed by both parties.



### **3.5 NON-WAIVER**

The failure of the Texas Lottery to object to, or to take affirmative action with respect to, any conduct of the Successful Proposer which is in violation or breach of the terms of the Contract shall not be construed as a waiver of the violation or breach, or of any future violation or breach. Nothing in this RFP, or the Contract, shall constitute or be construed as a waiver of any of the privileges, rights, defenses, remedies, or immunities available to the Texas Lottery Commission, as an agency of the State of Texas. The failure to enforce, or any delay in the enforcement, of any privileges, rights, defenses, remedies, or immunities available to the Texas Lottery Commission under this contract or under applicable law shall not constitute a waiver of such privileges, rights, defenses, remedies, or immunities, or be considered as a basis for estoppel.

### **3.6 CLARIFICATION OF TEXAS LOTTERY'S INTENT**

It is the responsibility of the Successful Proposer to address and resolve all questions with the Texas Lottery's designated points of contact, and to achieve a clear understanding of all Texas Lottery requirements during each stage of the Contract term. The Texas Lottery will use reasonable efforts to provide timely responses to questions of policy or procedure as they may affect the Successful Proposer's performance. Key Texas Lottery staff will be available to the Successful Proposer on a reasonable basis, but may not be available on State or national holidays, as defined in Section 662.003 of the TEX. GOV'T CODE ANN., or weekends.

### **3.7 RELATIONSHIP OF THE PARTIES**

The Successful Proposer and the Texas Lottery agree and understand that the Successful Proposer shall render the goods, services and requirements under the Contract as an independent contractor, and nothing contained in the Contract will be construed to create or imply a joint venture, partnership, employer/employee relationship, principal agent relationship or any other relationship between the parties. Employees of the Successful Proposer will not be considered employees of the Texas Lottery within the meaning of any federal, state, or local law, ordinance, or regulation including, but not limited to, laws, ordinances, or regulations concerning unemployment insurance, social security benefits, workers compensation, or withholding requirements. The Successful Proposer shall be responsible for complying with any such laws, ordinances, or regulations, and shall indemnify and hold harmless the Texas Lottery from any costs or damages, including attorney's fees, sustained by the Texas Lottery resulting from the Successful Proposer's breach of its obligations under this section. The Texas Lottery will withhold indemnified losses from payments to the Successful Proposer, or, if no payments are made, the Texas Lottery will make demand of payment of indemnified losses. The Successful Proposer must make payment within thirty (30) Days of the Texas Lottery's demand.





### **3.8 PAYMENT**

- 3.8.1 All payments will be made in accordance with TEX. GOV'T CODE ANN. ch. 2251 ("Payments for Goods and Services"). The Successful Proposer shall submit separate invoices monthly for the previous month's services. Each invoice shall note the contract number, services rendered and dates of services. Invoices may be submitted by mail to the Texas Lottery Commission, P. O. Box 16630, Austin, Texas 78761-6630, Attn: Accounts Payable or by e-mail to [AccountsPayable@lottery.state.tx.us](mailto:AccountsPayable@lottery.state.tx.us). Payments will be made only upon the completion of services or after the delivery of goods authorized in an approved invoice.
- 3.8.2 Pursuant to TEX. GOV'T CODE ANN. § 2251.025, interest is not due on a payment until it becomes "overdue." A payment is not "overdue" until the 31st day after the latter of: (1) the date the Texas Lottery receives the goods covered by the contract; (2) the date the performance of service under the contract is completed; or (3) the date the Texas Lottery receives an invoice for the goods or services. TEX. GOV'T CODE ANN. § 2251.021. Services are "completed" when accepted by the Texas Lottery.
- 3.8.3 The Successful Proposer acknowledges that the State of Texas requires consistent, high quality performance during the entire term of any Contract resulting from this RFP and during any transition to an alternate or successor provider. The Successful Proposer agrees that to ensure such consistent, high quality performance, and an orderly transition to a new vendor, the Texas Lottery may withhold the last two (2) payments due during the last year of any Contract resulting from this RFP (the "Hold Back"). In the event that the Successful Proposer fully and completely performs all of its duties under any Contract resulting from this RFP, and a successful transition to an alternative provider is completed, then upon such completion the Texas Lottery shall pay the Hold Back to the Successful Proposer. In the event that the Successful Proposer fails to fully and completely perform all of its duties under any Contract resulting from this RFP, or the transition to an alternative vendor is unsuccessful, and such failure is proximately caused in whole or part by any act or omission of the Successful Proposer, the Texas Lottery shall be entitled to retain the Hold Back or such portion as the Executive Director deems equitable.
- 3.8.4 The Successful Proposer agrees that if the Texas Comptroller of Public Accounts is prohibited from issuing a warrant to the Successful Proposer under Section 403.055 of the TEX. GOV'T CODE ANN., any payments owed to the Successful Proposer under the Contract will be applied towards the debt or delinquent taxes that the Successful Proposer owes the State of Texas until the debt or delinquent taxes are paid in full.

### **3.9 ASSIGNMENTS**

- 3.9.1 No right or obligation of the Successful Proposer under the Contract may be assigned by the Successful Proposer without the prior written approval of the Texas Lottery, and in the event of any such approval, the terms and conditions hereof shall apply to and bind the party or parties to whom the right or obligation is assigned as fully and completely as the Successful Proposer is hereunder bound and obligated. No assignment shall operate to





release the Successful Proposer from its liability for the timely and effective performance of its obligations hereunder. Assignments made in violation of this provision shall be null and void.

- 3.9.2 Subject to the limitations on assignment contained herein, the Contract shall inure to the benefit of, and be binding upon, the successors and assigns of the respective parties hereto.

### **3.10 SUBCONTRACTING**

- 3.10.1 If any part of the Contract between the Texas Lottery and the Successful Proposer is to be subcontracted, the Successful Proposer must obtain prior written approval from the Texas Lottery, and the Subcontractor must comply with all applicable requirements of the Texas Lottery. The Texas Lottery reserves the sole right to require the Successful Proposer to terminate any Subcontractor with or without cause.
- 3.10.2 In the event the Texas Lottery approves of the use of any Subcontractor under an approved HUB Subcontracting Plan in accordance with Part 5, the Successful Proposer is not relieved of its responsibility and obligation to meet all the requirements of this RFP.
- 3.10.3 The Texas Lottery will incur no additional obligations and the obligations of the Successful Proposer will not be reduced as a result of any such subcontracts.
- 3.10.4 The Successful Proposer agrees to indemnify and hold the Texas Lottery harmless from all claims and actions of the Successful Proposer's Subcontractors. The Texas Lottery will withhold indemnified losses from payments to the Successful Proposer, or, if no payments are made, the Texas Lottery will make demand of payment of indemnified losses. The Successful Proposer must make payment within thirty (30) Days of the Texas Lottery's demand.
- 3.10.5 The Successful Proposer's obligation to pay Subcontractors is governed by TEX. GOV'T CODE ANN. § 2251.022 ("Time for Payment by Vendor"), as it may be amended.

### **3.11 LOTTERY APPROVAL OF STAFFING**

- 3.11.1 The Successful Proposer shall not employ or contract with or permit the employment of unfit or unqualified persons or persons not skilled in the tasks assigned to them. The Successful Proposer shall at all times employ sufficient labor to carry out functions and services in the manner and time prescribed by the Contract. In accordance with TEX. GOV'T CODE ANN. § 466.155, "unfit" is defined as any person convicted of a felony, criminal fraud, gambling or gambling-related offense or a person convicted of a misdemeanor involving moral turpitude whose sentence, parole, mandatory supervision or probation ended less than ten (10) years ago. The Successful Proposer shall be responsible to the Texas Lottery for the acts and omissions of the Successful Proposer's employees, agents (including, but not limited to, lobbyists) and Subcontractors and the Successful Proposer shall enforce strict discipline among the Successful Proposer's employees, agents (including, but not limited to, lobbyists) and Subcontractors performing the services under the Contract.



- 3.11.2 The Successful Proposer shall provide the Texas Lottery written notification and justification within three (3) Working Days of any changes involving the Successful Proposer's key personnel assigned to the Texas Lottery account. The Successful Proposer shall provide the Texas Lottery with the resume of the person who is to be hired or placed on the Texas Lottery account and must receive written approval from the Texas Lottery prior to the person's working on the account.
- 3.11.3 Notwithstanding anything herein to the contrary, any person employed by the Successful Proposer shall, at the written request of the Texas Lottery, and within the Texas Lottery's sole discretion, be removed immediately by the Successful Proposer from work relating to the Contract.

### **3.12 BACKGROUND INVESTIGATIONS**

- 3.12.1 Under TEX. GOV'T CODE ANN. §466.103, the Executive Director of the Texas Lottery is prohibited from awarding a contract for goods or services related to lottery operations to a person or legal entity who would not qualify for a sales agent license under the requirements of TEX. GOV'T CODE ANN. §466.155.
- 3.12.2 The Texas Lottery Commission may initiate investigations into the backgrounds of (a) the Successful Proposer; (b) any of the Successful Proposer's officers, directors, investors, owners, partners and other principals, as more particularly described in TEX. GOV'T CODE ANN. § 466.155 (collectively, Successful Proposer Principals); (c) any of the Successful Proposer's employees; (d) any of the Successful Proposer's Subcontractors, or any of the Subcontractors' officers, directors, investors, owners, partners, principals or employees (collectively, Subcontractor Personnel); or (e) any other associates of the Successful Proposer it deems appropriate. The Texas Lottery Commission may also request background information for a spouse, child, brother, sister or parent residing as a member of the same household in the principal place of residence of the Successful Proposer, any Successful Proposer Principals, or Successful Proposer employees described above. Such background investigations may include fingerprint identification by the Texas Department of Public Safety, the Federal Bureau of Investigation, and any other law enforcement agency. The Texas Lottery may terminate the Contract based solely upon the results of these background investigations.
- 3.12.3 The Successful Proposer agrees that, during the term of the Contract and any renewal thereof, it shall be obligated to provide such information about any Successful Proposer Principals, Successful Proposer employees, and Subcontractor Personnel as the Texas Lottery may prescribe. The Successful Proposer also agrees that the Texas Lottery may conduct background investigations of such persons.
- 3.12.4 Upon notification by the Texas Lottery to the Successful Proposer that the Texas Lottery objects to an employee based on the results of a background investigation, the Successful Proposer shall prevent that employee from working on the Texas Lottery account and shall deny that employee access to the Texas Lottery systems.



### **3.13 COMPLIANCE**

The Successful Proposer agrees to comply with all applicable laws, rules and regulations, including without limitation those involving non-discrimination on the basis of race, color, religion, national origin, age, sex and disability.

### **3.14 TERM OF CONTRACT**

- 3.14.1 The Contract will commence on the Contract execution date and continue through August 31, 2019, subject to the termination provisions in this RFP and subject to the Texas Lottery being continued and funded by the Texas Legislature.
- 3.14.2 The Texas Lottery reserves the right to extend the Contract, at its sole discretion, for three (3) additional one-year periods, at the Contract rate or rates as modified during the term of the Contract.
- 3.14.3 At the end of the initial term or any renewal period, the Texas Lottery, at its sole discretion, reserves the right to extend the Contract for up to three (3) additional months, in one-month intervals, at the Contract rate or rates as modified during the term of this Contract.
- 3.14.4 At the end of the Contract term, or upon earlier termination under any provision of this Contract, the Successful Proposer shall, in good faith and with reasonable cooperation, aid in the transition to any new arrangement and provider, if requested by the Texas Lottery.

### **3.15 TERMINATION AT WILL**

The Texas Lottery, in its sole discretion, may terminate, in whole or in part, the Contract at will and without cause, upon no less than thirty (30) Days' advance written notice. The Texas Lottery also may terminate the Contract immediately with written notice if the Executive Director, in his or her sole judgment, believes that the integrity or security of the Texas Lottery is in jeopardy and it is in the best interest of the Texas Lottery to do so. The Texas Lottery's right to terminate for convenience the Contract is cumulative of all rights and remedies which exist now or in the future.

### **3.16 TERMINATION FOR CAUSE**

The Texas Lottery reserves the right to terminate the Contract, in whole or in part unless otherwise provided by the Federal Bankruptcy Code or any successor law, upon no less than five (5) Days' notice under any of the following conditions:

- (a) A receiver, conservator, liquidator or trustee of the Successful Proposer, or of any of its property, is appointed by order or decree of any court or agency or supervisory authority having jurisdiction; or an order for relief is entered against the Successful Proposer under the Federal Bankruptcy Code; or the Successful Proposer is adjudicated bankrupt or insolvent; or any portion of the property of the Successful Proposer is sequestered by court order and such order remains in effect for more than thirty (30) Days after such party obtains knowledge thereof; or a petition is



filed against the Successful Proposer under any state, reorganization, arrangement, insolvency, readjustment of debt, dissolution, liquidation, or receivership law of any jurisdiction, whether now or hereafter in effect, and such petition is not dismissed within thirty (30) Days, or

- (b) The Successful Proposer makes an assignment for the benefit of its creditors, or admits in writing its inability to pay its debts generally as they become due, or consents to the appointment of a receiver, trustee, or liquidator of the Successful Proposer or of all or any part of its property; or judgment for the payment of money in excess of \$50,000.00 (which is not covered by insurance) is rendered by any court or governmental body against the Successful Proposer, and the Successful Proposer does not discharge the same or provide for its discharge in accordance with its terms, or procure a stay of execution thereof within thirty (30) Days from the date of entry thereof, and within said 30-Day period or such longer period during which execution of such judgment shall have been stayed, appeal therefrom and cause the execution thereof to be stayed during such appeal while providing such reserves therefore as may be required under generally accepted accounting principles; or a writ or warrant of attachment or any similar process shall be issued by any court against all or any material portion of the property of the Successful Proposer, and such writ or warrant of attachment or any similar process is not released or bonded within thirty (30) Days after its entry, or
- (c) A court of competent jurisdiction finds that the Successful Proposer has failed to adhere to any laws, ordinances, rules, regulations or orders of any public authority having jurisdiction, or
- (d) The Successful Proposer fails to communicate with the Texas Lottery as required by the Contract, or
- (e) The Successful Proposer fails to remove any person from work relating to the Contract upon written notice from the Texas Lottery, or
- (f) The Successful Proposer breaches the RFP's standard of confidentiality with respect to this RFP or the goods or services provided thereunder, or
- (g) The Texas Lottery makes a written determination that the Successful Proposer has failed to substantially perform under the Contract and specifies the events resulting in the Texas Lottery's determination thereof, or
- (h) The Successful Proposer fails to comply with any of the terms, conditions or provisions of the Contract, in any manner whatsoever, or
- (i) The Successful Proposer engages in any conduct that results in a negative public impression including, but not limited to, creating even an appearance of impropriety



with respect to the Texas Lottery, Texas Lottery games, the Successful Proposer, or the State of Texas.

### **3.17 TERMINATION RELATED TO AVAILABILITY OF LEGISLATIVE APPROPRIATIONS**

All obligations of the Texas Lottery are subject to the availability of legislative appropriations. The Successful Proposer acknowledges the ability of the Texas Lottery to make payments under the Contract is contingent upon the continued availability and authorization for expenditure of funds. The Successful Proposer further acknowledges funds may not be specifically appropriated for the Contract and the Texas Lottery's continual ability to make payments under the Contract is contingent upon the funding levels appropriated to the agency. The Texas Lottery will use all reasonable and lawful efforts to ensure funds are available. The Successful Proposer agrees if future levels of funding for the Texas Lottery are not sufficient to continue operations without operational reductions, the Texas Lottery, in its sole discretion, may terminate the Contract, either in whole or in part. In the event of such termination, the Texas Lottery will not be considered to be in default or breach under the Contract, nor shall it be liable for any damages or other amounts caused by or associated with such termination. The Texas Lottery shall make reasonable best efforts to provide advance written notice of Contract termination to the Successful Proposer. In the event of termination, the Successful Proposer shall, unless otherwise mutually agreed upon in writing, cease all work immediately. The Texas Lottery shall be liable for payments limited only to the portion of work the agency authorized in writing before the termination date that the Successful Proposer has completed, delivered to the agency, and that is accepted by the agency.

### **3.18 TERMINATION WITHOUT PENALTY**

Pursuant to TEX. GOV'T CODE ANN. § 466.014(c), the Executive Director is permitted to terminate the Contract, without penalty, if an investigation reveals that the Successful Proposer would not be eligible for a sales agent license under TEX. GOV'T CODE ANN. § 466.155.

### **3.19 NO LIABILITY UPON TERMINATION**

If the Contract is terminated for any reason, the Texas Lottery and the State of Texas shall not be liable to the Successful Proposer for any damages, losses, financial obligations, breach of contract, or any other claims or amounts arising from or related to any such termination. However, the Successful Proposer may be entitled to the remedies provided in TEX. GOV'T CODE ANN., ch. 2260.

### **3.20 WARRANTIES**

3.20.1 The Successful Proposer warrants and agrees that it is lawfully organized and constituted under all applicable national, international, state and local laws, ordinances and other



authorities of its domicile and is otherwise in full compliance with all legal requirements of its domicile.

- 3.20.2 The Successful Proposer warrants and agrees that it has the legal authority and capacity to enter into and perform the Contract, and that it has the financial ability to perform its obligations under such Contract.
- 3.20.3 The Successful Proposer warrants and agrees that it is duly authorized to operate and do business in all places where it will be required to do business under the Contract; that it has obtained or will obtain all necessary licenses and permits required in connection with such Contract; and that it will fully comply with all laws, decrees, labor standards and regulations of its domicile and wherever performance occurs during the term of such Contract.
- 3.20.4 The Successful Proposer warrants and agrees that it has no present interest and shall not acquire, or assign to any third party, any interest that would conflict in any manner with its duties and obligations under the Contract.
- 3.20.5 The Successful Proposer warrants and agrees that all goods and services it supplies in its performance under the Contract shall meet the performance standards required thereunder and shall be performed in a prompt, high quality, professional and competent manner using only qualified personnel.
- 3.20.6 The Successful Proposer warrants and agrees that it shall not take any action inconsistent with any of the terms, conditions, agreements, or covenants set forth in this RFP without the express written consent of the Texas Lottery.
- 3.20.7 The Successful Proposer warrants that it is eligible for a sales agent license under TEX. GOV'T CODE ANN. § 466.155 (Chapter 466 is also known as the State Lottery Act).
- 3.20.8 The Successful Proposer warrants and agrees that it shall not sell, assign, lease, transfer, pledge, hypothecate, or otherwise dispose of any component of any goods or system proposed in response to the RFP or any interest therein, or permit any of it to become a fixture or accession to other goods or property.

### **3.21 SUCCESSFUL PROPOSER SITE VISITS**

The Texas Lottery shall have the free and unrestricted right, acting by itself or through its authorized representatives, to enter the premises of the Successful Proposer and any Subcontractors, and to enter any other sites involved in providing goods and/or services under the Contract, to examine their operations and to inspect and copy the records of the Successful Proposer and/or Subcontractors pertaining to goods and services provided under the Contract. The Successful Proposer agrees that the Successful Proposer and its Subcontractors shall implement all reasonable quality control and security procedures requested by the Texas Lottery or representatives as designated by the Texas Lottery. The Texas Lottery will use reasonable efforts not to disrupt the normal business operations of the Successful Proposer (or Subcontractor, as applicable) during site visits announced or unannounced.





### 3.22 INTELLECTUAL PROPERTY RIGHTS

- 3.22.1 *Ownership.* As between the Successful Proposer and the Texas Lottery, the Works and Intellectual Property Rights in the Works are and shall be owned exclusively by the Texas Lottery, and not the Successful Proposer. The Successful Proposer specifically agrees that all Works shall be considered “works made for hire” and that the Works shall, upon creation, be owned exclusively by the Texas Lottery. To the extent that the Works, under applicable law, may not be considered works made for hire, the Successful Proposer hereby agrees that the Contract transfers, grants, conveys, assigns, and relinquishes exclusively to the Texas Lottery all right, title and interest in and to the Works, and all Intellectual Property Rights in the Works, without the necessity of any further consideration, and the Texas Lottery shall be entitled to obtain and hold in its own name all Intellectual Property Rights in and to the Works, subject to any exceptions with respect to pre-existing or third party rights as set forth below.
- 3.22.2 *Ownership of Prior Rights by the Texas Lottery.* All property and tangible or intangible items, including the Intellectual Property Rights therein, that were created, developed or owned by the Texas Lottery prior to the issuance of this RFP or execution of the Contract (e.g., copyrights, trademarks, etc.) shall continue to be exclusively owned by the Texas Lottery, and the Successful Proposer shall have no ownership thereof, and no rights thereto, other than the limited, non-exclusive right to use such property or tangible and intangible items solely for the purposes set forth in this RFP or the Contract, if any, and only for the duration of such Contract.
- 3.22.3 *Ownership of Prior Rights by the Successful Proposer.* All property and tangible or intangible items, including the Intellectual Property Rights therein, that were created, developed or owned by the Successful Proposer prior to the issuance of this RFP shall continue to be exclusively owned by the Successful Proposer, and the Texas Lottery shall have no ownership thereof, and no rights thereto, other than the limited, non-exclusive right to use such property or tangible or intangible items solely for the purposes set forth in this RFP or the Contract. All intellectual property relating to the goods and/or services set forth herein or under the Contract, including the Intellectual Property Rights in those goods and/or services, that was created, developed or licensed by the Successful Proposer prior to the issuance of this RFP or the execution of the Contract, or during the term of the Contract, to the extent such intellectual property is not considered “Works” as defined above, shall be, and is, licensed to the Texas Lottery on a non-exclusive, perpetual, irrevocable, royalty-free, worldwide basis, to allow the Texas Lottery or its designees to provide, and continue to provide, the goods and services set forth herein or under the Contract, including after the expiration or termination of the Contract.
- 3.22.4 *Further Actions.* The Successful Proposer, upon request and without further consideration, shall perform any acts that may be deemed necessary or desirable by the Texas Lottery to evidence more fully the transfer of ownership of all Works to the Texas Lottery to the fullest extent possible, including but not limited to the execution, acknowledgement and delivery of such further documents in a form determined by the Texas Lottery. In the event the Texas Lottery shall be unable for any reason to obtain the Successful Proposer’s



signature on any document necessary for any purpose set forth in the foregoing sentence, the Successful Proposer hereby irrevocably designates and appoints the Texas Lottery and its duly authorized officers and agents as the Successful Proposer's agent and the Successful Proposer's attorney-in-fact to act for and in the Successful Proposer's behalf and stead to execute and file any such document and to do all other lawfully permitted acts to further any such purpose with the same force and effect as if executed and delivered by the Successful Proposer.

- 3.22.5 *Waiver of Moral Rights.* The Successful Proposer hereby irrevocably and forever waives, and agrees never to assert, any Moral Rights in or to the Works which the Successful Proposer may now have or which may accrue to the Successful Proposer's benefit under U.S. or foreign copyright laws and any and all other residual rights and benefits which arise under any other applicable law now in force or hereafter enacted. The term "Moral Rights" shall mean any and all rights of paternity or integrity of the Works, the right to object to any modification, translation or use of the Works, any automatic reversion or right to demand a reversion of ownership of the Works or Intellectual Property Rights therein from the Texas Lottery to the Successful Proposer, and any similar rights existing under the judicial or statutory law of any country in the world or under any treaty, regardless of whether or not such right is denominated or referred to as a moral right.
- 3.22.6 *Confidentiality.* All Works and all materials forwarded to the Successful Proposer by the Texas Lottery for use in and preparation of the Works, shall be deemed the confidential information of the Texas Lottery, and the Successful Proposer shall not use, disclose, or permit any person to use or obtain the Works, or any portion thereof, in any manner without the prior written approval of the Texas Lottery.
- 3.22.7 *Injunctive Relief.* The RFP and the Contract are intended to protect the Texas Lottery's proprietary rights pertaining to the Works, and the Intellectual Property Rights therein, and any misuse of such rights would cause substantial and irreparable harm to the Texas Lottery's business. Therefore, the Successful Proposer acknowledges and stipulates that a court of competent jurisdiction should immediately enjoin any material breach of the intellectual property, licensing, and confidentiality provisions of the RFP or Contract, upon a request by the Texas Lottery, without requiring a bond or proof of irreparable injury as same should be presumed.
- 3.22.8 *Return of Works.* Upon the request of the Texas Lottery, but in any event upon expiration or termination of the Contract, the Successful Proposer shall surrender to the Texas Lottery all documents and things pertaining to the Works, including but not limited to drafts, memoranda, notes, records, drawings, manuals, computer software, reports, data, and all other documents or materials (and copies of same) generated or developed by the Successful Proposer or furnished by the Texas Lottery to the Successful Proposer, including all materials embodying the Works, any Texas Lottery confidential information, or Intellectual Property Rights, regardless of whether complete or incomplete. This section is intended to apply to all Works made or compiled by the Successful Proposer, as well as to all documents and things furnished to the Successful Proposer by the Texas Lottery or by anyone else that pertains to the Works.





- 3.22.9 *Successful Proposer's Name or Logo.* The Successful Proposer shall not affix its company name, label, logo, or any other similar identifying information to or on any products, equipment or any other goods provided under the Contract.

### **3.23 PRE-EXISTING AND THIRD PARTY RIGHTS**

- 3.23.1 To the extent that any pre-existing rights and/or third party rights or limitations are embodied, contained, reserved or reflected in the Works, the Successful Proposer shall either (a) grant to the Texas Lottery the irrevocable, perpetual, non-exclusive, worldwide, royalty-free right and license to (i) use, execute, reproduce, display, perform, distribute copies of, and prepare derivative works based upon such pre-existing rights and any derivative works thereof in connection with the sale, offering for sale, marketing, advertising, and promotion of the Texas Lottery's goods and services, and in all forms of media, media channels and/or publicity that may now exist or hereafter be created or developed, including but not limited to television, radio, print, Internet, and social media (e.g., Facebook, Twitter, YouTube, etc.) and (ii) authorize others to do any or all of the foregoing, or (b) where the obtaining of the aforementioned rights is not reasonably practical or feasible, provide written notice to the Texas Lottery of such pre-existing or third party rights or limitations, request the Texas Lottery's approval of such pre-existing or third party rights, obtain a limited right and license to use such pre-existing or third party rights on such terms as may be reasonably negotiated, and obtain the Texas Lottery's written approval of such pre-existing or third party rights and the limited use of same. The Successful Proposer shall provide the Texas Lottery with documentation indicating a third party's written approval for the Successful Proposer to use any pre-existing or third party rights that may be embodied, contained, reserved or reflected in the Works. The Successful Proposer shall indemnify, defend and hold the Texas Lottery harmless from and against any and all claims, demands, regulatory proceedings and/or causes of action, and all losses, damages, and costs (including attorneys' fees and settlement costs) arising from or relating to, directly or indirectly, any claim or assertion by any third party that the Works infringe any third party rights. The foregoing indemnity obligation shall not apply to instances in which the Texas Lottery either (y) exceeded the scope of the limited license that was previously obtained by the Successful Proposer and agreed to by the Texas Lottery, or (z) obtained information or materials, independent of the Successful Proposer's involvement or creation, and provided such information or materials to the Successful Proposer for inclusion in the Works, and such information or materials were included by the Successful Proposer, in an unaltered and unmodified fashion, in the Works.
- 3.23.2 The Successful Proposer agrees that it shall have and maintain, during performance of the Contract, written agreements with all employees, Subcontractors, or agents engaged by the Successful Proposer in performance hereunder, granting the Successful Proposer rights sufficient to support all performance and grants of rights by the Successful Proposer. Copies of such agreements shall be provided to the Texas Lottery promptly upon request.



### **3.24 REMEDIATION**

If the Works or the Intellectual Property Rights therein become the subject of a lawsuit or claim of infringement, or the Successful Proposer becomes aware that such items are likely to become the subject of a lawsuit or claim of infringement, the Successful Proposer shall exercise one (1) of the following two (2) options in order to provide the Texas Lottery with continued and uninterrupted use of the Works and Intellectual Property Rights therein: (a) obtain for the Texas Lottery the right to continue the use of the alleged infringing Works at no additional cost to the Texas Lottery, or (b) obtain alternative, substitute or new Works for the allegedly infringing Works, which are of equivalent or superior quality to the allegedly infringing Works, at no additional cost to the Texas Lottery, and subject to the acceptance of the Texas Lottery in its sole discretion.

### **3.25 ACCOUNTING RECORDS**

The Successful Proposer and its Subcontractors are required to maintain and retain their books, records, information and any and all other supporting fiscal documents relevant to showing any payments under the Contract were expended in accordance with the laws and regulations of the State of Texas, including, but not limited to, requirements of the CPA and the Texas State Auditor. These records shall be available to the Texas Lottery, its internal auditors or external auditors (and other designees) and the Texas State Auditor at all times during the Contract period and for a period of seven (7) full years after (i) the expiration date of the Contract, or (ii) final payment under the Contract, whichever is later.

### **3.26 RIGHT TO AUDIT**

The Successful Proposer understands that acceptance of state funds under this Contract acts as acceptance of the authority of the State Auditor's Office to conduct an audit or investigation in connection with those funds. The Successful Proposer further agrees to cooperate fully with the State Auditor's Office in the conduct of the audit or investigation, including providing all records requested. The Successful Proposer will ensure that this clause concerning the State Auditor's Office's authority to audit state funds and the requirement to cooperate fully with the State Auditor's Office is included in any subcontracts it awards. Additionally, the State Auditor's Office shall at any time have access to and the rights to examine, audit, excerpt, and transcribe any pertinent books, documents, audit documentation, and records of the Successful Proposer relating to this Contract for any purpose.

### **3.27 INDEMNIFICATION**

**3.27.1 THE SUCCESSFUL PROPOSER SHALL INDEMNIFY, DEFEND AND HOLD THE TEXAS LOTTERY, ITS COMMISSION MEMBERS, THE STATE OF TEXAS, AND ITS AGENTS, ATTORNEYS, EMPLOYEES, REPRESENTATIVES AND ASSIGNS (THE "INDEMNIFIED PARTIES") HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, CAUSES OF ACTION,**



**LIABILITIES, LAWSUITS, LOSSES, DAMAGES, COSTS, EXPENSES OR ATTORNEYS' FEES (COLLECTIVELY, "CLAIM"), AND INCLUDING ANY LIABILITY OF ANY NATURE OR KIND ARISING OUT OF A CLAIM FOR OR ON ACCOUNT OF THE WORKS, OR OTHER GOODS, SERVICES OR DELIVERABLES PROVIDED AS THE RESULT OF THE CONTRACT, WHICH MAY BE INCURRED, SUFFERED, OR REQUIRED IN WHOLE OR IN PART BY AN ACTUAL OR ALLEGED ACT OR OMISSION OF THE SUCCESSFUL PROPOSER, OR A SUBCONTRACTOR OF THE SUCCESSFUL PROPOSER, OR ANY PERSON DIRECTLY OR INDIRECTLY EMPLOYED BY THE SUCCESSFUL PROPOSER OR A SUBCONTRACTOR OF THE SUCCESSFUL PROPOSER, WHETHER THE CLAIM IS BASED ON NEGLIGENCE, STRICT LIABILITY, INTELLECTUAL PROPERTY INFRINGEMENT OR ANY OTHER CULPABLE CONDUCT, WHETHER FRIVOLOUS OR NOT. THE FOREGOING INDEMNITY OBLIGATIONS OF THE SUCCESSFUL PROPOSER SHALL NOT APPLY TO CLAIMS ARISING OUT OF OR RELATED TO THE EXCEPTIONS (Y) AND (Z) SET FORTH IN SECTION 3.23.1 ABOVE.**

- 3.27.2 THE SUCCESSFUL PROPOSER'S LIABILITY SHALL EXTEND TO AND INCLUDE ALL REASONABLE COSTS, EXPENSES AND ATTORNEYS' FEES INCURRED OR SUSTAINED BY THE INDEMNIFIED PARTIES IN: (A) MAKING ANY INVESTIGATION AND IN PROSECUTING OR DEFENDING ANY CLAIM ARISING OUT OF OR IN CONNECTION WITH THE WORKS, OR OTHER GOODS, SERVICES OR DELIVERABLES PROVIDED UNDER THE CONTRACT (INCLUDING BUT NOT LIMITED TO ANY CLAIM THAT ALL OR ANY PORTION OF THE WORKS INFRINGES THE PATENT, COPYRIGHT, TRADE SECRET, TRADEMARK, CONFIDENTIAL INFORMATION, OR OTHER INTELLECTUAL PROPERTY RIGHTS OF ANY THIRD PARTY); (B) OBTAINING OR SEEKING TO OBTAIN A RELEASE THEREFROM; OR (C) ENFORCING ANY OF THE PROVISIONS CONTAINED IN THIS RFP OR THE CONTRACT. THE TEXAS LOTTERY WILL WITHHOLD ALL INDEMNIFICATION COSTS AND RELATED EXPENSES AND FEES (INCURRED OR SUSTAINED BY THE INDEMNIFIED PARTIES) FROM PAYMENTS TO THE SUCCESSFUL PROPOSER UNDER THE CONTRACT, OR IF NO CONTRACT PAYMENTS ARE TO BE MADE, THE TEXAS LOTTERY WILL MAKE DEMAND OF PAYMENT FROM THE SUCCESSFUL PROPOSER OR SEEK RECOVERY AGAINST THE SUCCESSFUL PROPOSER'S PERFORMANCE BOND. THE INDEMNIFIED PARTIES, UPON GIVING NOTICE TO THE SUCCESSFUL PROPOSER, SHALL HAVE THE RIGHT IN GOOD FAITH TO PAY, SETTLE OR COMPROMISE, OR LITIGATE ANY CLAIM UNDER THE BELIEF THAT THE CLAIM IS WELL FOUNDED, WHETHER IT IS OR NOT, WITHOUT THE CONSENT OR APPROVAL OF THE SUCCESSFUL PROPOSER. THE TEXAS LOTTERY HAS SOLE DISCRETION AS TO THE CHOICE AND SELECTION OF ANY ATTORNEY WHO MAY REPRESENT THE TEXAS LOTTERY. TO THE EXTENT THAT THE SUCCESSFUL PROPOSER MAKES ANY PAYMENTS TO OR ON BEHALF OF**



**THE INDEMNIFIED PARTIES UNDER THE CONTRACT, AND TO THE EXTENT PERMISSIBLE BY LAW, THE SUCCESSFUL PROPOSER SHALL BE FULLY SUBROGATED TO ALL RIGHTS AND CLAIMS OF THE INDEMNIFIED PARTIES IN CONNECTION THEREWITH. IN ANY EVENT, THE INDEMNIFIED PARTIES SHALL PROVIDE REASONABLE NOTICE TO THE SUCCESSFUL PROPOSER OF ANY CLAIM KNOWN TO THE INDEMNIFIED PARTIES TO ARISE OUT OF THE CONTRACT.**

### **3.28 INSURANCE**

- 3.28.1 All required insurance must be issued by companies or financial institutions which are financially rated Excellent or better by A.M. Best Company and duly licensed, admitted, and authorized to do business in Texas by the Texas Department of Insurance.
- 3.28.2 Each insurance policy, except those for crime insurance, workers' compensation, employer's liability and professional liability, must name the Texas Lottery (and its officers, agents and employees) as an additional insured on the original policy and all renewals or replacements.
- 3.28.3 Each insurance policy except for crime insurance must include a waiver of subrogation in favor of the Texas Lottery, its officers, and employees for any and all insured losses, including bodily injury (including death) and property damage.
- 3.28.4 The insurance shall be evidenced by delivery to the Texas Lottery of certificates of insurance executed by the insurer or its authorized agency stating coverage, limits, expiration dates, and compliance with all applicable required provisions. Upon request, the Texas Lottery shall be entitled to receive, without expense, certified copies of the policies and all endorsements. Except as otherwise expressly provided herein, required coverage must remain in full force and effect throughout the term of the Contract and any extensions thereof, and provide adequate coverage for incidents discovered after termination of the Contract. Insurance coverage shall not be canceled, non-renewed or materially changed except after thirty (30) Days' notice by certified mail to the Texas Lottery.
- 3.28.5 The Successful Proposer must submit original certificates of insurance for each required insurance contract, and any renewals thereof, within fifteen (15) Days after Contract execution. Renewal certificates shall be submitted prior to or within fifteen (15) Days after expiration of the existing policy.

### **3.29 SELF INSURANCE**

The Successful Proposer may not elect to provide entirely or in part for the insurance protections described in this RFP through self-insurance. A deductible provision contained in an insurance policy that meets the requirements of this RFP is not considered as self-insurance unless the deductible amount exceeds five percent (5%) of the face amount of the insurance policy.



### **3.30 COMMERCIAL GENERAL LIABILITY INSURANCE**

The Successful Proposer must maintain general liability insurance coverage with limits of not less than one million dollars (\$1,000,000) per occurrence, two million dollars (\$2,000,000) aggregate, two million dollars (\$2,000,000) products/completed operations aggregate, one million dollars (\$1,000,000) personal and advertising injury, fifty thousand dollars (\$50,000) damage to premises rented to you, and five thousand dollars (\$5,000) medical expense each person.

### **3.31 WORKERS' COMPENSATION & EMPLOYER'S LIABILITY INSURANCE**

The Successful Proposer must maintain Workers' Compensation insurance coverage in accordance with statutory limits, and Employer's Liability insurance coverage with minimum limits for bodily injury:

- (a) \$1,000,000 per each accident;
- (b) by disease, \$1,000,000 per employee; and
- (c) by disease, policy limit \$1,000,000.

Coverage must include a waiver of subrogation in favor of the Texas Lottery Commission, its officers and employees.

### **3.32 PROFESSIONAL LIABILITY (ERRORS AND OMISSIONS) INSURANCE**

The Successful Proposer must maintain professional liability (including errors and omissions) insurance coverage including but not limited to loss due to any equipment error, machine error, system down time, communication problems or errors, and any error or omission caused by the Successful Proposer, its officers, employees, agents, or Subcontractors of the Successful Proposer regardless of negligence, with minimum limits of one million dollars (\$1,000,000) per occurrence, to be in full force and effect during the term of the Contract, including any extension thereof and one year thereafter. Coverage must indemnify the Texas Lottery for direct loss due to errors and omissions caused by the Successful Proposer, its officers, employees, agents, or Subcontractors of the Successful Proposer regardless of negligence.

### **3.33 PROPERTY INSURANCE**

The Successful Proposer must maintain All Risk insurance on all furniture, fixtures, computer and communications equipment used in operating and supporting the Successful Proposer's operation in an amount equal to or greater than the actual replacement cost thereof. Coverage must include coverage against fire, theft, collision, flood, etc. The Texas Lottery will not be responsible for insuring any equipment or facilities included in or associated with the Successful Proposer's operations.



### **3.34 CRIME INSURANCE**

The Successful Proposer must maintain crime insurance with a limit of not less than one million dollars (\$1,000,000) protecting the Texas Lottery against loss of property (including money, securities and Texas Lottery tickets) by robbery, burglary, or theft, or the loss of money, securities or Texas Lottery tickets because of destruction or disappearance or employee dishonesty. This policy shall cover loss of property to the Texas Lottery due to any fraudulent or dishonest act on the part of the officers and/or employees of the Successful Proposer and (through insurance carried by Subcontractors) officers and/or employees of any Subcontractors. Policy(ies) must be endorsed to include third party property.

### **3.35 BUSINESS AUTOMOBILE INSURANCE**

The Successful Proposer must maintain Business Automobile Insurance covering owned, hired, and non-owned vehicles, with a minimum combined single limit to include bodily injury (including death) and property damage of one million dollars (\$1,000,000) per occurrence.

### **3.36 PERFORMANCE BOND**

- 3.36.1 The Successful Proposer shall provide an original performance bond (as shown in Attachment F attached hereto and incorporated for all purposes) in the amount of three hundred thousand dollars (\$300,000) within fifteen (15) Days of execution of the Contract. Failure to have and keep a bond in place shall constitute a breach of the Contract.
- 3.36.2 All required bonds must be issued by companies or financial institutions which are financially rated Excellent or better by A.M. Best Company and duly licensed, admitted, and authorized to do business in Texas by the Texas Department of Insurance. The Texas Lottery shall be named as the obligee in each required bond.
- 3.36.3 The bond must be maintained in full force and effect for the initial term and any renewal term of the Contract. The bond shall be forfeited to the Texas Lottery if the Successful Proposer fails to perform as required by the Contract, pay sanctions or liquidated damages, or indemnify the Texas Lottery. Any alterations to the bond language as shown in Attachment F must be approved in advance by the Texas Lottery.

### **3.37 DISCLOSURE OF LITIGATION**

- 3.37.1 The Proposer must include in its Proposal a complete disclosure of any material civil or criminal litigation or indictment either threatened or pending involving the Proposer. "Threatened litigation" as used herein shall include governmental investigations and civil investigative demands. "Litigation" as used herein shall include administrative enforcement actions brought by governmental agencies. The Proposer must also disclose any material litigation threatened or pending involving Subcontractors, consultants, and/or lobbyists. For purposes of this section, "material" refers, but is not limited, to any action





or pending action that a reasonable person knowledgeable in the gaming industry would consider relevant to any gaming operation or any development such a person would want to be aware of in order to stay fully apprised of the total mix of information relevant to the gaming industry and its operations, together with any litigation threatened or pending that may result in a substantial change in the Proposer's financial condition, as described in Section 4.6.

- 3.37.2 The Successful Proposer shall be required to file with the Texas Lottery comprehensive monthly reports regarding all threatened or pending litigation involving the Successful Proposer's Texas operations and all threatened or pending litigation that may be considered material to the overall operations of the Successful Proposer.

### **3.38 CHANGES IN OWNERSHIP**

During the term of the Contract or any extension or renewal thereof, the Successful Proposer shall notify the Texas Lottery in writing of any substantial change in the ownership or control of the Successful Proposer as soon as possible, but no later than fifteen (15) Days after its occurrence.

### **3.39 FORCE MAJEURE / DELAY OF PERFORMANCE**

- 3.39.1 Except as otherwise provided, neither the Successful Proposer nor the Texas Lottery shall be liable to the other for any delay in, or failure of performance of, any covenant contained herein caused by force majeure. The existence of such causes of delay or failure shall extend the period of performance in the exercise of reasonable diligence until after the causes of delay or failure have been removed. For purposes of this RFP and the Contract, "force majeure" is defined as "an act of God or any other cause of like kind not reasonably within a party's control and which, by the exercise of due diligence of such party, could not have been prevented or is unable to be overcome." The Successful Proposer must inform the Texas Lottery in writing within three (3) Days of the existence of any such force majeure or otherwise waives this right as a defense.
- 3.39.2 The Successful Proposer shall immediately upon discovery notify the Executive Director in writing of any delays in performance regardless of responsibility, fault or negligence. If the Successful Proposer contends that the delay is the responsibility, fault or negligence of Texas Lottery staff, the Successful Proposer must provide written notice within three (3) Days of the discovery, and to the extent possible, identify the event or individual responsible so that the Executive Director may take appropriate action to remedy the situation. Failure to provide such notice to the Executive Director as required in this section shall constitute a waiver of the Successful Proposer's right to assert the Texas Lottery's action/inaction as a defense.

### **3.40 TAXES, FEES AND ASSESSMENTS**

- 3.40.1 The Texas Lottery shall have no responsibility whatsoever for the payment of any federal, state or local taxes which become payable by the Successful Proposer or its Subcontractors,



or their agents, officers or employees. The Successful Proposer shall pay and discharge when due all such taxes, license fees, levies, and other obligations or charges of every nature.

- 3.40.2 The Successful Proposer shall be responsible for payment of all taxes attributable to the Contract and any and all such taxes shall be identified under the Successful Proposer's federal tax identification number. The Successful Proposer shall pay all federal, state and local taxes of any kind, including without limitation income, franchise, ad valorem personal property, sales, use, lease, payroll, consumption, distribution and storage taxes, for the goods, services and systems relating thereto provided by the Successful Proposer, whether or not such taxes are in effect as of the date the Contract is signed or scheduled to go into effect, or become effective during the initial Contract term and any and all renewal terms, if any.

### **3.41 MEDIA RELEASES**

The Successful Proposer shall not issue any media releases or publish information to the public, including on social media platforms, pertaining to this procurement process or the performance of the Contract without prior written approval of the Texas Lottery. For any required disclosure or any public release of information of any kind, including a non-required disclosure, that is under a deadline imposed by any statutory or regulatory authority, the Successful Proposer shall seek approval from the Texas Lottery no less than two (2) Working Days prior to the deadline for the release of the information. In any case in which a deadline for the release of information exists, approval of the release by the Texas Lottery shall neither be construed as an endorsement of the release, as assent to the content of the release, as an indication of the accuracy of the information in the release, nor as any admission of any kind regarding any subject covered in the release.

### **3.42 ADVERTISING**

The Successful Proposer agrees not to use the Texas Lottery's name, logos, images, nor any data or results arising from this procurement process or the Contract as a part of any commercial advertising, or to promote the Successful Proposer in another jurisdiction's procurement process, without prior written approval by the Texas Lottery.

### **3.43 HIRING OF TEXAS LOTTERY PERSONNEL**

- 3.43.1 At all times following issuance of this RFP and ending with either the award of a Contract or the rejection of all Proposals, prospective Proposers are prohibited from officially or unofficially making any employment offer or proposing any business arrangement whatsoever to any Texas Lottery employee involved in the evaluation of Proposals, the Contract Award, or contract negotiations. A prospective Proposer making such an offer or proposition may be disqualified from further consideration.
- 3.43.2 At all times following the issuance of this RFP and ending with either the award of a Contract or the rejection of all Proposals, Proposers shall not engage the services of any





State of Texas employee while such person remains employed by the State without the written consent of the Texas Lottery. During the term of the Contract, the Successful Proposer shall not engage the services of any State of Texas employee while such person remains employed by the State without the written consent of the Lottery.

- 3.43.3 Pursuant to Section 572.069 of the TEX. GOV'T CODE ANN., the Successful Proposer certifies that it has not employed and will not employ a former state officer or employee of the Texas Lottery who participated in a procurement or contract negotiation for the Texas Lottery involving the Successful Proposer before the second anniversary of the date the contract was signed or the procurement was terminated or withdrawn.

### **3.44 HIRING OF LOBBYIST, CONSULTANT AND/OR ADVISOR; SUPPLEMENTAL INFORMATION**

The Proposer shall list the names, addresses and telephone numbers for all lobbyists, consultants, and/or advisors who will perform services related to the Proposer's operations or interests in the State of Texas, pursuant to previously executed contracts, or during the three (3) years prior to the issuance of the RFP, who have performed services related to the Proposer's operations or interests in the State of Texas for the Proposer or any Subcontractors of the Proposer. The Proposer shall immediately notify the Texas Lottery in the event of change of lobbyist, consultant, or advisor information.

### **3.45 NOTICES**

The Proposer shall indicate in its Proposal the name and address of the person to whom any notices shall be given. Notices to the Texas Lottery shall be made by personal delivery or by certified (or registered) mail return receipt requested to the Texas Lottery at the address below unless the Proposer is notified in writing by the Texas Lottery of any change:

Texas Lottery Commission  
Attention: Contracts Management and Procurement  
P.O. Box 16630  
Austin, Texas 78761-6630  
Fax (512) 344-5058  
Contracts@lottery.state.tx.us

### **3.46 NON-DISCLOSURE**

The Successful Proposer shall maintain as confidential, and shall not disclose to third parties without the Texas Lottery's prior written consent, any Texas Lottery information including but not limited to the Texas Lottery's business activities, practices, systems, conditions, products, services, public information and education plans and related materials, and game and marketing plans.



### 3.47 USUFRUCT

If, for any reason other than breach of contract by the Texas Lottery, the Successful Proposer should lose its ability to service the Contract, the Texas Lottery shall acquire a usufruct in all contractual items owned by the Successful Proposer in conjunction with the Contract and which are necessary to provide such services. Said usufruct shall be limited to the right of the Texas Lottery to possess and make use of such contractual items solely for the use and benefit of the Texas Lottery in operating, maintaining, altering, replacing and improving the programs and systems being used by the Texas Lottery under the Contract. Such usufruct shall be limited in time to the duration of the Contract and any extension thereof, and in scope for programs, systems, and other items being used by the Texas Lottery under the Contract.

### 3.48 TICKET PURCHASE

- 3.48.1 In accordance with TEX. GOV'T CODE ANN. § 466.254 (Purchase of Ticket by or Payment of Prize to Certain Persons), no member, officer or employee of the Successful Proposer directly involved in selling or leasing the goods or performing the services that are the subject of the Contract shall purchase a Texas Lottery ticket or be paid a prize in any Texas Lottery game. No spouse, child, brother, sister, or parent of such member, officer or employee who resides in the same household in the principal place of residence of such member, officer or employee (collectively, "Family Members"), shall purchase a Texas Lottery ticket or be paid a prize in any Texas Lottery game. The Successful Proposer shall ensure that these statutory prohibitions are made known to each member, officer and employee of the Successful Proposer, prior to that person becoming involved in selling or leasing the goods or performing the services that are the subject of the Contract. The Successful Proposer shall require its members, officers and employees to make the statutory prohibition known to Family Members. The Successful Proposer shall promptly notify the Texas Lottery of any violation of TEX. GOV'T CODE ANN. § 466.254.
- 3.48.2 TLC considers "directly involved" to mean, by way of illustration only, responsible for and/or actively participating in (1) Contract negotiations (including Contract signatories); (2) Contract administration (e.g., regular or direct contact with TLC staff); or (3) Contract performance (including assigned project/team leaders and members and anyone else who oversees or performs the work or provides the services). Again, by way of illustration, support staff (such as clerical, accounting or delivery employees) are not considered to be "directly involved" unless they also serve in the roles listed above for "directly involved" employees.

### 3.49 LIQUIDATED DAMAGES

3.49.1 **General.** It is agreed by the Texas Lottery and the Successful Proposer that:

- (1) If the Successful Proposer does not provide or perform the requirements referred to or listed in this RFP or fulfill the obligations of the Contract, damage to the Texas Lottery will result;



- (2) establishing the precise measure of damages in the event of default by the Successful Proposer may be (i) costly, (ii) time consuming, or (iii) difficult or impossible to calculate;
- (3) the liquidated damage assessments contained herein represent a good faith effort to quantify the damages that could reasonably be anticipated at the time of execution of the Contract;
- (4) the damages set forth herein are just and reasonable;
- (5) nothing contained in this section shall be construed as relieving the Successful Proposer from performing all Contract requirements whether or not said requirements are set forth herein; and
- (6) the Texas Lottery may, therefore, in its sole discretion, deduct damages from the compensation otherwise due to the Successful Proposer. All assessments of damages shall be within the sole discretion of the Texas Lottery.

3.49.2 ***Liquidated Damages Assessment.*** Once the Texas Lottery has determined that liquidated damages are to be assessed, the Executive Director or Executive Director's designee shall notify the Successful Proposer of the assessment(s). Failure to notify does not impact the Texas Lottery's assessment of damage and is not a condition precedent thereto. The Texas Lottery will withhold liquidated damages from payments to the Successful Proposer, or, if no payments have been made, the Texas Lottery will make demand of payment of liquidated damages. The Successful Proposer must make payment within thirty (30) Days of the Texas Lottery's demand. In the event the Successful Proposer fails to pay within the thirty (30) day period, the Texas Lottery may then make a claim for payment against the performance bond, with or without notice to the Successful Proposer.

3.49.3 ***Failure to Assess Liquidated Damages.*** The failure of the Texas Lottery to assess liquidated damages in any instance where the Texas Lottery is entitled to liquidated damages pursuant to the terms of this RFP shall not constitute waiver in any fashion of the Texas Lottery's rights to assessment of liquidated damages.

3.49.4 ***Severability of Individual Liquidated Damages Clauses.*** If any portion of this liquidated damages provision is determined to be unenforceable, the other portions of this provision shall remain in full force and effect.

3.49.5 ***Failure to Permit Examination, Produce Requested/Required Records or Information, or Provide an Answer.*** Unless otherwise specified in this RFP or the Contract, the Successful Proposer must permit an examination, produce requested records or information, or provide an answer in response to a Texas Lottery inquiry within five (5) Working Days. Failure to respond before the deadline may result in the assessment of liquidated damages in the amount of one hundred dollars (\$100) per day for each day the examination is not permitted, the information or records are not produced or the answer is not provided.

3.49.6 ***Inaccurate or Incomplete Reports.*** The failure of the Successful Proposer to provide the Texas Lottery with accurate or complete reports and data may result in the Successful Proposer being assessed liquidated damages in the amount of two thousand five hundred



dollars (\$2,500) per incident of reports with inaccurate data and one hundred dollars (\$100) per incident for incomplete reports.

- 3.49.7 ***Late Delivery of Monthly Report.*** For each calendar day, the Successful Proposer is late in submitting any required report or work schedule as specified by this RFP or the Contract, the Texas Lottery may impose liquidated damages of one hundred dollars (\$100) per day for each day the report or work schedule is late.
- 3.49.8 ***Attendance.*** For failing to have an auditor present at the draw site during lottery drawings from the scheduled arrival time as specified by this RFP or the Contract, the Texas Lottery may impose liquidated damages equal to: (i) one-fourth of the draw block rate for each five (5) minutes that an auditor or back-up auditor is late arriving at the draw site; (ii) the full draw block rate for an occurrence resulting in delay of the start of the pre-draw or draw activity; or (iii) three times the billable cost of the drawing night if the drawing is delayed beyond the scheduled air time.
- 3.49.9 ***Failure of the Lead Auditor or other Firm Representative to Contact the Texas Lottery.*** For failure of the Successful Proposer's lead auditor, Drawings Audit staff supervisor or other auditor assigned to the drawings to respond to the Lottery as specified by RFP section 6.4, the Texas Lottery may impose liquidated damages of two hundred dollars (\$200) for each hour the lead auditor, Drawings Audit staff supervisor or other auditor assigned to the drawings fails to contact the Lottery.

### 3.50 SANCTIONS AND REMEDIES SCHEDULE

- 3.50.1 ***General.*** Section 2261.101 of the TEX. GOV'T CODE requires that all state contracts contain a remedies schedule, a graduated sanctions schedule, or both. Pursuant to that statutory provision, sanctions and remedies will apply for the incidents specified in this section. The sanctions and remedies will be referred to as "sanctions."
- 3.50.2 ***Assessment of Sanctions.*** Once the Texas Lottery has determined that sanctions are to be assessed, the Executive Director or Executive Director's designee may notify the Successful Proposer of the assessment(s). Failure to notify does not impact the Texas Lottery's assessment of sanctions and is not a condition precedent thereto. The Texas Lottery will withhold sanctions from payments to the Successful Proposer, or, if no payments are to be made, the Texas Lottery will make demand of payment of sanctions. The Successful Proposer must make payment within thirty (30) Days of the Texas Lottery's demand. In the event the Successful Proposer fails to pay within the thirty (30) day period, the Texas Lottery may make a claim for payment against the performance bond, with or without notice to the Successful Proposer.
- 3.50.3 ***Failure to Assess Sanctions.*** The failure of the Texas Lottery to assess sanctions in any instance where the Texas Lottery is entitled to sanctions pursuant to the terms of this RFP shall not constitute waiver in any fashion of the Texas Lottery's rights to assess sanctions.
- 3.50.4 ***Severability of Individual Sanctions Clause.*** If any portion of this sanctions provision is determined to be unenforceable, the other portions of this provision shall remain in full force and effect.



- 3.50.5 ***Failure to Cooperate with and/or Produce Records or Information as part of Background Investigation.*** The failure of the Successful Proposer to cooperate with and/or produce records or information as part of a background investigation conducted pursuant to section 4.7 of this RFP may result in the Successful Proposer being assessed sanctions in the amount of one hundred dollars (\$100) per Day for each Day the records/information are not produced or answers are not provided.
- 3.50.6 ***Failure to Disclose Litigation.*** The failure of the Successful Proposer to disclose litigation as required by section 3.37 of this RFP may result in the Successful Proposer being assessed sanctions in the amount of one hundred dollars (\$100) per incident.
- 3.50.7 ***Failure to Obtain Prior Written Approval before Issuing Media Release.*** The failure of the Successful Proposer to comply with RFP section 3.41 regarding the issuance of news releases may result in the Successful Proposer being assessed sanctions in the amount of one thousand dollars (\$1,000) per incident.
- 3.50.8 ***Purchase of Texas Lottery Tickets.*** The failure of the Successful Proposer to comply with the requirements of RFP section 3.48 regarding the purchase of Texas Lottery tickets may result in the Successful Proposer being assessed sanctions in the amount of five thousand dollars (\$5,000) per incident.
- 3.50.9 ***Failure to Report Significant Incidents and Anomalies and/or to Comply with the RFP Code of Conduct Requirements.*** The failure of the Successful Proposer to report all significant incidents and anomalies to the Texas Lottery as required by section 3.62 of this RFP may result in the Successful Proposer being assessed sanctions in the amount of two hundred dollars (\$200) per Day for each Day not reported. The failure of the Successful Proposer to comply with the code of conduct requirements in section 3.60 of this RFP may result in the Successful Proposer being assessed sanctions in the amount of five hundred dollars (\$500) per incident.
- 3.50.10 ***Failure to Notify the Texas Lottery of a Change in Financial Condition or Change of Ownership or Control.*** The failure of the Successful Proposer to notify the Texas Lottery of a change in financial condition or change of ownership or control as required by RFP sections 4.6 and 3.38 may result in the Successful Proposer being assessed sanctions in the amount of one hundred dollars (\$100) per incident.
- 3.50.11 ***Failure to Notify the Texas Lottery of Changes in Lobbyist Information.*** The failure of the Successful Proposer to inform the Texas Lottery of any change of lobbyist information as required by RFP section 3.44 may result in the Successful Proposer being assessed sanctions in the amount of one thousand dollars (\$1,000) per Day for each Day that the filing is not provided.
- 3.50.12 ***Unauthorized Disclosure.*** The failure of the Successful Proposer to comply with the non-disclosure requirement in section 3.46 of this RFP may result in the Successful Proposer being assessed sanctions in the amount of five thousand dollars (\$5,000) per incident.
- 3.50.13 ***Failure to Provide Written Notification of Staffing Changes Timely.*** The failure of the Successful Proposer to provide written notification of staffing changes as required by RFP



section 3.11 may result in the Successful Proposer being assessed sanctions in the amount of one hundred dollars (\$100) per Day for each Day the written notification is not received.

- 3.50.14 Failure to Permit an Examination, Produce Requested Records/Information or Reports, or Provide an Answer Timely.** Notwithstanding anything herein to the contrary and except as otherwise provided above, the failure of the Successful Proposer to permit an examination, produce requested records/information or reports, or provide an answer timely, as required by this RFP, may result in the Successful Proposer being assessed sanctions in the amount of one hundred dollars (\$100) per day for each day the examination is not permitted, the records/information or reports are not produced, or the answer is not provided.

### 3.51 DISPUTE RESOLUTION

The dispute resolution process provided for in TEX. GOV'T CODE ANN., ch. 2260, and 16 TAC Ch. 403 must be used by the Successful Proposer to attempt to resolve any disputes brought by the Successful Proposer arising under this Contract.

### 3.52 CERTIFICATIONS

- 3.52.1** Pursuant to TEX. GOV'T CODE ANN. § 466.103, the Executive Director may not award a contract for the purchase or lease of facilities, goods or services related to lottery operations to a person who would be denied a license as a sales agent under TEX. GOV'T CODE ANN. § 466.155. All Proposers must read and be familiar with TEX. GOV'T CODE ANN. § 466.155, attached hereto as Attachment D. All Proposals shall include a completed Background Information Certification Form, attached hereto as Attachment D-1, which certifies that the Proposer has reviewed TEX. GOV'T CODE ANN. § 466.155 and neither the Proposer nor any of the following persons would be denied a license as a sales agent pursuant to said section: (a) Proposer's officers, directors, investors, owners, partners and other principals, as more particularly described in TEX. GOV'T CODE ANN. § 466.155 (collectively, Proposer Principals); or (b) any spouse, child, brother, sister or parent residing as a member of the same household in the principal place of residence of the Proposer or any of the Proposer Principals.
- 3.52.2** Under Section 231.006 of the TEX. FAM. CODE ANN., the Proposer certifies that the individual or business entity named in the Proposal or Contract is not ineligible to receive the specified grant, loan or payment and acknowledges that the Contract may be terminated and payment may be withheld if this certification is inaccurate. Furthermore, any Proposer subject to Section 231.006 must include names and social security numbers of each person with at least 25% ownership of the business entity submitting the Proposal. This information must be provided prior to Contract Award.
- 3.52.3** Under § 2261.053 of the TEX. GOV'T CODE ANN., a state agency may not accept a bid or award a contract that includes proposed financial participation by a person who, during the five-year period preceding the date of the bid or award, has been: (1) convicted of violating a federal law in connection with a contract awarded by the federal government for relief,



recovery, or reconstruction efforts as a result of Hurricane Rita, as defined by Section 39.459, Utilities Code, Hurricane Katrina, or any other disaster occurring after September 24, 2005; or (2) assessed a penalty in a federal civil or administrative enforcement action in connection with a contract awarded by the federal government for relief, recovery, or reconstruction efforts as a result of Hurricane Rita, as defined by Section 39.459, Utilities Code, Hurricane Katrina, or any other disaster occurring after September 24, 2005. In submitting a Proposal under this RFP, the Proposer certifies as follows: "Under Section 2261.053 of the Texas Government Code, the contractor certifies that the individual or business entity named in this bid or contract is not ineligible to receive the specified contract and acknowledges that this contract may be terminated and payment withheld if this certification is inaccurate."

- 3.52.4 The Proposer certifies that: (a) the Proposer has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the submitted Proposal; and (b) neither the Proposer nor the firm, corporation, partnership, or institution represented by the Proposer, nor anyone acting for such firm, corporation, partnership, or institution has violated the antitrust laws of the State of Texas (TEX. BUS. & COMM. CODE ANN. Sec. 15.01, et seq.), or the antitrust laws of the United States (15 U.S.C.A. Section 1, et seq.), nor communicated directly or indirectly the submitted Proposal to any competitor or any other person engaged in such line of business.
- 3.52.5 The Proposer certifies that it is in compliance with TEX. GOV'T CODE ANN., Title 6, Subtitle B, Section 669.003, relating to contracting with the executive head of a state agency. If Section 669.003 applies, the Proposer will complete the following information in order for the Proposal to be evaluated:
- Name of Former Executive
  - Name of State Agency
  - Date of Separation from State Agency
  - Position with Proposer
  - Date of Employment with Proposer
- 3.52.6 By signing this Proposal, the Proposer certifies that if a Texas address is shown as the address of the Proposer, the Proposer qualifies as a Texas Resident Bidder as defined in TEX. GOV. CODE ANN. §2252.001.
- 3.52.7 The Texas Lottery is federally mandated to adhere to the directions provided in the President's Executive Order (EO) 13224, Executive Order on Terrorist Financing – Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism, effective 9/24/2001 and any subsequent changes made to it via cross-referencing respondents/vendors with the Federal Government's System for Award Management (SAM, <https://www.sam.gov/>), which is inclusive of the United States Treasury's Office of Foreign Assets Control (OFAC) Specially Designated National (SDN) list.





- 3.52.8 Pursuant to Section 2155.004 of the TEX. GOV'T CODE ANN., the Proposer has not received compensation from the Texas Lottery for participating in the preparation of the specifications for this RFP and certifies as follows: "Under Section 2155.004, Government Code, the vendor certifies that the individual or business entity named in this bid or contract is not ineligible to receive the specified contract and acknowledges that this contract may be terminated and payment withheld if this certification is inaccurate."
- 3.52.9 Pursuant to Section 2252.907 of the TEX. GOV'T CODE ANN., the Successful Proposer is required to make any information created or exchanged with the State pursuant to this Contract, and not otherwise excepted from disclosure under the Texas Public Information Act, available in a format that is accessible by the public at no additional charge to the State.
- 3.52.10 Pursuant to Section 2270.002 of the TEX. GOV'T CODE ANN., the Executive Director may not award a contract for goods or services unless the contract contains a written verification from the Proposer/Bidder that it: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the contract. By signing and submitting a Proposal, the Proposer certifies that it does not boycott Israel and will not boycott Israel during the term of the Contract.
- 3.52.11 Under § 2252.152 of the TEX. GOV'T CODE ANN., a state agency may not award a contract to a company engaged in business with Iran, Sudan, or known to have contracts with or provide supplies or services to a foreign terrorist organization. The Proposer certifies it is not ineligible to receive a state contract under § 2252.152.

### **3.53 PREFERENCES**

Any bidder or Proposer entitled to a preference(s) under Texas law shall claim the preference(s) in its Proposal.

### **3.54 DECEPTIVE TRADE PRACTICES; UNFAIR BUSINESS PRACTICES**

The Successful Proposer represents and warrants that it has not been the subject of allegations of Deceptive Trade Practices violations under TEX. BUS. & COM. CODE ANN., Chapter 17, or allegations of any unfair business practice in any administrative hearing or lawsuit and that the Successful Proposer has not been found to be liable for such practices in such proceedings. The Successful Proposer certifies that it has no officers who have served as officers of other entities that have been the subject of allegations of Deceptive Trade Practices violations or allegations of any unfair business practices in an administrative hearing or lawsuit and that such officers have not been found to be liable for such practices in such proceedings.

### **3.55 IMMIGRATION**

The Successful Proposer represents and warrants that it shall comply with the requirements of the Immigration Reform and Control Act of 1986, the Immigration Act of 1990 and the Illegal Immigrant Reform and Immigrant Responsibility Act of 1996 regarding employment of any individual who will perform labor or services under the Contract.





### **3.56 ELECTRONIC AND INFORMATION RESOURCES ACCESSIBILITY STANDARDS, AS REQUIRED BY 1 TAC CHAPTERS 206 AND 213 (APPLICABLE TO STATE AGENCY AND INSTITUTION OF HIGHER EDUCATION PURCHASES ONLY).**

- 3.56.1 Effective September 1, 2006, state agencies and institutions of higher education shall procure products which comply with the State of Texas Accessibility requirements for Electronic and Information Resources specified in 1 TAC Chapters 206 and 213 when such products are available in the commercial marketplace or when such products are developed in response to a procurement solicitation.
- 3.56.2 Upon request, but not later than thirty (30) calendar days after request, the Successful Proposer shall provide TLC with a completed Voluntary Product Accessibility Template (VPAT) of the specified product or a URL to the VPAT for reviewing compliance with the State Accessibility requirements (based on the federal standards established under Section 508 of the Rehabilitation Act).

### **3.57 FALSE STATEMENTS; BREACH OF REPRESENTATIONS**

By submitting a Proposal, the Proposer makes all the representations, warranties, guarantees, certifications and affirmations included in its Proposal. If a Proposer signed its Proposal with a false statement or is selected as the Apparent Successful Proposer and signs the Contract with a false statement, or it is subsequently determined that the Proposer has violated any of the representations, warranties, guarantees, certifications or affirmations included in the RFP or the Contract, the Proposer shall be in default and if the determination is made before Contract Award, the Texas Lottery may reject the Proposal or if the determination is made after Contract Award, the Texas Lottery may terminate the Contract for cause and pursue all other remedies available to the Texas Lottery under the RFP, the Contract and applicable law.

### **3.58 LIMITATION ON AUTHORITY; NO OTHER OBLIGATIONS**

The Successful Proposer shall have no authority to act for or on behalf of the Texas Lottery or the State of Texas except as expressly provided for in this RFP or the Contract. The Successful Proposer is not authorized to sign any contract or subcontracts as the Texas Lottery's agent; any such contract or subcontract is invalid and cannot be enforced against the Texas Lottery. The Successful Proposer may not incur any debts, obligations, expenses or liabilities of any kind on behalf of the State of Texas or the Texas Lottery.

### **3.59 PROPOSER ASSIGNMENT**

The Successful Proposer hereby assigns to the Texas Lottery any and all claims for overcharges associated with the Contract arising under the antitrust laws of the United States, 15 U.S.C.A. Section 1, et seq., and the antitrust laws of the State of Texas, TEX. BUS. & COMM. CODE ANN. Sec. 15.01, et seq.



### **3.60 CODE OF CONDUCT**

The Texas Lottery is an extremely sensitive enterprise because its success depends on maintaining the public trust by protecting and ensuring the security of lottery products. The Texas Lottery incorporates the highest standards of security and integrity in the management and sale of entertaining lottery products, and lottery vendors are held to the same standards. Therefore, it is essential that operation of the Texas Lottery, and the operation of other enterprises which would be linked to it in the public mind, avoid not only impropriety, but also the appearance of impropriety. Because of this, the Successful Proposer shall:

- (a) Offer goods and services only of the highest quality and standards.
- (b) Use its best efforts to prevent the industry from becoming embroiled in unfavorable publicity.
- (c) Make presentations in a responsible manner and when it is felt necessary to point out the superiority of its goods or services over those of its competitors, do so in such a manner as to avoid unfavorable publicity for the industry.
- (d) Avoid activities, operations, and practices that could be interpreted as improper and cause embarrassment to the Texas Lottery and/or to the industry.
- (e) Report security problems or potential security problems with any services provided pursuant to this RFP immediately and only to the Texas Lottery.
- (f) Otherwise comply with the State Lottery Act (TEX. GOV'T CODE ANN., Ch. 466) and Texas Lottery rules, procedures and policies.
- (g) Provide best practices related to security and integrity standards within the industry.

### **3.61 CONTACT WITH TEXAS LOTTERY COMMISSION**

3.61.1 Employees, Subcontractors and agents of all prospective Proposers and employees, Subcontractors and agents of the Successful Proposer may not offer or give a gift to a Texas Lottery employee. For purposes of this section, "gift" has the meaning as defined in TEX. GOV'T CODE ANN. § 467.001(4) and as may be subsequently changed or amended by acts of the Texas Legislature.

3.61.2 Employees, Subcontractors and agents of all prospective Proposers and employees, Subcontractors and agents of the Successful Proposer should not engage in nonprofessional socialization (socialization outside of a work context) with a Texas Lottery employee. There may be circumstances, however, in which nonprofessional socialization is acceptable, for example, because of family relationships, common acquaintances, or common outside activities. The restrictions on nonprofessional socialization are not meant to apply to unplanned, incidental social contact. In such circumstances, employees, Subcontractors and agents of all prospective Proposers and employees, Subcontractors and agents of the Successful Proposer should not discuss Texas Lottery business with any Texas Lottery employee.

3.61.3 Professional socialization at activities such as industry trade conferences and site visits is permitted.



### **3.62 INCIDENTS AND ANOMALIES**

The Successful Proposer shall report immediately all significant incidents and anomalies to the Texas Lottery, followed by a written report to be submitted within one workday of the incident or anomaly. At a minimum, incident and anomaly reporting shall include a description of the incident, its cause, and corrective action taken. For purposes of this section, "significant" incidents include, by way of illustration only, any occurrence that affects the Texas Lottery, lottery retailers, or players, and deviation from established procedures and those items where sanctions or liquidated damages are applicable.

### **3.63 U.S. DEPARTMENT OF HOMELAND SECURITY'S E-VERIFY SYSTEM**

By entering into this Contract, the Successful Proposer certifies and ensures that it utilizes and will continue to utilize, for the term of this Contract, the U.S. Department of Homeland Security's E-Verify system to determine the eligibility of:

1. All persons employed to perform duties within Texas, during the term of the Contract; and
2. All persons (including subcontractors) assigned by the Successful Proposer to perform work pursuant to the Contract, within the United States of America.

### **3.64 NON-EXCLUSIVE CONTRACT**

The Texas Lottery intends to enter into a non-exclusive contract with the Successful Proposer to provide the services described in this RFP and expressly reserves the right to engage other vendor(s) to perform similar services and/or to conduct such services itself.

### **3.65 SURVIVAL**

Provisions of this RFP which of their nature and effect are necessary to enable the Lottery to function normally and to meet all of its obligations shall survive any termination of the Contract. These provisions include, but are not limited to, all of the warranties and representations and any provision that by its terms provides for applicability beyond the end of any Contract period.



## 4 REQUIRED INFORMATION

### 4.1 EXPERIENCE OF PROPOSER

- 4.1.1 Each Proposer should state why it believes it has the experience to provide the goods and services required under this RFP. Each Proposer must also indicate why it believes the proposed goods and services best meet the objectives of the Texas Lottery. Proposers auditors must be certified public accountants (CPA's) and maintain in good standing, an active license issued by the Texas State Board of Public Accountancy. Proposers must provide evidence of licensure with submission of proposal.
- 4.1.2 Each Proposer must indicate the number of years' experience the Proposer has in providing similar services.
- 4.1.3 Each Proposer shall provide descriptions for all engagements of comparable complexity and sensitivity to the requirements of this RFP that have been conducted within the past five (5) years. The descriptions shall be detailed and cover the contracts the Proposer and any subcontractors have had and all experience similar to this Contract, including but not limited to:
  - (a) Size of contract (including value).
  - (b) Reason for contract termination/expiration, if contract is no longer in effect.
  - (c) Types of services directly provided by the Proposer and whether the Proposer was the contractor or subcontractor.
  - (d) Term and type of contract, including effective dates.
  - (e) Any problems encountered.
- 4.1.4 The Proposer shall state whether or not any of the following have occurred during the last five (5) years:
  - (a) The Proposer has had a contract terminated, and if so, shall provide full details, including the other party's name, address and telephone number.
  - (b) The Proposer has been assessed any penalties or liquidated damages under any existing or past contracts and if so, note the reason for and the amount of the penalty or liquidated damages for each incident.
  - (c) The Proposer was the subject of (i) any disciplinary action for substandard work and unethical practices or (ii) any order, judgment or decree of any federal or state authority barring, suspending or otherwise limiting the right of the Proposer to engage in any business, practice or activity.
  - (d) The Proposer has been involved in any litigation related to contract performance.



## **4.2 EXPERIENCE OF PERSONNEL**

- 4.2.1 Proposers must provide a list of personnel to be assigned to the Texas Lottery project and include resumes for all project personnel, including name, title and job description.
- 4.2.2 Lists and resumes provided by Proposers must include, at a minimum, information regarding length of time spent doing present duties or related duties, a description of duties, projects accomplished, including scope and name of customer's company, and relevant continuing professional education. If duties were performed for an employer other than the Proposer, the Proposal must indicate that employer's name.

## **4.3 PROPOSER REFERENCES**

A minimum of five (5) verifiable references must be provided that include contact person, name of company, phone and e-mail address. Proposers' references shall include references for which the Proposer has provided similar services as described in Part 7 of this RFP within the last five (5) years. The Texas Lottery reserves the right to verify all information in the Proposal submitted by the Proposer and seek other information it deems necessary to conduct a thorough review.

## **4.4 CONTACT PERSON**

- 4.4.1 Each Proposer shall provide the name, address, telephone number, and email address of a person to contact concerning questions regarding its Proposal.
- 4.4.2 Each Proposer shall provide the name, address, telephone number, and email address of a person to contact (if different than the person identified in section 4.4.1) concerning the Contract.

## **4.5 CONFLICT OF INTEREST**

- 4.5.1 The Proposer must disclose any actual, potential or perceived conflict of interest relative to the performance of the requirements of this RFP. The Proposer must disclose any personal or business relationship of (a) itself; (b) any of its principals, officers, directors, investors, owners, partners, and employees (collectively, Proposer Personnel); (c) any spouse, child, brother, sister, or parent residing as a member of the same household in the principal place of residence of any Proposer Personnel; (d) any affiliate; or (e) any Subcontractor with (1) any employee or representative of the Texas Lottery (including the Texas Lottery Executive Director and its commissioners) or (2) the Lottery's vendors with contracts over \$100,000. The list for all Texas Lottery contracts over \$100,000, including major and prime contracts, is regularly updated at the following website link:

[http://www.txlottery.org/export/sites/lottery/About\\_Us/Doing\\_Business\\_with\\_TLC/Contracts\\_Over\\_\\$100x000/](http://www.txlottery.org/export/sites/lottery/About_Us/Doing_Business_with_TLC/Contracts_Over_$100x000/).



Additionally, any such relationship that might be perceived or represented as a conflict must be disclosed. Failure to disclose any such relationship may be a cause for disqualification of a Proposal.

- 4.5.2 This is a continuing disclosure requirement. The Proposer shall disclose to the Texas Lottery in writing any actual, potential or perceived conflict of interest relative to the performance of the requirements of this RFP prior to Contract Award, and the Successful Proposer shall make such disclosures after Contract Award, in each case at the time the conflict is identified. The Proposer's failure to promptly notify the Texas Lottery may be a cause for rejecting the Proposal.

#### **4.6 FINANCIAL SOUNDNESS**

- 4.6.1 Each Proposer must provide evidence of financial responsibility and stability for performance of the Contract and must demonstrate the ability to finance the project described in its submission.
- 4.6.2 Each Proposer shall provide evidence of financial responsibility and stability based on any and/or all of the following:
1. If the Proposer is the sole source of financial resources, the Proposer must submit financials showing the Proposer's ability to finance the project on its own with current resources;
  2. If the Proposer is the subsidiary of a parent corporation and the parent corporation is providing financial resources or assurance, the parent corporation must complete Attachment B, and the Proposer must submit financials for both the Proposer and the parent;
  3. If the Proposer is a joint venture or a group of affiliated companies, the Proposal must include financials for each member or affiliate of such joint venture or group, as applicable.

If 1, 2 or 3 applies, then the Proposer shall submit the following documentation with its Proposal:

- (a) Copies of audited financial statements and/or complete tax returns for each of the Proposer's (and its parent corporation, if applicable, or joint venture member or affiliate, if applicable) two (2) most recently ended fiscal years; and/or
  - (b) If documentation under (a) is not available, the Proposer shall provide other proof of financial assurance.
4. If the Proposer is relying on financial resources other than items 1 through 3 above, then the Proposer shall submit the following documentation with its Proposal:
- (a) Other proof of financial assurance that is verified by a third party financial institution. Examples of such items are as follows:



- i. Unaudited financial statements accompanied by a line of credit from a third party financial institution stating the credit amount and available balance.
  - ii. Unaudited financial statements accompanied by a bank statement provided by a third party financial institution confirming the Proposer's average bank balance for at least the previous six (6) months.
  - iii. Any other financial information Proposer would like to be considered.
- 4.6.3 If the information in Section 4.6.2 is not available at the time of submission, the Proposer shall provide other proof of financial responsibility acceptable to the Texas Lottery prior to the deadline for submission of Proposals.
- 4.6.4 The Texas Lottery reserves the right to require any additional information necessary to determine the financial responsibility and stability of the Proposer.
- 4.6.5 The Proposal must include a certification that the Proposer will notify the Texas Lottery of a change in financial condition during the Contract term and any renewal thereof. If a Proposer experiences a substantial change in its financial condition prior to the award of the Contract, or if the Successful Proposer experiences a substantial change in its financial condition during the term of the Contract or any extension thereof, the Texas Lottery must be notified of the change in writing at the time the change occurs or is identified. Failure to notify the Texas Lottery of such substantial change in financial condition will be sufficient grounds for rejecting the Proposal or terminating the Contract. For the purposes of this section, examples of a substantial change in financial condition are events such as insolvency, bankruptcy or receivership.

## 4.7 BACKGROUND INVESTIGATIONS

- 4.7.1 **Vendor Background Investigation.** Under TEX. GOV'T CODE ANN. § 466.103, the Executive Director of the Texas Lottery is prohibited from awarding a contract for goods or services related to lottery operations to a person or legal entity who would not qualify for a sales agent license under the requirements of TEX. GOV'T CODE ANN. § 466.155.

The Texas Lottery Commission may initiate investigations into the backgrounds of (a) any Apparent Successful Proposer; (b) any of the Apparent Successful Proposer's officers, directors, investors, owners, partners and other principals, as more particularly described in TEX. GOV'T CODE ANN. § 466.155 (collectively, Apparent Successful Proposer Principals); (c) any of the Apparent Successful Proposer's employees; (d) any of the Apparent Successful Proposer's Subcontractors, or the Subcontractors' officers, directors, investors, owners, partners, principals or employees (collectively, Subcontractor Personnel); or (e) any other associates of the Apparent Successful Proposer it deems appropriate. The Texas Lottery Commission may also request background information for a spouse, child, brother, sister or parent residing as a member of the same household in the principal place of residence of the Apparent Successful Proposer, any Apparent Successful





Proposer Principals, or Apparent Successful Proposer employees described above. Such background investigations may include fingerprint identification by the Texas Department of Public Safety and the Federal Bureau of Investigation, and any other law enforcement agency.

The Apparent Successful Proposer shall be obligated to provide such information about any Apparent Successful Proposer Principals, Apparent Successful Proposer employees, and Subcontractor Personnel as the Texas Lottery may prescribe. The Apparent Successful Proposer also agrees that the Texas Lottery may conduct background investigations of such persons. The Texas Lottery may reject a Proposal and/or terminate the Contract based solely upon the Apparent Successful Proposer's failure to provide information to complete a background investigation or the results of these background investigations.

**4.7.2 Contractually Defined Vendor Principal(s) Background Investigation.** The Texas Lottery may initiate background investigations on the Apparent Successful Proposer Principals who will be directly involved in selling or leasing the goods or performing the services that are the subject of this RFP or the Contract. This includes any oversight function performed by such individuals. For purposes of this section and the attachments, these individuals are called "contractually defined vendor principals."

**4.7.3 Vendor Employee Background Investigations.** The Successful Proposer agrees that, during the term of the Contract and any extension thereof, it shall be obligated to provide such information about any principals, employees, and Subcontractor Personnel as the Texas Lottery may prescribe. The Successful Proposer also agrees that the Texas Lottery may conduct background investigations of such persons.

The Texas Lottery will conduct vendor employee background investigations on any of the Successful Proposer's principals, employees, and Subcontractor Personnel who meet one or more of the following criteria:

- they perform services that may impact the security and integrity of the core gaming business as determined by the Texas Lottery;
- they provide audit, financial, legal, or compliance services;
- they provide goods and/or services that control or monitor access to lottery premises;
- they have unescorted access to TLC facilities; and/or
- they have direct access to TLC information systems.

**4.7.4 Apparent Successful Proposer.** If requested by the Texas Lottery, the Apparent Successful Proposer may be required to complete and return the following forms within ten (10) Working Days, or as otherwise directed by the Texas Lottery, after the written Announcement of the Apparent Successful Proposer is issued:

- a. Vendor Background Investigation Form (Attachment E).
- b. Certified List of Vendor Principals Form (Attachment E-1).
- c. Certified List of Contractually Defined Vendor Principals Form (Attachment E-2).





- d. Consent to Background Investigation and Release of Personal Information Form (Attachment E-4). A separate form shall be completed for each vendor principal included on *Attachment E-2 Certified List of Contractually Defined Vendor Principals Form* and each vendor/Subcontractor employee included on *Attachment E-3 Vendor Employee Background Investigation List*.
- e. Vendor Employee Background Investigation List (Attachment E-3).

#### **4.8 DISCLOSURE OF INTERESTED PARTIES**

- 4.8.1 Pursuant to Section 2252.908 of the TEX. GOV'T CODE ANN., a governmental entity or state agency may not enter into certain contracts with a business entity unless the business entity submits a disclosure of interested parties (Form 1295) to the governmental entity or state agency at the time the business entity submits the signed contract to the governmental entity or state agency. The Texas Ethics Commission has adopted rules requiring the business entity to file Form 1295 electronically with the Ethics Commission (See <https://www.ethics.state.tx.us/legal/ch46.html>).
- 4.8.2 If requested by the Texas Lottery, the Apparent Successful Proposer may be required to complete and file the Form 1295 with the Ethics Commission after the written Announcement of the Apparent Successful Proposer is issued and prior to contract execution.



## 5 HISTORICALLY UNDERUTILIZED BUSINESS (HUB) PARTICIPATION

### 5.1 HSP Requirement

The Texas Lottery has adopted the rules promulgated by the Comptroller of Public Accounts (CPA) regarding Historically Underutilized Businesses (HUBs) in 34 Texas Administrative Code (TAC) §§ 20.281 – 20.298 (See [http://texreg.sos.state.tx.us/public/readtac\\$ext.ViewTAC?tac\\_view=5&ti=34&pt=1&ch=20&sch=D&div=1&rl=Y](http://texreg.sos.state.tx.us/public/readtac$ext.ViewTAC?tac_view=5&ti=34&pt=1&ch=20&sch=D&div=1&rl=Y)). By submitting a Proposal, the Proposer certifies that it has reviewed 34 TAC §§ 20.281 - 20.298. Rule 20.285 addresses the specific requirements of Historically Underutilized Business subcontracting plans (HSPs).

### 5.2 HSP SUBMISSION AND TEXAS LOTTERY REVIEW

- 5.2.1 All proposals must include an HSP (Attachment C, including Method A or B, if applicable) in the format required by the CPA. Proposers may access the HSP forms on-line at the following CPA website link: <https://www.comptroller.texas.gov/purchasing/vendor/hub/forms.php>. The forms must be printed, signed and submitted with your Proposal. The HSP is a pass/fail requirement. PROPOSALS THAT DO NOT INCLUDE A COMPLETED HUB SUBCONTRACTING PLAN PREPARED IN ACCORDANCE WITH 34 TAC §20.285 SHALL BE REJECTED AND WILL NOT BE EVALUATED.
- 5.2.2 The HSP form is provided in Attachment C of this RFP. To determine whether a Proposer has performed a good faith effort in preparing its HSP as required by the CPA's HUB rules, the Texas Lottery may request clarifications, if necessary. The HSP will be reviewed based on the Proposer's submission and any clarifications requested by the agency.

### 5.3 ASSISTANCE FOR PREPARATION OF HSP

- 5.3.1 *Pre-Proposal Conference.* Proposers are encouraged to attend the pre-Proposal conference, which will include a brief overview of the HSP requirements. Proposers may ask questions at the pre-Proposal conference regarding the HSP. A copy of the TLC's Pre-Bid/Proposal Conference Booklet regarding HSP requirements is available on the agency's website at: [http://www.txlottery.org/export/sites/lottery/About\\_Us/Doing\\_Business\\_with\\_TLC/Procurement/](http://www.txlottery.org/export/sites/lottery/About_Us/Doing_Business_with_TLC/Procurement/) Proposers should review the HSP booklet thoroughly to ensure they fill out and submit all forms correctly.
- 5.3.2 *HSP Quick Check List and HUB Subcontracting Opportunity Notification Form.* Attached to this RFP are an HSP Quick Check List (Attachment C-1) prepared by the CPA and a HUB Subcontracting Opportunity Notification Form (Attachment C-2). Attachment C-1 is intended to assist Proposers in preparing the HSP forms, but is not required to be submitted



with Proposals. Proposers are encouraged to use Attachment C-2 when sending notice of subcontracting opportunities.

5.3.3 *Additional TLC Assistance.* As stated above, if an HSP is rejected, the Proposal will be disqualified and will not be considered. **Therefore, Proposers are strongly encouraged to start preparing HSP forms as soon as possible and take advantage of the following TLC assistance. Please note there are deadlines associated with this process and Proposers have a limited amount of time to cure any deficiencies.**

- Written questions regarding the HSP can be submitted at any time up until the Proposal deadline. The TLC will compile and post a separate HSP question-and-answer document on the TLC website. The document will be updated as questions are submitted. **It is the Proposer's responsibility to check the TLC website for this information.**
- The TLC will conduct one-on-one HSP workshops with Proposers upon request. The workshops will cover detailed information on how to complete the HSP forms. Workshops must be concluded by the date and time listed in the Schedule of Events. Workshops may be conducted in person or via telephone conference. **Proposers are responsible for contacting the Texas Lottery to schedule a workshop during the specified time period. Proposers may schedule a workshop either before or after the Pre-Proposal Conference.**
- The TLC will review and provide individual written feedback on draft HSP forms submitted by Proposers. Draft HSP forms must be submitted by the date and time listed in the Schedule of Events. Upon request, the TLC may also provide verbal feedback.

Note that "draft HSP forms" consist only of the forms included in Attachments C, C-1 and C-2 of the RFP and documentation related to performance of the good faith effort. In reviewing draft forms, the TLC will not comment on responses to any other sections of the RFP, even if they are referred to in the HSP forms. Proposers are instructed not to submit any other portions of their Proposal to the TLC as part of the draft HSP.

One-on-one workshops and the TLC's review of draft HSP forms do not guarantee that the HSP submitted with the Proposal will pass.

## 5.4 REQUIREMENTS FOR COMPLETING THE HSP FORMS

5.4.1 TLC's HUB Participation Goal. The goods and/or services requested in this RFP are classified in the category of Professional Services Contracts. The agency's HUB participation goal for this RFP is 23.7%.

5.4.2 Requirements of the HUB subcontracting plan. Each Proposer shall complete the HSP forms prescribed by the CPA (Attachment C) and provide the following:

- (A) a certification the Proposer has made a good faith effort to meet the requirements of 34 TAC § 20.285;



- (B) the names of the subcontractors that will be used during the course of the Contract;
- (C) the expected percentage of work to be subcontracted; and
- (D) the approximate dollar value of that percentage of work.

Each Proposer shall provide all documentation required by the agency to demonstrate the Proposer's compliance with the good faith effort requirements prior to Contract Award. If a Proposer fails to provide supporting documentation (phone logs, fax transmittals, electronic mail, etc.) by the deadline specified by the agency, the Proposal shall be rejected for material failure to comply with TEX. GOV'T CODE ANN. §2161.252 (b).

#### 5.4.3 Proposer Intends to Subcontract

Proposers who intend to subcontract any portion of the Contract must indicate in the HSP form that they intend to subcontract, and must perform one of the three good faith effort methods identified below.

- **Method A (1): Using 100% HUB Subcontractors.** Proposer will use only Texas-certified HUBs for all identified subcontracting opportunities.
- **Method A (2): Meeting the Specified HUB Contract Goal.** Proposer will meet the HUB contract goal by using only Texas-certified HUBs with whom the Proposer has contracted for five years or less.
- **Method B: Good Faith Effort Outreach.** Proposer will perform good faith effort outreach for each identified subcontracting opportunity by contacting at least three Texas-certified HUBs and two trade organizations or development centers that serve members of the HUB groups. **Proposers using this method must perform the outreach even for areas where a Proposer has a pre-existing subcontracting relationship.**

**PROPOSERS WHO INTEND TO SUBCONTRACT, AT A MINIMUM, MUST USE ONE OF THE METHODS OUTLINED ABOVE. FAILURE TO DO SO WILL RESULT IN DISQUALIFICATION.**

#### 5.4.4 Proposer Does Not Intend to Subcontract

Proposers who intend to fulfill the entire Contract using only their own existing resources and employees, without subcontracting, should check the appropriate box in Section 2 of the HSP form and complete Sections 3 and 4 of the form.

The Proposer must explain how all functions of the Contract will be performed without the use of Subcontractors and should refer to Section 3 of the HSP form.



## 5.5 SUBCONTRACTING OPPORTUNITIES

- 5.5.1 The Texas Lottery has identified the following potential subcontracting opportunities under this RFP. Proposers intending to subcontract any must perform the good faith effort detailed in the HSP instructions and include a compliant HSP with the Proposal.

### **CLASS 946: FINANCIAL SERVICES**

#### **Item Numbers and Commodity Descriptions:**

946-10	Accounting and Billing Services, Including Payroll Services, 3rd Party Reimbursement for Medicare, Medicaid, Private Insurance, etc.)
946-11	Accounting Service (Not Otherwise Classified)
946-31	Certified Public Accountant (CPA) Services

### **CLASS 966 – PRINTING AND TYPESETTING SERVICES**

#### **Item Numbers and Commodity Descriptions:**

966-18	Copying Services, Reproduction
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The potential subcontracting opportunities listed above may or may not be areas that a Proposer would subcontract, depending on that Proposer's existing resources, employees, and business model. Further, Proposers are not limited to the list above, and may identify additional areas of subcontracting. Proposers who intend to subcontract are responsible for identifying all areas that will be subcontracted and shall submit a completed HSP demonstrating evidence of good faith effort in developing that plan.

- 5.5.2 A list of HUB vendors registered with the Comptroller of Public Accounts (CPA) for the subcontracting opportunities identified above is included under the HUB/CMBL tab of this RFP. This list is provided as a resource to assist Proposers in preparing and submitting a HSP. The Texas Lottery Commission does not endorse, recommend or attest to the capabilities of any company or individual listed. Note that currently active certified HUBs will have a status code of "A." All other status codes indicate that a vendor is inactive or not a HUB.
- 5.5.3 Please refer to the HUB/CMBL Directory Instructions and HUB Vendor Reference Lists under the HUB/CMBL tab of this RFP to locate potential HUB Subcontractors.

## 5.6 POST CONTRACT AWARD

### 5.6.1 Notification of Subcontractors

Following Contract Award, the Successful Proposer must provide notice to all subcontractors (HUBs and Non-HUBs) of their selection for the awarded Contract. The Successful Proposer is also required to provide a copy of each notice to the agency's point of contact for the Contract no later than ten (10) Working Days after the Contract is awarded. Proposers should refer to Section 4 of the HSP form for additional information about this requirement.



#### 5.6.2 HSP Changes

Following Contract Award, any proposed changes to the HSP must be submitted, in writing, by the Successful Proposer to the Texas Lottery for prior review and must be approved by the Texas Lottery in writing before becoming effective under the Contract.

#### 5.6.3 HSP Reporting

Following Contract Award, if the Successful Proposer is subcontracting, the Successful Proposer shall maintain business records documenting compliance with the HSP and shall submit a monthly compliance report in the format required by the Texas Lottery. The monthly compliance report shall be submitted to the Texas Lottery by the 10th of the following month or on the date requested by the agency's HUB Coordinator or his/her designee. The submission of the monthly compliance report is required as a condition of payment.



## 6 SCOPE OF SERVICES

This section defines the scope of the services to be performed by the Successful Proposer as part of this RFP for Lottery Drawings CPA Services.

### 6.1 OBJECTIVE

- 6.1.1 As described in Section 1.1 (Purpose), the Texas Lottery Commission is committed to ensuring the integrity and security of all Texas Lottery drawings. This includes the integrity and security of lottery drawings including ensuring that all drawings activities are conducted in accordance with established drawings procedures and processes. Pursuant to TEX. GOV'T CODE ANN. Section 466.401, an independent certified public accountant must witness each drawing, and shall inspect any equipment used in a drawing immediately before and after the drawing.
- 6.1.2 The Texas Lottery Commission requires the services of an independent certified public accountant, licensed by the Texas State Board of Public Accountancy to attend, observe and certify the authenticity of the selected winning numbers at lottery drawings six days a week at various times. The Successful Proposer shall certify the TLC drawing activities in accordance with procedures established by the TLC. The Successful Proposer shall provide these services as agreed-upon procedures engagements conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, herein also referred to as "drawings audits". The Successful Proposer must provide certified public accountants (CPAs), holding current licenses in good standing with the Texas State Board of Public Accountancy, to perform these services as "drawings auditors or auditors". Currently, a minimum of eight (8) drawings auditors (CPA's) are scheduled, trained and rotated to observe the drawings and perform the related services described in this scope of services.
- 6.1.3 In addition, the Successful Proposer shall certify the drawings pretests and, at the request of the Texas Lottery, shall certify the weighing of the game balls. For each drawing production, the independent auditor is responsible for observing and certifying that all drawings activities are conducted in accordance with the established drawings procedures and processes. This includes, but is not limited to, completing the drawings checklist; checking the audio video recording system; observing and verifying the machine and ball set selection process; inspecting the selected ball sets and machines; and, observing and recording pretest information, rehearsals, related drawing activities. The independent auditor is also responsible for observing the live broadcast drawing productions and the process of entering numbers drawn in the wagering systems.

Each month, the Successful Proposer shall report on the process and procedures for the drawings observed and make recommendations, as necessary, to maintain the Texas Lottery Commission's compliance with all requirements, policies and/or procedures, and enhance the integrity and security of the games.



## 6.2 MORNING, DAY, EVENING AND NIGHT BROADCAST BLOCK TIMES FOR DRAW GAMES

### 6.2.1 Studio Location

Drawings are conducted six (6) days (Monday-Saturday) a week at various times, including mornings, days, evenings and nights at the Texas Lottery Commission's downtown Austin studio, located at 601 East 6<sup>th</sup> Street, and are open to the public. There will also be auxiliary duties and related drawing activities periodically, including Sundays. If the drawings are moved to another location, then the new production studio will remain within a 25-mile radius of the Lottery Commission's headquarters located at 611 East 6<sup>th</sup> Street, Austin, Texas. The Successful Proposer's auditor must be present at the drawing site for the entire pre-testing, drawing and certification process.

### 6.2.2 The current estimated time frames for Morning, Day, Evening and Night Broadcast Block Times are listed in Table 1:

Table 1:

Morning Drawing Block					
Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
<i>All or Nothing</i>	<i>All or Nothing</i>	<i>All or Nothing</i>	<i>All or Nothing</i>	<i>All or Nothing</i>	<i>All or Nothing</i>
<i>Daily 4</i>	<i>Daily 4</i>	<i>Daily 4</i>	<i>Daily 4</i>	<i>Daily 4</i>	<i>Daily 4</i>
<i>Pick 3</i>	<i>Pick 3</i>	<i>Pick 3</i>	<i>Pick 3</i>	<i>Pick 3</i>	<i>Pick 3</i>
8:15 a.m. to 10:30 a.m.	8:15 a.m. to 10:30 a.m.	8:15 a.m. to 10:30 a.m.	8:15 a.m. to 10:30 a.m.	8:15 a.m. to 10:30 a.m.	8:15 a.m. to 10:30 a.m.
Total Drawing Block Time - IA					
2 hours 15 min	2 hours 15 min	2 hours 15 min	2 hours 15 min	2 hours 15 min	2 hours 15 min

Day Drawing Block					
Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
<i>All or Nothing</i>	<i>All or Nothing</i>	<i>All or Nothing</i>	<i>All or Nothing</i>	<i>All or Nothing</i>	<i>All or Nothing</i>
<i>Daily 4</i>	<i>Daily 4</i>	<i>Daily 4</i>	<i>Daily 4</i>	<i>Daily 4</i>	<i>Daily 4</i>
<i>Pick 3</i>	<i>Pick 3</i>	<i>Pick 3</i>	<i>Pick 3</i>	<i>Pick 3</i>	<i>Pick 3</i>
10:45 a.m. to 12:45 p.m.	10:45 a.m. to 12:45 p.m.	10:45 a.m. to 12:45 p.m.	10:45 a.m. to 12:45 p.m.	10:45 a.m. to 12:45 p.m.	10:45 a.m. to 12:45 p.m.
Total Drawing Block Time - IA					
2 hours	2 hours	2 hours	2 hours	2 hours	2 hours





<b>Ball Set Selection Process Block</b>					
<b>Monday</b>	<b>Tuesday</b>	<b>Wednesday</b>	<b>Thursday</b>	<b>Friday</b>	<b>Saturday</b>
<i><b>Selection Process</b></i>	<i><b>Selection Process</b></i>	<i><b>Selection Process</b></i>	<i><b>Selection Process</b></i>	<i><b>Selection Process</b></i>	<i><b>Selection Process</b></i>
1 p.m. to 1:45 p.m.	1 p.m. to 1:45 p.m.	1 p.m. to 1:45 p.m.	1 p.m. to 1:45 p.m.	1 p.m. to 1:45 p.m.	1 p.m. to 1:45 p.m.
<b>Total Drawing Block Time - IA</b>					
45 minutes	45 minutes	45 minutes	45 minutes	45 minutes	45 minutes

<b>Evening Drawing Block</b>					
<b>Monday</b>	<b>Tuesday</b>	<b>Wednesday</b>	<b>Thursday</b>	<b>Friday</b>	<b>Saturday</b>
<i><b>All or Nothing</b></i>	<i><b>All or Nothing</b></i>	<i><b>All or Nothing</b></i>	<i><b>All or Nothing</b></i>	<i><b>All or Nothing</b></i>	<i><b>All or Nothing</b></i>
<i><b>Daily 4</b></i>	<i><b>Daily 4</b></i>	<i><b>Daily 4</b></i>	<i><b>Daily 4</b></i>	<i><b>Daily 4</b></i>	<i><b>Daily 4</b></i>
<i><b>Pick 3</b></i>	<i><b>Pick 3</b></i>	<i><b>Pick 3</b></i>	<i><b>Pick 3</b></i>	<i><b>Pick 3</b></i>	<i><b>Pick 3</b></i>
4:15 p.m. to 6:30 p.m.	4:15 p.m. to 6:30 p.m.	4:15 p.m. to 6:30 p.m.	4:15 p.m. to 6:30 p.m.	4:15 p.m. to 6:30 p.m.	4:15 p.m. to 6:30 p.m.
<b>Total Drawing Block Time - IA</b>					
2 hours 15 min	2 hours 15 min	2 hours 15 min	2 hours 15 min	2 hours 15 min	2 hours 15 min

<b>Night Drawing Block</b>					
<b>Monday</b>	<b>Tuesday</b>	<b>Wednesday</b>	<b>Thursday</b>	<b>Friday</b>	<b>Saturday</b>
<i><b>Texas Two Step</b></i>		<i><b>Lotto Texas</b></i>	<i><b>Texas Two Step</b></i>		<i><b>Lotto Texas</b></i>
<i><b>Cash Five</b></i>	<i><b>Cash Five</b></i>	<i><b>Cash Five</b></i>	<i><b>Cash Five</b></i>	<i><b>Cash Five</b></i>	<i><b>Cash Five</b></i>
<i><b>All or Nothing</b></i>	<i><b>All or Nothing</b></i>	<i><b>All or Nothing</b></i>	<i><b>All or Nothing</b></i>	<i><b>All or Nothing</b></i>	<i><b>All or Nothing</b></i>
<i><b>Daily 4</b></i>	<i><b>Daily 4</b></i>	<i><b>Daily 4</b></i>	<i><b>Daily 4</b></i>	<i><b>Daily 4</b></i>	<i><b>Daily 4</b></i>
<i><b>Pick 3</b></i>	<i><b>Pick 3</b></i>	<i><b>Pick 3</b></i>	<i><b>Pick 3</b></i>	<i><b>Pick 3</b></i>	<i><b>Pick 3</b></i>
<i><b>Texas Triple Chance</b></i>	<i><b>Texas Triple Chance</b></i>	<i><b>Texas Triple Chance</b></i>	<i><b>Texas Triple Chance</b></i>	<i><b>Texas Triple Chance</b></i>	<i><b>Texas Triple Chance</b></i>
7 :15 p.m. to 11:15 p.m.	7:15 p.m. to 11:15 p.m.	7:15 p.m. to 11:15 p.m.	7:15 p.m. to 11:15 p.m.	7:15 p.m. to 11:15 p.m.	7 p.m. to 11:15 p.m.
<b>Total Drawing Block Time - IA</b>					
4 hours	4 hours	4 hours	4 hours	4 hours	4 hours



	<i><b>Mega Millions</b></i>	<i><b>Powerball</b></i>		<i><b>Mega Millions</b></i>	<i><b>Powerball</b></i>
	9 p.m. to 11 p.m.	8:30 p.m. to 10:30 p.m.		9 p.m. to 11 p.m.	8:30 p.m. to 10:30 p.m.
<b>Total Drawing Block Time – MMIA/PBIA</b>					
	2 hours	2 hours		2 hours	2 hours

### 6.2.3 Additional Drawings or Changes to Games

The TLC may conduct additional drawings or make changes related to draw games that require certification by the Successful Proposer. The Texas Lottery makes no commitments regarding the actual number or timing of any of these drawings or changes. The Texas Lottery will notify the Successful Proposer at least eight weeks in advance of any additional drawings and/or changes in the drawings schedule.

## 6.3 DRAWINGS

### 6.3.1 Auditors

- The Texas Lottery recommends the Successful Proposer schedule, train and rotate a minimum of eight (8) auditors to observe the drawings and perform related verification and certification duties. The Successful Proposer shall provide a primary auditor for TLC Texas Draw Games, identified herein as an “IA,” and a back-up auditor for each designated time block, a Powerball primary auditor for the Powerball drawings, identified herein as “PBIA,” and a Mega Millions primary auditor for Mega Millions drawings, identified herein as “MMIA.” Each auditor must participate in at least one of each of the following drawings every 80 days: Morning Drawing, Day Drawing, Evening Drawing, Night Drawing, Mega Millions Drawing and Powerball Drawing. The auditors must remain current with the drawing procedures at all times. An auditor may not work more than three (3) consecutive drawing days or blocks. An auditor may not work a Morning Drawing after working the Night Drawing, Mega Millions or Powerball drawings held on the immediately preceding night.
- All auditors must be certified public accountants (CPAs), holding current licenses in good standing with the Texas State Board of Public Accountancy,
- Auditors must be trained as prescribed by the TLC.
- Auditors are required to observe strict attendance requirements and shall be at the TLC drawings location as dictated by the TLC. Arrival times are subject to change at the Texas Lottery’s discretion and upon written notice to the Successful Proposer.



- (e) Auditors of the Successful Proposer scheduled to work the drawings or serve as back-up for the drawings must carry a cell phone and provide that number to the TLC for immediate access.
- (f) The Successful Proposer's primary scheduled auditor must be present at the production studio (or other TLC designated drawings location) by 8:15 a.m. for the morning drawings, 10:45 a.m. for day drawings, 1 p.m. for the selection process, 4:15 p.m. for evening drawings and 7:15 p.m. for night drawings. The drawings are scheduled to air at 10 a.m., 12:27 p.m., 6 p.m. and 10:12 p.m., Monday through Saturday. The IA, PBIA or MMIA shall remain on site until all work related to the drawing ends (usually 10:30 a.m. for morning drawings, 12:45 p.m. for day drawings, 1:45 p.m. for the selection process, 6:30 p.m. for evening drawings, and 11:00 p.m. for night drawings, 10:30 pm for PBIA and 11:00 pm for MMIA). See the estimated time scheduled for each drawing in Table 1 (Section 6.2.2) of the RFP. TLC may shift time blocks at its sole discretion upon written notice to the Successful Proposer.

#### 6.3.2 Texas Draw Games Responsibilities.

The Successful Proposer shall provide an IA to act as the primary auditor for TLC Texas Draw Games. The IA must arrive at the drawing site no later than 8:15 a.m. (for morning drawings), 10:45 a.m. (for day drawings), 4:15 p.m. (for evening drawings) and 7:15 p.m. (for night drawings) and check in with the Texas Lottery Commission's drawings specialist or coordinator. The IA must telephone the back-up auditor upon arrival at the drawing studio. Arrival times are subject to change by the TLC with written notice to the Successful Proposer.

The IA must attend, observe, inspect and verify:

- (a) the TLC ball set safe
- (b) the TLC ball set case
- (c) pre-event inspection and tests
- (d) Drawing procedures
- (e) Post-drawing procedures
- (f) At all times during the drawing day:
  - 1. certify all Texas Lottery drawings are conducted in accordance with Texas Lottery drawing procedures and established standards
  - 2. perform any other necessary calculations and tests required by the Texas Lottery
  - 3. record all necessary information to observe drawing procedure
  - 4. The IA must properly fill out and sign all documents detailing the events of the drawings
  - 5. In the event of any deviation from Texas Lottery drawing procedures and established standards, or if any irregularity occurs a report will be filed by TLC staff (with input from the IA) and must be signed by TLC staff and the IA.



### 6.3.3 Mega Millions Drawings Responsibilities.

- (a) The Successful Proposer shall provide an additional auditor to function as the Primary Auditor for the Mega Millions Drawings (“MMIA”) to certify the Mega Millions Drawing two nights per week (Tuesday and Friday). The MMIA must arrive at the studio no later than 9 p.m. on Tuesdays and Fridays and remain on site until all work related to that Mega Millions Drawing ends.
- (b) The duties and responsibilities of the MMIA shall include, but are not limited to, the following:
  - 1. The MMIA will watch and record the Mega Millions and Megaplier numbers.
  - 2. The MMIA will participate and or observe in the calculations, and the dual entry and verification of the official numbers drawn from the Mega Millions broadcast into the MUSL Automated Reporting System and the Texas Enterprise Series and Electronic Checklist systems, review the winner report, and observe the faxing of the winner report.
  - 3. The Successful Proposer shall require each of its auditors to attend Mega Millions training as prescribed by the Texas Lottery.

### 6.3.4 Powerball Drawings Responsibilities.

- (a) The Successful Proposer shall provide an additional auditor to function as the Primary Auditor for the Powerball Drawings (“PBIA”) to certify the Powerball Drawings two nights per week (Wednesday and Saturday). The PBIA must arrive at TLC headquarters no later than 8:30 p.m. on Wednesdays and Saturdays and remain on site until all work related to that Powerball Drawing ends.
- (b) Powerball drawings occur at the Powerball studio; however, specific tasks must be performed by TLC Information Resources Computer Operators to accommodate Texas’s participation in the drawing. Many of the tasks performed by the TLC Information Resources Computer Operator are performed and verified by the PBIA. The duties and responsibilities of the PBIA shall include, but are not limited to, the following:
  - 1. The PBIA will watch and record the Powerball numbers on the PB Draw checklists.
  - 2. The PBIA will enter winning numbers into computer system using a dual entry and verification process with the TLC Information Resources Computer Operator.
  - 3. The PBIA will verify winner reports.
  - 4. The Successful Proposer shall require each of its auditors to attend Powerball training as prescribed by the Texas Lottery.

### 6.3.5 Back-Up Auditors

The Successful Proposer shall assign back-up auditors to function as either the IA for Texas game drawings, the PBIA for the Powerball drawings or the MMIA for the Mega Millions drawings. Back-up auditors may be assigned for a one week period. During the assigned back-up period, the back-up auditor cannot be pre-scheduled to replace any auditor. The



role of the back-up auditor is solely to function as the IA for any unscheduled absence. The back-up auditor and the IA must make contact upon the drawing arrival time to confirm the IA's arrival. If the IA or the back-up auditor has not confirmed arrival and the back-up auditor cannot contact the IA, the back-up auditor shall immediately go to the drawing studio. The Successful Proposer shall log all back-up calls on the official drawing forms.

#### **6.4 SUCCESSFUL PROPOSER'S DRAWINGS MANAGEMENT TEAM**

- 6.4.1 The Successful Proposer shall appoint a primary point-of-contact as the "lead auditor" for the TLC. The lead auditor may be one of the Successful Proposer's drawings auditors, or the Drawings Audit staff supervisor. The TLC must be able to contact at least one auditor by telephone or cell phone 24 hours a day, seven days a week. The TLC will use the lead auditor as the starting point for contact with the Successful Proposer, and then will attempt to reach supervisory auditors or other auditors. The TLC must obtain a verbal response within one (1) hour from the initial attempt. The Successful Proposer may rotate its lead auditor among its audit personnel with advanced written notice provided to the TLC.
- 6.4.2 The Successful Proposer shall assign a Drawings Audit staff supervisor to facilitate the availability of IAs, MMIA's, PBIAs and back-up auditors and to monitor the quality of their work. The Drawings Audit staff supervisor must be familiar with all drawings procedures. The role of the Drawings Audit staff supervisor is to:
- (a) provide overall supervision and scheduling of the drawings auditors and a back-up auditor, with emergency numbers for the auditor and back-up auditor.
  - (b) schedule the Successful Proposer's audit team and coordinating training.
  - (c) monitor each auditor's performance.
  - (d) review the Successful Proposer's report on each drawing and to provide a copy monthly to the Texas Lottery Commission's drawings section supervisor.
  - (e) contact the Texas Lottery Commission's drawings section supervisor immediately upon becoming aware of any drawing irregularity. If the irregularity involves the Texas Lottery Commission's drawings section supervisor, the Successful Proposer's Drawings Audit staff supervisor shall immediately contact the Texas Lottery Commission's Drawings and Validations Manager and the Lottery Operations Division Director.
  - (f) ensure there is sufficient rotation of qualified staffing by the Successful Proposer to meet drawing schedule requirements.
  - (g) meet monthly (or as requested by the Texas Lottery) with Texas Lottery Commission staff to make recommendations for improvement and/or modification of drawings procedures.
  - (h) make announced or unannounced visits as requested by TLC to observe auditors on different drawing nights. When requested, each visit must include at least one (1) full hour of observation during the production process and must be documented in the Successful Proposer's monthly drawings report.
- 6.4.3 Upon request of either party, the Successful Proposer shall meet with the Texas Lottery Commission's Executive Director and/or Lottery Operations Division Director to confer



on the drawings procedure, the recent results of drawings reports, or any issues raised by the Successful Proposer's audit team.

## **6.5 MISCELLANEOUS STUDIO TASKS**

Upon the Texas Lottery's request, the Successful Proposer shall also provide auditors to observe when TLC staff performs various functions involving the security, testing, and maintenance of the drawing equipment. The Texas Lottery will attempt to give the Successful Proposer a minimum twenty-four (24) hours advance notice to schedule these miscellaneous studio tasks.

## **6.6 BALL WEIGHING CERTIFICATIONS**

### **6.6.1 Auditor Certification of Ball Weighing**

During any "down" time between drawings, the Successful Proposer's trained auditors shall observe the ball weighing process and certify that the results of the mean weight/parameter calculations are true and accurate for all ball sets used for the drawings. If there is no "down" time, TLC will schedule additional time with the Successful Proposer to conduct ball weighing.

Also, periodically throughout the year, TLC sends ball sets to the Texas Department of Agriculture (TDA) to be weighed. The Successful Proposers Auditors are not required to observe ball weighing at TDA. The weight of each ball is certified, and involves a calculation of the mean and set weights, as well as the high and low set weight parameters. Each ball used in the Lotto Texas, Cash Five, Texas Triple Chance, and Texas Two Step drawing games is weighed two (2) times per year by TDA. Each ball used in the All or Nothing, Pick 3, and Daily 4 draw games is weighed one (1) time per year by TDA. When the balls are returned to the Texas Lottery from the TDA, the Successful Proposer's auditors shall open, inspect the ball sets, and then seal the ball set cases with an auditor's seal. Additionally, the Successful Proposer must provide auditors for observation, of the cleaning, and weighing of ball sets by TLC staff. All or Nothing, Pick 3, and Daily 4 ball sets are weighed, cleaned and inspected by TLC staff and observed by the Successful Proposer throughout the year as prescribed by TLC procedures.

### **6.6.2 Estimated Auditor Time Needed to Observe the Ball Weighing.**

Following are the current number of ball sets available for use for each drawing game and an estimate of the auditor's time needed to observe the weighing of balls in each set. The Texas Lottery may change the total number of ball sets based on game changes.



	<i>Column A</i>	<i>Column B</i>	<i>Column C= (A x B)</i>	<i>Column D= (A x 1 minute)</i>	<i>Column E= [(A x B)/60]</i>	<i>Column F</i>	<i>Column G= (E x F)</i>
<b>Lottery Game</b>	<i>Number of balls in each set</i>	<i>Number of ball sets</i>	<i>Total number of balls</i>	<i>Time to weigh one ball set (1 minute per ball)</i>	<i>Extended amount of time to weigh all ball sets one time</i>	<i>Number of times per year</i>	<i>Total number of hours in a year</i>
<b>Pick 3</b>	10	37	370	10 minutes	6.16 hours	3	18.48
<b>Daily 4</b>	10	37	370	10 minutes	6.16 hours	3	18.48
<b>All or Nothing</b>	24	10	240	24 minutes	4 hours	3	12
<b>Total number of hours estimated for ball weighing annually</b>							<b>48.96</b>

## 6.7 IMPLEMENTATION, TRAINING AND TRANSITION

- 6.7.1 No later than ten (10) Working Days after the contract execution date the Successful Proposer shall conduct an incoming meeting (entrance conference) with Texas Lottery staff (and other lottery operators/vendors if requested by the Texas Lottery) to discuss implementation and transition. TLC will provide a copy of the detailed drawings procedures to the Successful Proposer. The Successful Proposer shall be required to submit a formal detailed work plan to TLC for approval prior to performing any services under the Contract. The work plan shall (i) identify initial training needs and include estimated dates to schedule training; (ii) note the methodology used to rotate the drawings auditors; and (iii) include the names of all key personnel and auditors who will perform tasks under this Contract. The work plan is subject to TLC review and approval.
- 6.7.2 No later than five (5) Working Days after the work plan is approved, the Successful Proposer shall present a draft of the first monthly drawings report, to the Texas Lottery Commission Executive Director, Lottery Operations Division Director, Drawings and Validations Manager and the Drawings section supervisor. The Texas Lottery will review and return comments to the Successful Proposer within five (5) Working Days of receipt of the draft report. The Successful Proposer shall then have five (5) Working Days to submit the revised draft for approval to the Texas Lottery Commission Executive Director, Lottery Operations Division Director and Drawings section supervisor.



## 6.8 REPORTING REQUIREMENTS

### 6.8.1 Monthly Staff Work Schedule.

The Successful Proposer must submit a staff work schedule for the Lottery drawings by the 25<sup>th</sup> of the preceding month and include the names for (i) all auditors and back-up auditors working the drawings, (ii) the lead auditor(s) and which days the lead auditor is covering, and (iii) all auditors available. Any changes to the schedule must be submitted in writing to the TLC's Drawings section supervisor. The Successful Proposer's Drawings Audit staff supervisor shall notify TLC's drawings section supervisor in writing of any additions to or deletions to the Successful Proposer's drawings audit team.

### 6.8.2 **Monthly Drawing Reports.** Upon completion of the monthly lottery drawings CPA services, the Successful Proposer shall prepare and submit (electronically, unless requested in writing) monthly drawings reports that include the following minimum requirements:

- (a) **Independent Accountants' Report on Applying Agreed-Upon Procedures.** The Successful Proposer must certify all TLC drawing procedures were followed for each drawing that occurred during that month in accordance with agreed-upon procedures established by the Texas Lottery. The Successful Proposer shall prepare and submit one report including the auditors' findings based upon the results of applying the agreed-upon procedures and the scope (time period of the observations, the methodology used, and application of agreed-upon procedures). Reports may be made available to the public by the Texas Lottery and must not include any information that could jeopardize the integrity or security of the Texas Lottery or its games.
- (b) Reports shall contain details of each drawing including all forms and checklists used for that month's drawings. At the end of each month, the Successful Proposer shall check and verify that the lists compiled by the Texas Lottery Commission Drawings staff properly detail the pre-test results and running totals for the ball sets and machines used for each drawing. The Texas Lottery will provide the pre-test results and running totals to the Successful Proposer no later than 5 p.m. fifteen (15) working days after the last drawing of the month.
- (c) The Successful Proposer shall compare the results shown on the pre-test forms submitted in the drawings report for the current month to the Texas Lottery's schedule of pre-test results and note any exceptions so that the schedule(s) can be corrected.
- (d) Using the schedules and the cumulative totals of the drawings report for the current month, the Successful Proposer shall recalculate the cumulative totals for each machine and ball set, comparing such totals to the cumulative totals prepared by the Texas Lottery. The drawings auditors shall note any exceptions so that the cumulative totals can be corrected.
- (e) The Successful Proposer shall submit monthly reports, no later than 5 p.m. on the 25<sup>th</sup> day of the month after the last drawing of the previous month.

### 6.8.3 The Successful Proposer shall deliver a minimum of two (2) CD's / two (2) USB's of the monthly drawings report, preferably in Microsoft Office in Word and/or Excel or in a different format as otherwise specified by the Texas Lottery. Each CD/USB must include





the “Independent Accountants’ Report on Applying Agreed-Upon Procedures” and all supporting documentation as appendices.

The Texas Lottery reserves the right to use and reproduce all reports and data produced by the Successful Proposer.

- 6.8.4 Any changes to reports due to the Successful Proposer’s errors will be corrected at the Successful Proposer’s expense.
- 6.8.5 **Confidential Communications Reports.** If the Successful Proposer has concerns and/or recommendations for improvements related to the lottery drawing process and/or enhancement of security and integrity of the games, the Successful Proposer shall submit such concerns and/or recommendations in a separate report stamped “confidential”. The Successful Proposer shall submit the confidential report to the Texas Lottery Commission Executive Director, Internal Auditor, Administration Division Director, and Lottery Operations Division Director. All copies of the report shall be clearly stamped “confidential.”

## 6.9 ADDITIONAL SECURITY MATTERS

The Successful Proposer must immediately bring to the attention of the Texas Lottery Commission Executive Director, Internal Auditor, Lottery Operations Division Director, the Drawings and Validations Manager and the Security Department Manager any security matters that (in the Successful Proposer's reasonable judgment) may require immediate action. The matter shall also be documented in writing.

## 6.10 TRAINING AT THE BEGINNING OF THE CONTRACT

- 6.10.1 At the beginning of the Contract, TLC will pay the Successful Proposer (at the rate provided in the Sealed Cost Proposal) for on-site training for up to eight (8) new Auditors to the TLC account. Trainees will be observing or mirroring the current auditors. Each auditor will be required to attend up to thirty-eight (38) hours of on-site training unless otherwise agreed upon by the TLC. Any additional training required will be conducted at the cost of the Successful Proposer.

## 6.11 TRAINING DURING THE TERM OF THE CONTRACT

- 6.11.1 *New Auditors.* During the Term of the Contract, the Texas Lottery and the Successful Proposer will coordinate and provide training for new Auditors to the TLC Account. The Texas Lottery will pay the Successful Proposer (at the rate provided in the Sealed Cost Proposal) for up to thirty-eight (38) hours of required onsite training each contract year. It is estimated that each new Auditor will be required to attend approximately thirty-eight (38) hours of onsite training. Any additional training costs required under this section 6.11.1 shall be at the cost of the Successful Proposer.
- 6.11.2 *New game or procedure changes.* If after initial training, the Texas Lottery introduces a new game or makes changes to the drawings procedures that require additional training of



the drawings auditors, the Texas Lottery will provide up to four (4) hours of additional on-site training for up to eight (8) auditors. The Successful Proposer and the Texas Lottery will meet and agree upon the maximum number of training hours required for each new game or change and the number of auditors requiring additional training before beginning training authorized under this section. The Texas Lottery will pay for this agreed upon training at the training rate provided in the Sealed Cost Proposal.

- 6.11.3 Any additional on-site or off-site training costs under this Section 6.11 shall be conducted at the cost of the Successful Proposer.

## **6.12 WORK PAPER RETENTION AND AVAILABILITY**

- 6.12.1 The Successful Proposer shall retain, and must make available for examination by the Texas Lottery, work papers prepared under the Contract for at least seven (7) years following Contract expiration or termination.
- 6.12.2 The work papers prepared by the Successful Proposer will remain the Successful Proposer's property, and the Successful Proposer must provide access thereto and make copies (both written and electronic) available to the Texas Lottery upon request. The Successful Proposer shall cooperate with independent auditors retained by the Texas Lottery both during the Contract term and following Contract expiration or termination. This provision shall remain in effect for a period of seven (7) years after final payment under the Contract. The Successful Proposer shall make auditors available upon request to explain all data, materials, and working papers during such a review at a reasonable time. "Reasonable time" means during normal business hours.
- 6.12.3 The Texas Lottery, its authorized representatives, and other State of Texas agencies shall have access to and the right to examine the books, documents, papers or records of the Successful Proposer that relate to the Contract. The Successful Proposer shall provide photocopied documents as requested at no charge to the Texas Lottery. This provision shall remain in effect during the term of the Contract and for seven (7) years after final payment under the Contract.

## **6.13 GENERAL INFORMATION**

### **6.13.1 Public Announcement**

A public announcement of the Successful Proposer's firm name may be made at each televised drawing. The announcement may be verbal or by computer graphic during the drawing broadcast. Due to time and space constraints, only the primary vendor, or in the case of a joint proposal, only one of the primary vendors, can be mentioned or placed on a graphic. Any subcontractor cannot be mentioned or placed on a graphic.

### **6.13.2 Dress Code**

Lottery drawings are open to the public and the integrity of the drawings is reflected in the appearance and behavior of the drawing participants. Accordingly, the Successful Proposer's drawings auditors shall present a professional image at all times and dress in



professional office attire. The Texas Lottery Commission drawings section supervisor may dictate dress code requirements and may request an auditor be replaced if the auditor does not comply.

#### 6.13.3 Workspace for Drawings Auditors

The Texas Lottery will make available workspace (including two Texas Lottery computers, chairs, a telephone and file cabinet) and parking passes (during non-standard business hours only) to accommodate the Successful Proposer's audit team at the Texas Lottery downtown Austin studio at 601 East 6<sup>th</sup> Street. The Successful Proposer may not remove, and shall be responsible for any damage to, Texas Lottery equipment, and must return the equipment, badges and parking passes upon expiration or termination of the Contract.

### 6.14 BUSINESS CONTINUITY PLAN

- 6.14.1 The Successful Proposer shall be required to perform all functions under the Contract from the TLC's remote location if the TLC's permanent studio is unavailable. The Successful Proposer may be reimbursed for travel in accordance with State travel guidelines, if required by the Texas Lottery.
- 6.14.2 The Successful Proposer at the request of the Texas Lottery shall be required to participate in a disaster recovery drawing simulation once a year. The simulation will consist of four (4) hours of disaster recovery practice and testing. This time will be scheduled at least ten (10) Working Days in advance and will be for the purpose of training auditors and evaluating the effectiveness and operation of the drawings audit, simulating a disaster recovery scenario.

### 6.15 END OF CONTRACT TRANSITION PLAN

The Successful Proposer shall be responsible for transitioning Drawings CPA Services at the end of the contract term, should there be a change in vendor. The Texas Lottery requires the Successful Proposer to complete the required transition training to ensure a successful transition. Each Proposer must provide the transition plan in its proposal and must address any time constraints and strategies to ensure successful transition. In addition, please see Section 3.8.3.



**ATTACHMENT A  
PROPOSER'S COMMITMENT**

I hereby commit \_\_\_\_\_

(Company Name)

to provide the goods and services described in the attached Proposal for Lottery Drawings CPA Services required by the Request for Proposals for the Texas Lottery Commission.

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



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## ATTACHMENT B FINANCIAL COMMITMENT AND RESPONSIBILITY

This financial commitment and responsibility statement is to be completed by the parent corporation's chief financial officer.

\_\_\_\_\_ is a fully-owned subsidiary of

(Subject)

\_\_\_\_\_ and that as such \_\_\_\_\_

(Parent)

(Parent)

is fully responsible for any and all financial obligations of

\_\_\_\_\_.

(Subject)

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



**ATTACHMENT C**  
**HUB SUBCONTRACTING PLAN**



# HUB Subcontracting Plan (HSP)

In accordance with Texas Gov't Code §2161.252, the contracting agency has determined that subcontracting opportunities are probable under this contract. Therefore, all respondents, including State of Texas certified Historically Underutilized Businesses (HUBs) must complete and submit this State of Texas HUB Subcontracting Plan (HSP) with their response to the bid requisition (solicitation).

**NOTE:** Responses that do not include a completed HSP shall be rejected pursuant to Texas Gov't Code §2161.252(b).

The HUB Program promotes equal business opportunities for economically disadvantaged persons to contract with the State of Texas in accordance with the goals specified in the 2009 State of Texas Disparity Study. The statewide HUB goals defined in 34 Texas Administrative Code (TAC) §20.284 are:

- **11.2 percent for heavy construction other than building contracts,**
- **21.1 percent for all building construction, including general contractors and operative builders' contracts,**
- **32.9 percent for all special trade construction contracts,**
- **23.7 percent for professional services contracts,**
- **26.0 percent for all other services contracts, and**
- **21.1 percent for commodities contracts.**

## - - Agency Special Instructions/Additional Requirements - -

*In accordance with 34 TAC §20.285(d)(1)(D)(iii), a respondent (prime contractor) may demonstrate good faith effort to utilize Texas certified HUBs for its subcontracting opportunities if the total value of the respondent's subcontracts with Texas certified HUBs meets or exceeds the statewide HUB goal or the agency specific HUB goal, whichever is higher. When a respondent uses this method to demonstrate good faith effort, the respondent must identify the HUBs with which it will subcontract. If using existing contracts with Texas certified HUBs to satisfy this requirement, only the aggregate percentage of the contracts expected to be subcontracted to HUBs with which the respondent does not have a continuous contract\* in place for more than five (5) years shall qualify for meeting the HUB goal. This limitation is designed to encourage vendor rotation as recommended by the 2009 Texas Disparity Study.*

## SECTION 1: RESPONDENT AND REQUISITION INFORMATION

- a. Respondent (Company) Name: \_\_\_\_\_ State of Texas VID #: \_\_\_\_\_  
Point of Contact: \_\_\_\_\_ Phone #: \_\_\_\_\_  
E-mail Address: \_\_\_\_\_ Fax #: \_\_\_\_\_
- b. Is your company a State of Texas certified HUB? ☐ - Yes ☐ - No
- c. Requisition #: \_\_\_\_\_ Bid Open Date: \_\_\_\_\_

(mm/dd/yyyy)

Enter your company's name here: \_\_\_\_\_ Requisition #: \_\_\_\_\_

## SECTION 2: RESPONDENT'S SUBCONTRACTING INTENTIONS

After dividing the contract work into reasonable lots or portions to the extent consistent with prudent industry practices, and taking into consideration the scope of work to be performed under the proposed contract, including all potential subcontracting opportunities, the respondent must determine what portions of work, **including contracted staffing, goods and services will be subcontracted**. Note: In accordance with 34 TAC §20.282, a "Subcontractor" means a person who contracts with a prime contractor to work, to supply commodities, or to contribute toward completing work for a governmental entity.

a. Check the appropriate box (Yes or No) that identifies your subcontracting intentions:

- ☐ - Yes, I will be subcontracting portions of the contract. (If Yes, complete Item b of this SECTION and continue to Item c of this SECTION.)
- ☐ - No, I will not be subcontracting any portion of the contract, and I will be fulfilling the entire contract with my own resources, including employees, goods and services. (If No, continue to SECTION 3 and SECTION 4.)

b. List all the portions of work (subcontracting opportunities) you will subcontract. Also, based on the total value of the contract, identify the percentages of the contract you expect to award to Texas certified HUBs, and the percentage of the contract you expect to award to vendors that are not a Texas certified HUB (i.e., Non-HUB).

Item #	Subcontracting Opportunity Description	HUBs		Non-HUBs
		Percentage of the contract expected to be subcontracted to HUBs with which you <b>do not</b> have a <b>continuous contract*</b> in place for <b>more than five (5) years</b> .	Percentage of the contract expected to be subcontracted to HUBs with which you have a <b>continuous contract*</b> in place for <b>more than five (5) years</b> .	Percentage of the contract expected to be subcontracted to non-HUBs.
1		%	%	%
2		%	%	%
3		%	%	%
4		%	%	%
5		%	%	%
6		%	%	%
7		%	%	%
8		%	%	%
9		%	%	%
10		%	%	%
11		%	%	%
12		%	%	%
13		%	%	%
14		%	%	%
15		%	%	%
Aggregate percentages of the contract expected to be subcontracted:		%	%	%

(Note: If you have more than fifteen subcontracting opportunities, a continuation sheet is available online at <https://www.comptroller.texas.gov/purchasing/vendor/hub/forms.php>.)

c. Check the appropriate box (Yes or No) that indicates whether you will be using **only** Texas certified HUBs to perform **all** of the subcontracting opportunities you listed in SECTION 2, Item b.

- Yes (If Yes, continue to SECTION 4 and complete an "HSP Good Faith Effort - Method A (Attachment A)" for **each** of the subcontracting opportunities you listed.)
- No (If No, continue to Item d, of this SECTION.)

d. Check the appropriate box (Yes or No) that indicates whether the aggregate expected percentage of the contract you will subcontract **with Texas certified HUBs** with which you **do not** have a **continuous contract\*** in place with for **more than five (5) years**, **meets or exceeds** the HUB goal the contracting agency identified on page 1 in the "Agency Special Instructions/Additional Requirements."

- Yes (If Yes, continue to SECTION 4 and complete an "HSP Good Faith Effort - Method A (Attachment A)" for **each** of the subcontracting opportunities you listed.)
- No (If No, continue to SECTION 4 and complete an "HSP Good Faith Effort - Method B (Attachment B)" for **each** of the subcontracting opportunities you listed.)

**\*Continuous Contract:** Any existing written agreement (including any renewals that are exercised) between a prime contractor and a HUB vendor, where the HUB vendor provides the prime contractor with goods or service under the same contract for a specified period of time. The frequency the HUB vendor is utilized or paid during the term of the contract is not relevant to whether the contract is considered continuous. Two or more contracts that run concurrently or overlap one another for different periods of time are considered by CPA to be individual contracts rather than renewals or extensions to the original contract. In such situations the prime contractor and HUB vendor are entering (have entered) into "new" contracts.



Enter your company's name here: \_\_\_\_\_

Requisition #: \_\_\_\_\_

**SECTION 2: RESPONDENT'S SUBCONTRACTING INTENTIONS (CONTINUATION SHEET)**

This page can be used as a continuation sheet to the HSP Form's page 2, Section 2, Item b. Continue listing the portions of work (subcontracting opportunities) you will subcontract. Also, based on the total value of the contract, identify the percentages of the contract you expect to award to Texas certified HUBs, and the percentage of the contract you expect to award to vendors that are not a Texas certified HUB (i.e., Non-HUB).

Item #	Subcontracting Opportunity Description	HUBs		Non-HUBs
		Percentage of the contract expected to be subcontracted to HUBs with which you <b>do not</b> have a <u>continuous contract*</u> in place for <u>more than five (5) years</u> .	Percentage of the contract expected to be subcontracted to HUBs with which you have a <u>continuous contract*</u> in place for <u>more than five (5) years</u> .	Percentage of the contract expected to be subcontracted to non-HUBs.
16		%	%	%
17		%	%	%
18		%	%	%
19		%	%	%
20		%	%	%
21		%	%	%
22		%	%	%
23		%	%	%
24		%	%	%
25		%	%	%
26		%	%	%
27		%	%	%
28		%	%	%
29		%	%	%
30		%	%	%
31		%	%	%
32		%	%	%
33		%	%	%
34		%	%	%
35		%	%	%
36		%	%	%
37		%	%	%
38		%	%	%
39		%	%	%
40		%	%	%
41		%	%	%
42		%	%	%
43		%	%	%
Aggregate percentages of the contract expected to be subcontracted:		%	%	%

**\*Continuous Contract:** Any existing written agreement (including any renewals that are exercised) between a prime contractor and a HUB vendor, where the HUB vendor provides the prime contractor with goods or service under the same contract for a specified period of time. The frequency the HUB vendor is utilized or paid during the term of the contract is not relevant to whether the contract is considered continuous. Two or more contracts that run concurrently or overlap one another for different periods of time are considered by CPA to be individual contracts rather than renewals or extensions to the original contract. In such situations the prime contractor and HUB vendor are entering (have entered) into "new" contracts.

Enter your company's name here: \_\_\_\_\_ Requisition #: \_\_\_\_\_

**SECTION 3: SELF PERFORMING JUSTIFICATION** (If you responded "No" to SECTION 2, Item a, you must complete this SECTION and continue to SECTION 4.) If you responded "No" to SECTION 2, Item a, in the space provided below **explain how** your company will perform the entire contract with its own employees, supplies, materials and/or equipment.

#### **SECTION 4: AFFIRMATION**

As evidenced by my signature below, I affirm that I am an authorized representative of the respondent listed in SECTION 1, and that the information and supporting documentation submitted with the HSP is true and correct. Respondent understands and agrees that, if awarded any portion of the requisition:

- The respondent will provide notice as soon as practical to all the subcontractors (HUBs and Non-HUBs) of their selection as a subcontractor for the awarded contract. The notice must specify at a minimum the contracting agency's name and its point of contact for the contract, the contract award number, the subcontracting opportunity they (the subcontractor) will perform, the approximate dollar value of the subcontracting opportunity and the expected percentage of the total contract that the subcontracting opportunity represents. A copy of the notice required by this section must also be provided to the contracting agency's point of contact for the contract no later than ten (10) working days after the contract is awarded.
- The respondent must submit monthly compliance reports (Prime Contractor Progress Assessment Report – PAR) to the contracting agency, verifying its compliance with the HSP, including the use of and expenditures made to its subcontractors (HUBs and Non-HUBs). (The PAR is available at <https://www.comptroller.texas.gov/purchasing/docs/hub-forms/ProgressAssessmentReportForm.xls>).
- The respondent must seek approval from the contracting agency prior to making any modifications to its HSP, including the hiring of additional or different subcontractors and the termination of a subcontractor the respondent identified in its HSP. If the HSP is modified without the contracting agency's prior approval, respondent may be subject to any and all enforcement remedies available under the contract or otherwise available by law, up to and including debarment from all state contracting.
- The respondent must, upon request, allow the contracting agency to perform on-site reviews of the company's headquarters and/or work-site where services are being performed and must provide documentation regarding staffing and other resources.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date  
(mm/dd/yyyy)

#### **Reminder:**

- If you responded "Yes" to SECTION 2, Items c or d, you must complete an "HSP Good Faith Effort - Method A (Attachment A)" for each of the subcontracting opportunities you listed in SECTION 2, Item b.
- If you responded "No" SECTION 2, Items c and d, you must complete an "HSP Good Faith Effort - Method B (Attachment B)" for each of the subcontracting opportunities you listed in SECTION 2, Item b.

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**IMPORTANT:** If you responded “Yes” to **SECTION 2, Items c or d** of the completed HSP form, you must submit a completed “HSP Good Faith Effort - Method A (Attachment A)” for **each** of the subcontracting opportunities you listed in **SECTION 2, Item b** of the completed HSP form. You may photo-copy this page or download the form at <https://www.comptroller.texas.gov/purchasing/docs/hub-forms/hub-sbcont-plan-gfe-achm-a.pdf>

Item Number:                      Description:

[illegible]

Page 1 of 1  
(Attachment A)

# HSP Good Faith Effort - Method B (Attachment B)

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Enter your company's name here: \_\_\_\_\_ Requisition #: \_\_\_\_\_

**IMPORTANT:** If you responded “No” to **SECTION 2, Items c and d** of the completed HSP form, you must submit a completed “HSP Good Faith Effort - Method B (Attachment B)” for **each** of the subcontracting opportunities you listed in **SECTION 2, Item b** of the completed HSP form. You may photo-copy this page or download the form at <https://www.comptroller.texas.gov/purchasing/docs/hub-forms/hub-sbcont-plan-gfe-achm-b.pdf>.

## SECTION B-1: SUBCONTRACTING OPPORTUNITY

Enter the item number and description of the subcontracting opportunity you listed in SECTION 2, Item b, of the completed HSP form for which you are completing the attachment.

Item Number: \_\_\_\_\_ Description: \_\_\_\_\_

## SECTION B-2: MENTOR PROTÉGÉ PROGRAM

If respondent is participating as a Mentor in a State of Texas Mentor Protégé Program, submitting its Protégé (Protégé must be a State of Texas certified HUB) as a subcontractor to perform the subcontracting opportunity listed in **SECTION B-1**, constitutes a good faith effort to subcontract with a Texas certified HUB towards that specific portion of work.

Check the appropriate box (Yes or No) that indicates whether you will be subcontracting the portion of work you listed in SECTION B-1 to your Protégé.

- Yes (If Yes, continue to SECTION B-4.)
- No / Not Applicable (If No or Not Applicable, continue to SECTION B-3 and SECTION B-4.)

## SECTION B-3: NOTIFICATION OF SUBCONTRACTING OPPORTUNITY

When completing this section you **MUST** comply with items **a, b, c and d**, thereby demonstrating your Good Faith Effort of having notified Texas certified HUBs and trade organizations or development centers about the subcontracting opportunity you listed in SECTION B-1. Your notice should include the scope of work, information regarding the location to review plans and specifications, bonding and insurance requirements, required qualifications, and identify a contact person. When sending notice of your subcontracting opportunity, you are encouraged to use the attached HUB Subcontracting Opportunity Notice form, which is also available online at <https://www.comptroller.texas.gov/purchasing/docs/hub-forms/HUBSubcontractingOpportunityNotificationForm.pdf>.

Retain supporting documentation (i.e., certified letter, fax, e-mail) demonstrating evidence of your good faith effort to notify the Texas certified HUBs and trade organizations or development centers. Also, be mindful that a working day is considered a normal business day of a state agency, not including weekends, federal or state holidays, or days the agency is declared closed by its executive officer. The initial day the subcontracting opportunity notice is sent/provided to the HUBs and to the trade organizations or development centers is considered to be “day zero” and does not count as one of the seven (7) working days.

- a.** Provide written notification of the subcontracting opportunity you listed in SECTION B-1, to three (3) or more Texas certified HUBs. Unless the contracting agency specified a different time period, you must allow the HUBs at least seven (7) working days to respond to the notice prior to you submitting your bid response to the contracting agency. When searching for Texas certified HUBs and verifying their HUB status, ensure that you use the State of Texas’ Centralized Master Bidders List (CMBL) - Historically Underutilized Business (HUB) Directory Search located at <http://mycpa.cpa.state.tx.us/tpasscmbldsearch/index.jsp>. HUB status code “A” signifies that the company is a Texas certified HUB.
- b.** List the **three (3) Texas certified HUBs** you notified regarding the subcontracting opportunity you listed in SECTION B-1. Include the company’s Texas Vendor Identification (VID) Number, the date you sent notice to that company, and indicate whether it was responsive or non-responsive to your subcontracting opportunity notice.

Company Name	Texas VID (Do not enter Social Security Numbers.)	Date Notice Sent (mm/dd/yyyy)	Did the HUB Respond?
			- Yes - No
			- Yes - No
			- Yes - No

- c.** Provide written notification of the subcontracting opportunity you listed in SECTION B-1 to two (2) or more trade organizations or development centers in Texas to assist in identifying potential HUBs by disseminating the subcontracting opportunity to their members/participants. Unless the contracting agency specified a different time period, you must provide your subcontracting opportunity notice to trade organizations or development centers at least seven (7) working days prior to submitting your bid response to the contracting agency. A list of trade organizations and development centers that have expressed an interest in receiving notices of subcontracting opportunities is available on the Statewide HUB Program’s webpage at <https://www.comptroller.texas.gov/purchasing/vendor/hub/resources.php>.
- d.** List two (2) trade organizations or development centers you notified regarding the subcontracting opportunity you listed in SECTION B-1. Include the date when you sent notice to it and indicate if it accepted or rejected your notice.

Trade Organizations or Development Centers	Date Notice Sent (mm/dd/yyyy)	Was the Notice Accepted?
		- Yes - No
		- Yes - No

# HSP Good Faith Effort - Method B (Attachment B) Cont.

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Enter your company's name here: \_\_\_\_\_ Requisition #: \_\_\_\_\_

## SECTION B-4: SUBCONTRACTOR SELECTION

Enter the item number and description of the subcontracting opportunity you listed in **SECTION 2, Item b**, of the completed HSP form for which you are completing the attachment.

- a. Enter the item number and description of the subcontracting opportunity for which you are completing this Attachment B continuation page.

Item Number: \_\_\_\_\_ Description: \_\_\_\_\_

- b. List the subcontractor(s) you selected to perform the subcontracting opportunity you listed in **SECTION B-1**. Also identify whether they are a Texas certified HUB and their Texas Vendor Identification (VID) Number or federal Employer Identification Number (EIN), the approximate dollar value of the work to be subcontracted, and the expected percentage of work to be subcontracted. When searching for Texas certified HUBs and verifying their HUB status, ensure that you use the State of Texas' Centralized Master Bidders List (CMBL) - Historically Underutilized Business (HUB) Directory Search located at <http://mycpa.cpa.state.tx.us/tpasscmbsearch/index.jsp>. HUB status code "A" signifies that the company is a Texas certified HUB.

Company Name	Texas certified HUB	Texas VID or federal EIN <small>Do not enter Social Security Numbers. If you do not know their VID / EIN, leave their VID / EIN field blank.</small>	Approximate Dollar Amount	Expected Percentage of Contract
	- Yes - No		\$	%
	- Yes - No		\$	%
	- Yes - No		\$	%
	- Yes - No		\$	%
	- Yes - No		\$	%
	- Yes - No		\$	%
	- Yes - No		\$	%
	- Yes - No		\$	%
	- Yes - No		\$	%
	- Yes - No		\$	%

- c. If any of the subcontractors you have selected to perform the subcontracting opportunity you listed in **SECTION B-1** is not a Texas certified HUB, provide written justification for your selection process (attach additional page if necessary):

**REMINDER:** As specified in SECTION 4 of the completed HSP form, if you (respondent) are awarded any portion of the requisition, you are required to provide notice as soon as practical to **all** the subcontractors (HUBs and Non-HUBs) of their selection as a subcontractor. The notice must specify at a minimum the contracting agency's name and its point of contact for the contract, the contract award number, the subcontracting opportunity it (the subcontractor) will perform, the approximate dollar value of the subcontracting opportunity and the expected percentage of the total contract that the subcontracting opportunity represents. A copy of the notice required by this section must also be provided to the contracting agency's point of contact for the contract no later than ten (10) working days after the contract is awarded.



**ATTACHMENT C-1  
HSP QUICK CHECK LIST**



# HUB Subcontracting Plan (HSP)

## QUICK CHECKLIST

While this HSP Quick Checklist is being provided to merely assist you in readily identifying the sections of the HSP form that you will need to complete, it is very important that you adhere to the instructions in the HSP form and instructions provided by the contracting agency.

- **If you will be awarding all of the subcontracting work you have to offer under the contract to only Texas certified HUB vendors, complete:**
  - Section 1 - Respondent and Requisition Information
  - Section 2 a. - Yes, I will be subcontracting portions of the contract.
  - Section 2 b. - List all the portions of work you will subcontract, and indicate the percentage of the contract you expect to award to Texas certified HUB vendors.
  - Section 2 c. - Yes
  - Section 4 - Affirmation
  - GFE Method A (Attachment A) - Complete an Attachment A for each of the subcontracting opportunities you listed in Section 2 b.
- **If you will be subcontracting any portion of the contract to Texas certified HUB vendors and Non-HUB vendors, and the aggregate percentage of all the subcontracting work you will be awarding to the Texas certified HUB vendors with which you do not have a continuous contract\* in place for more than five (5) years meets or exceeds the HUB Goal the contracting agency identified in the "Agency Special Instructions/Additional Requirements", complete:**
  - Section 1 - Respondent and Requisition Information
  - Section 2 a. - Yes, I will be subcontracting portions of the contract.
  - Section 2 b. - List all the portions of work you will subcontract, and indicate the percentage of the contract you expect to award to Texas certified HUB vendors and Non-HUB vendors.
  - Section 2 c. - No
  - Section 2 d. - Yes
  - Section 4 - Affirmation
  - GFE Method A (Attachment A) - Complete an Attachment A for each of the subcontracting opportunities you listed in Section 2 b.
- **If you will be subcontracting any portion of the contract to Texas certified HUB vendors and Non-HUB vendors or only to Non-HUB vendors, and the aggregate percentage of all the subcontracting work you will be awarding to the Texas certified HUB vendors with which you do not have a continuous contract\* in place for more than five (5) years does not meet or exceed the HUB Goal the contracting agency identified in the "Agency Special Instructions/Additional Requirements", complete:**
  - Section 1 - Respondent and Requisition Information
  - Section 2 a. - Yes, I will be subcontracting portions of the contract.
  - Section 2 b. - List all the portions of work you will subcontract, and indicate the percentage of the contract you expect to award to Texas certified HUB vendors and Non-HUB vendors.
  - Section 2 c. - No
  - Section 2 d. - No
  - Section 4 - Affirmation
  - GFE Method B (Attachment B) - Complete an Attachment B for each of the subcontracting opportunities you listed in Section 2 b.
- **If you will not be subcontracting any portion of the contract and will be fulfilling the entire contract with your own resources (i.e., employees, supplies, materials and/or equipment), complete:**
  - Section 1 - Respondent and Requisition Information
  - Section 2 a. - No, I will not be subcontracting any portion of the contract, and I will be fulfilling the entire contract with my own resources.
  - Section 3 - Self Performing Justification
  - Section 4 - Affirmation

**\*Continuous Contract:** Any existing written agreement (including any renewals that are exercised) between a prime contractor and a HUB vendor, where the HUB vendor provides the prime contractor with goods or service, to include under the same contract for a specified period of time. The frequency the HUB vendor is utilized or paid during the term of the contract is not relevant to whether the contract is considered continuous. Two or more contracts that run concurrently or overlap one another for different periods of time are considered by CPA to be individual contracts rather than renewals or extensions to the original contract. In such situations the prime contractor and HUB vendor are entering (have entered) into "new" contracts.



**ATTACHMENT C-2**  
**HUB SUBCONTRACTING OPPORTUNITY NOTIFICATION FORM**





# HUB Subcontracting Opportunity Notification Form

In accordance with Texas Gov't Code, Chapter 2161, each state agency that considers entering into a contract with an expected value of \$100,000 or more shall, before the agency solicits bids, proposals, offers, or other applicable expressions of interest, determine whether subcontracting opportunities are probable under the contract. The state agency I have identified below in Section B has determined that subcontracting opportunities are probable under the requisition to which my company will be responding.

34 Texas Administrative Code, §20.285 requires all respondents (prime contractors) bidding on the contract to provide notice of each of their subcontracting opportunities to at least three (3) Texas certified HUBs (who work within the respective industry applicable to the subcontracting opportunity), and allow the HUBs at least seven (7) working days to respond to the notice prior to the respondent submitting its bid response to the contracting agency. In addition, at least seven (7) working days prior to submitting its bid response to the contracting agency, the respondent must provide notice of each of its subcontracting opportunities to two (2) or more trade organizations or development centers (in Texas) that serves members of groups (i.e., Asian Pacific American, Black American, Hispanic American, Native American, Woman, Service Disabled Veteran) identified in Texas Administrative Code §20.282(19)(C).

We respectfully request that vendors interested in bidding on the subcontracting opportunity scope of work identified in Section C, Item 2, reply no later than the date and time identified in Section C, Item 1. Submit your response to the point-of-contact referenced in Section A.

## SECTION A: PRIME CONTRACTOR'S INFORMATION

Company Name: \_\_\_\_\_

State of Texas VID #: \_\_\_\_\_

Point-of-Contact: \_\_\_\_\_

Phone #: \_\_\_\_\_

E-mail Address: \_\_\_\_\_

Fax #: \_\_\_\_\_

## SECTION B: CONTRACTING STATE AGENCY AND REQUISITION INFORMATION

Agency Name: \_\_\_\_\_

Point-of-Contact: \_\_\_\_\_

Phone #: \_\_\_\_\_

Requisition #: \_\_\_\_\_

Bid Open Date: \_\_\_\_\_

(mm/dd/yyyy)

## SECTION C: SUBCONTRACTING OPPORTUNITY RESPONSE DUE DATE, DESCRIPTION, REQUIREMENTS AND RELATED INFORMATION

### 1. Potential Subcontractor's Bid Response Due Date:

If you would like for our company to consider your company's bid for the subcontracting opportunity identified below in Item 2,

we must receive your bid response no later than \_\_\_\_\_ on \_\_\_\_\_ .  
Central Time Date (mm/dd/yyyy)

*In accordance with 34 TAC §20.285, each notice of subcontracting opportunity shall be provided to at least three (3) Texas certified HUBs, and allow the HUBs at least seven (7) working days to respond to the notice prior to submitting our bid response to the contracting agency. In addition, at least seven (7) working days prior to us submitting our bid response to the contracting agency, we must provide notice of each of our subcontracting opportunities to two (2) or more trade organizations or development centers (in Texas) that serves members of groups (i.e., Asian Pacific American, Black American, Hispanic American, Native American, Woman, Service Disabled Veteran) identified in Texas Administrative Code, §20.282(19)(C).*

*(A working day is considered a normal business day of a state agency, not including weekends, federal or state holidays, or days the agency is declared closed by its executive officer. The initial day the subcontracting opportunity notice is sent/provided to the HUBs and to the trade organizations or development centers is considered to be "day zero" and does not count as one of the seven (7) working days.)*

### 2. Subcontracting Opportunity Scope of Work:

### 3. Required Qualifications:

- Not Applicable

### 4. Bonding/Insurance Requirements:

- Not Applicable

### 5. Location to review plans/specifications:

- Not Applicable



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**ATTACHMENT D**  
**V.T.C.A., GOVERNMENT CODE § 466.155**

(a) After a hearing, the director shall deny an application for a license or the commission shall suspend or revoke a license if the director or commission, as applicable, finds that the applicant or sales agent:

(1) is an individual who:

(A) has been convicted of a felony, criminal fraud, gambling or a gambling-related offense, or a misdemeanor involving moral turpitude, if less than 10 years has elapsed since the termination of the sentence, parole, mandatory supervision, or probation served for the offense;

(B) is or has been a professional gambler;

(C) is married to an individual:

(i) described in Paragraph (A) or (B); or

(ii) who is currently delinquent in the payment of any state tax;

(D) is an officer or employee of the commission or a lottery operator; or

(E) is a spouse, child, brother, sister, or parent residing as a member of the same household in the principal place of residence of a person described by Paragraph (D);

(2) is not an individual, and an individual described in Subdivision (1):

(A) is an officer or director of the applicant or sales agent;

(B) holds more than 10 percent of the stock in the applicant or sales agent;

(C) holds an equitable interest greater than 10 percent in the applicant or sales agent;

(D) is a creditor of the applicant or sales agent who holds more than 10 percent of the applicant's or sales agent's outstanding debt;

(E) is the owner or lessee of a business that the applicant or sales agent conducts or through which the applicant will conduct a ticket sales agency;

(F) shares or will share in the profits, other than stock dividends, of the applicant or sales agent; or

(G) participates in managing the affairs of the applicant or sales agent;

(3) has been finally determined to be:

(A) delinquent in the payment of a tax or other money collected by the comptroller, the Texas Workforce Commission, or the Texas Alcoholic Beverage Commission;

(B) in default on a loan made under Chapter 52, Education Code; or

(C) in default on a loan guaranteed under Chapter 57, Education Code;

(4) is a person whose location for the sales agency is:

(A) a location licensed for games of bingo under Chapter 2001, Occupations Code;

(B) on land that is owned by:

(i) this state; or

(ii) a political subdivision of this state and on which is located a public primary or secondary school, an institution of higher education, or an agency of the state; or



(C) a location for which a person holds a wine and beer retailer's permit, mixed beverage permit, mixed beverage late hours permit, private club registration permit, or private club late hours permit issued under Chapter 25, 28, 29, 32, or 33, Alcoholic Beverage Code; or

(5) has violated this chapter or a rule adopted under this chapter.

(b) If the director proposes to deny an application for a license or the commission proposes to suspend or revoke a license under this section, the applicant or sales agent is entitled to written notice of the time and place of the hearing. A notice may be served on an applicant or sales agent personally or sent by certified or registered mail, return receipt requested, to the person's mailing address as it appears on the commission's records. A notice must be served or mailed not later than the 20th day before the date of the hearing. The commission shall provide for a formal administrative hearings process.

(b-1) A hearing under this section must be conducted by the State Office of Administrative Hearings and is subject to Section 2001.058(e).

(c) At a hearing, an applicant or sales agent must show by a preponderance of the evidence why the application should not be denied or the license suspended or revoked.

(d) The director shall give an applicant or sales agent written notice of a denial of an application or a suspension or revocation of a license.

(e) The director may not issue a license to a person who has previously had a license under this chapter revoked unless the director is satisfied the person will comply with this chapter and the rules adopted under this chapter. The director may prescribe the terms under which a suspended license will be reissued.

(f) The director may not issue a license to an applicant who fails to certify to the director the applicant's compliance with the federal Americans with Disabilities Act of 1990 (42 U.S.C. Section 12101 et seq.).

(g) For purposes of Subsection (a)(3), the comptroller, Texas Workforce Commission, Texas Alcoholic Beverage Commission, Texas Higher Education Coordinating Board, and Texas Guaranteed Student Loan Corporation shall each provide the executive director with a report of persons who have been finally determined to be delinquent in the payment of any money owed to or collected by that agency. The commission shall adopt rules regarding the form and frequency of reports under this subsection.

Added by Acts 1993, 73rd Leg., ch. 107, Sec. 4.03(b), eff. Aug. 30, 1993. Amended by Acts 1995, 74th Leg., ch. 76, Sec. 6.21, eff. Sept. 1, 1995; Acts 1995, 74th Leg., ch. 696, Sec. 1, eff. Sept. 1, 1995; Acts 1997, 75th Leg., ch. 1275, Sec. 51, eff. Sept. 1, 1997; Acts 2001, 77th Leg., ch. 394, Sec. 1, eff. Sept. 1, 2001; Acts 2001, 77th Leg., ch. 1420, Sec. 14.760, eff. Sept. 1, 2001; Acts 2013, 83rd Leg., R.S., Ch. 993 (H.B. 2197), Sec. 5, eff. September 1, 2013; Acts 2017, 85<sup>th</sup> Leg., ch. 141 (H.B. 1555), § 1, eff. May 26, 2017.



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## ATTACHMENT D-1 BACKGROUND INFORMATION CERTIFICATION

Texas Government Code ANN. § 466.155

Pursuant to Texas Government Code ANN. §466.103, the Executive Director of the Texas Lottery Commission may not award a contract for the purchase or lease of facilities, goods or services related to lottery operations to a person who would be denied a license as a sales agent under Texas Government Code ANN. §466.155.

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(Company Name)

certifies that it has reviewed Texas Government Code ANN. §466.155 and that it would not be denied a license as a sales agent pursuant to said section.

\_\_\_\_\_  
*(signature of person authorized to contractually bind the Proposer)*

\_\_\_\_\_  
*(printed name)*

\_\_\_\_\_  
*(title)*

\_\_\_\_\_  
*(date)*



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## ATTACHMENT E TEXAS LOTTERY COMMISSION VENDOR BACKGROUND INVESTIGATION FORM

**NOTE: This form is to be completed by the Apparent Successful Proposer, including the parent or subsidiary of the Apparent Successful Proposer.**

### GENERAL INFORMATION

- The Texas Lottery is authorized to obtain criminal history records from the Texas Department of Public Safety, the Federal Bureau of Investigation or any other law enforcement agency.
- This form is open to public inspection during normal business hours as required by the Texas Public Information Act, Tex. Gov't. Code ANN., §552.021.
- **For Assistance**, please call the Enforcement Division of the Texas Lottery at 512-344-5000.

### SALES AGENT ELIGIBILITY STANDARDS

Section 466.103 of the Texas Government Code states that the Executive Director may not award a Contract to a person who would be denied a license as a sales agent under section 466.155 of the Texas Government Code. An individual is not eligible for a sales license if:

- a. The individual or the individual's spouse has been convicted of a felony, criminal fraud, gambling or a gambling-related offense or a misdemeanor involving moral turpitude and less than 10 years have passed since the end of the sentence, parole, mandatory supervision or probation served for the conviction.
- b. The individual or the individual's spouse is a professional gambler.
- c. The individual's spouse is currently delinquent in the payment of any state tax.
- d. The individual is an officer or employee of the Texas Lottery Commission or a lottery operator.
- e. The individual's spouse, child, brother, sister or parent (1) lives in the same principal place of residence as the individual and (2) is an officer or employee of the Texas Lottery Commission or a lottery operator.
- f. The individual is delinquent in the payment of a tax or other money collected by the Texas Comptroller of Public Accounts, the Texas Workforce Commission, or the Texas Alcoholic Beverage Commission; in default on a loan made under Chapter 52 of the Texas Education Code; or in default on a loan guaranteed under Chapter 57 of the Texas Education Code.

An entity is not eligible for a sales license if the entity includes any of the following individuals who would be ineligible for a sales license under item a, b, c, d or e above:

- An officer or director of the entity;
- An individual who holds more than 10 percent of the stock in the entity;
- An individual who holds an equitable interest greater than 10 percent in the entity;
- The creditor of the entity who holds more than 10 percent of the entity's outstanding debt;
- The owner or lessee of a business conducted by the entity or through which the entity will conduct a ticket sales agency;
- An individual who shares or will share in the profits, other than stock dividends, of the entity; or
- An individual who participates in managing the affairs of the entity.



An applicant is not eligible for a sales license if the proposed ticket sales location is:

- A location licensed for games of bingo, or
- On land that is owned by:
  - This state, or
  - On which is located a public primary or secondary school, an institution of higher education, or an agency of the state.

By signing below, I certify that the information provided on this form is correct to the best of my knowledge and           [company name]           is not ineligible for a sales license under the eligibility standards described above. I understand that providing false or incomplete information may be grounds for termination of any contract.           [company name]           has read and agrees to abide by the requirements of section 466.155 of the Texas Government Code. I understand that owners /officers /partners /directors, as designated by the Texas Lottery, must furnish a complete legible set of fingerprints, and that failure to do so will result in the termination of any contract. The Texas Lottery is authorized to obtain criminal history records.

sign  
here

\_\_\_\_\_  
Signature of person  
authorized to contractually bind Proposer

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Corporation or Legal Business Name

**OWNERSHIP INFORMATION FOR APPARENT SUCCESSFUL PROPOSER**

1. <b>Corporation or Legal Business Name:</b>	
2. <b>Business Ownership (check one):</b>	<input type="checkbox"/> Sole Owner <input type="checkbox"/> Partnership <input type="checkbox"/> Texas Corporation <input type="checkbox"/> Foreign Corporation <input type="checkbox"/> Other (explain) _____
3. <b>If Texas Corporation, enter:</b>	<b>Charter Number:</b> _____ <b>Charter Date (MM/DD/YYYY):</b> ____/____/____
4. <b>If your business is a foreign corporation, enter:</b>	<b>Home State:</b> _____ <b>Charter Number:</b> _____ <b>Texas Certificate of Authority Number:</b> _____ <b>Texas Certificate of Authority Date (MM/DD/YYYY):</b> ____/____/____
5. <b>If limited partnership, enter:</b>	<b>Home State:</b> _____ <b>Identification Number:</b> _____
6. <b>Federal Employer's Identification (FEI) Number, if any:</b>	_____
7. <b>Taxpayer number for reporting any Texas tax OR your Texas Vendor Identification Number if you now have, or have ever had, one.</b>	_____



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**ATTACHMENT E-1  
VENDOR BACKGROUND INVESTIGATION  
CERTIFIED LIST OF VENDOR PRINCIPALS**

**NOTE: This form is to be completed by the Apparent Successful Proposer, including the parent or subsidiary of the Apparent Successful Proposer.**

The following is a list of vendor principals for \_\_\_\_\_ [*company name*] \_\_\_\_\_ as defined by Texas Government Code Ann. §466.155 (attach additional sheets if necessary).

Name	Title
------	-------

\_\_\_\_\_  
(signature of person authorized to contractually bind the Proposer)

\_\_\_\_\_  
(title)

\_\_\_\_\_  
(printed name)

\_\_\_\_\_  
(date)





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**ATTACHMENT E-2  
VENDOR BACKGROUND INVESTIGATION  
CERTIFIED LIST OF CONTRACTUALLY DEFINED VENDOR  
PRINCIPALS**

**NOTE: This form is to be completed by the Apparent Successful Proposer, including the parent or subsidiary of the Apparent Successful Proposer.**

The following is a list of vendor principals for \_\_\_\_\_ [*company name*] \_\_\_\_\_ who will be directly involved in selling or leasing the goods or performing the services that are the subject of the Contract with the Texas Lottery. This includes any oversight function performed by the vendor principal(s). These individuals also must meet eligibility requirements under §466.155.

(The contractually defined vendor principals noted below should also appear on *Attachment E-1 Certified List of Vendor Principals*.)

Name	Title
------	-------

\_\_\_\_\_  
(signature of person authorized to contractually bind the Proposer)

\_\_\_\_\_  
(title)

\_\_\_\_\_  
(printed name)

\_\_\_\_\_  
(date)



**ATTACHMENT E-3**  
**VENDOR EMPLOYEE BACKGROUND INVESTIGATION LIST**

**NOTE: This form is to be completed by the Apparent Successful Proposer and shall include any principals, employees, and Subcontractor Personnel who meet the criteria defined below.**

The following is a list of vendor employees for \_\_\_\_\_ [*company name*]\_\_\_\_\_.

Include on the list below all principals, employees, and Subcontractor Personnel who meet the following criteria and will perform the services or provide the goods identified in this RFP:

- perform services that may impact the security and integrity of the core gaming business as determined by the Texas Lottery;
- provide audit, financial, legal, or compliance services;
- provide goods and/or services that control or monitor access to Texas Lottery premises;
- have unescorted access to Texas Lottery premises;
- have direct access to Texas Lottery information systems.

Name	Title
------	-------

\_\_\_\_\_  
(signature of person authorized to contractually bind the Proposer)

\_\_\_\_\_  
(title)

\_\_\_\_\_  
(printed name)

\_\_\_\_\_  
(date)



## ATTACHMENT E-4

### CONSENT TO BACKGROUND INVESTIGATION AND RELEASE OF PERSONAL INFORMATION

NOTE: A separate Consent to Background Investigation and Release of Personal Information form must be completed for each person listed on *Attachment E-2* and *Attachment E-3*. The Texas Lottery may request this form for all Vendor Principals identified on *Attachment E-1 Certified List of Vendor Principals*.

All persons contracting with the Texas Lottery Commission must meet the requirements of Texas Government Code ANN. §466.155. Print or type all information in blue or black ink.

Vendor Principal - ☐      Vendor Employee/Subcontractor Employee - ☐

#### Company Name

Name \_\_\_\_\_  
Last First Middle

Other Names Used \_\_\_\_\_ Phone # \_\_\_\_\_  
(Maiden, Nicknames, Previous Married Names, etc.)

Alternate Phone # \_\_\_\_\_

Place of Birth: \_\_\_\_\_ Social Security No.: \_\_\_\_\_ Country of Citizenship \_\_\_\_\_

Driver's License # \_\_\_\_\_ State \_\_\_\_\_ Type \_\_\_\_\_

DOB: \_\_\_\_\_ Race \_\_\_\_\_ Sex \_\_\_\_\_ Ethnicity \_\_\_\_\_

Height \_\_\_\_\_ Weight \_\_\_\_\_ Eye Color \_\_\_\_\_ Hair Color \_\_\_\_\_

Scars, Marks, Tattoos, Amputations: \_\_\_\_\_

Current Address: \_\_\_\_\_

City \_\_\_\_\_ State/Country: \_\_\_\_\_ Zip code: \_\_\_\_\_

I understand and agree that:

The Texas Lottery Commission shall conduct an investigation of my personal background to include criminal history record information maintained by the Department of Public Safety, the Federal Bureau of Investigation, Identification Division, or any other law enforcement agency. The Executive Director may request that I provide a complete set of legible fingerprints and I further understand that I may be precluded from providing services for the Texas Lottery Commission for failing to provide such fingerprints on request.

I hereby give my voluntary consent to any investigation or any other inquiry into information described above. Further, I hereby consent to the release of any information including academic records to the Texas Lottery Commission, Enforcement Division, or persons conducting an investigation or inquiry on their behalf. I understand that certain information obtained through this investigation or inquiry may preclude me from providing services for the Texas Lottery Commission.

I further hold harmless and release the Texas Lottery Commission, its agents, officers or employees, from any and all liability for this investigation or inquiry, and any action taken as result of information obtained through the investigation or inquiry. I further hold harmless and release any person providing information in good faith to the Texas Lottery Commission or to any person conducting an investigation or inquiry on their behalf.

I further understand that any person or employee who intentionally, knowingly, recklessly, or with criminal negligence makes a material incorrect or deceptive oral or written statement to a person conducting an investigation commits a misdemeanor.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date



## ATTACHMENT F SAMPLE PERFORMANCE BOND

Bond No. \_\_\_\_\_

[company name, address], as Principal, and [surety company], a corporation licensed to do business in the State of Texas and admitted to write bonds, as Surety, are held and firmly bound unto the Texas Lottery Commission, P.O. Box 16630, Austin, Texas 78761-6630, as Obligee, in the full sum of [written amount] Dollars (\$ ) for the payment of which said Principal and Surety bind themselves, and their respective heirs, administrators, executors, successors, assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a written Contract with Obligee dated the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, for [type of services], which Contract is hereby referred to, as if fully and to the same extent as if copied at length herein.

NOW THEREFORE, the condition of this obligation is such that, if during the term of this Contract (or annual bond), the Principal shall faithfully perform such Contract, or shall indemnify and save harmless the Obligee from all cost and damage by reason of Principal's failure to do so, then this obligation shall be null and void, otherwise it shall remain in full force and effect.  
(If annual bond, add this paragraph.)

The term of this obligation is for the period commencing on \_\_\_\_\_ and expiring at 12:00 a.m. on \_\_\_\_\_. This bond may be renewed on an annual basis at the option of the Surety. If the Surety does not choose to renew this obligation, it will so notify the Obligee and Principal not later than 30 days prior to its expiration.

IN WITNESS WHEREOF, the Principal and Surety have signed and sealed this instrument this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

(seal)	Principal:	_____
	By:	_____
(seal)	Surety:	_____
	By:	_____
		Attorney-in-Fact



## ATTACHMENT G SCORING MATRIX

Lottery Drawings CPA Services RFP	Possible Points	% of Total	Points Awarded
The Proposer's price to provide the goods or services	250	25%	
<b>Cost Proposal Subtotal</b>	<b>250</b>	<b>25%</b>	
The probable quality of the offered goods and/or services.	400	40%	
The agency's evaluation of the likelihood of the Proposal to produce the desired outcome for the agency, considering:	-	-	-
The quality of the Proposer's past performance in contracting with the Texas Lottery Commission, with other state entities, or with private sector entities.	150	15%	
The qualifications of the Proposer's personnel.	100	10%	
The experience of the Proposer in providing the requested goods or services.	100	10%	
The financial status of the Proposer.	Pass/Fail	n/a	
Whether the Proposer performed the good faith effort required by the HUB subcontracting plan.	Pass/Fail	n/a	
<b>Technical Proposal Subtotal</b>	<b>750</b>	<b>75%</b>	
<b>TOTAL</b>	<b>1000</b>	<b>100%</b>	

The following formula will be used in scoring cost proposals:

$$\text{Lowest Cost Proposal Amount} / \text{Other Cost Proposal Amount} = \% \text{ of total points available for the Cost Proposal.}$$



## ATTACHMENT H COST PROPOSAL

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Proposer's Name

**NOTE TO ALL PROPOSERS: THE COST PROPOSAL MUST BE SUBMITTED IN A SEPARATE AND LABELED SEALED ENVELOPE AND ATTACHED TO THE ORIGINAL PROPOSAL. PROPOSERS SHOULD ONLY SUBMIT ONE ORIGINAL OF THE COST PROPOSAL (NO COPIES ARE REQUIRED).**

TLC WILL NOT PAY FOR ANY CHARGES OR OTHER ITEMS NOT INCLUDED IN THE COST PROPOSAL. FEES MUST INCLUDE ALL DIRECT AND INDIRECT CONTRACT COSTS FOR EXAMPLE, TRAVEL, SALARIES, SCHEDULES, OVERHEAD, GENERAL AND ADMINISTRATIVE EXPENSES, ALL EQUIPMENT AND SUPPLIES, REQUIRED BONDS AND INSURANCE, AND PROFIT.

*Please note: The Texas Lottery will not pay travel time or separately reimburse any travel expenses, overnight stays, or per diem for, or resulting from, travel to and from Austin, Texas.*

### Fixed Fees For Drawings Please refer to Table 1 in Section 6.2

	Initial Term Upon Execution – 8/31/2019	Renewals 9/1/2019 – 8/31/2022
Morning Drawings	\$ Per drawing block	\$ Per drawing block
Day Drawings	\$ Per drawing block	\$ Per drawing block
Evening Drawings	\$ Per drawing block	\$ Per drawing block
Night Drawings	\$ Per drawing block	\$ Per drawing block
Mega Millions (Tuesday/Friday Night)	\$ Per drawing block	\$ Per drawing block
Powerball (Wednesday/Saturday Night)	\$ Per drawing block	\$ Per drawing block
Selection Process	\$ Per selection process	\$ Per selection process

**COST PROPOSAL CONTINUED****Fixed Fees for Reports**

(including all drawings reports, Powerball, litigation, HUB, etc.)

	<b>Initial Term</b> <b>Upon Execution – 8/31/2019</b>	<b>Renewals</b> <b>9/1/2019 – 8/31/2022</b>
Monthly Reports	\$ Per month	\$ Per month

**Hourly Rates**

	<b>Initial Term</b> <b>Upon Execution –</b> <b>8/31/2019</b>	<b>Renewals</b> <b>9/1/2019 – 8/31/2022</b>
Miscellaneous Studio Tasks	\$ Per hour	\$ Per hour
Ball Weighing* (Section 6.6)	\$ Per hour	\$ Per hour
Training (Section 6.10)	\$ Per hour	\$ Per hour

\*Ball Weighing if unable to observe during “down time” Reference section 6.6

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*(signature of person authorized to contractually bind the Proposer)*

---

*(printed name)*

---

*(title)*

---

*(date)*



**RFP #362-18-0005**

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*REQUEST FOR  
PROPOSALS*  
*for*  
**DRAWINGS CPA SERVICES**

**Identified HUB Vendors by CMBL Class  
and Commodity Description**

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## Using the Centralized Master Bidders List – HUB Directory to Locate Historically Underutilized Businesses (HUBs)

### General Information

As part of the good faith effort outreach process (Method B), Bidders/Proposers are responsible for utilizing the Centralized Master Bidders List (CMBL) - HUB Directory to locate potential HUB subcontractors. The list is maintained by the Texas Comptroller of Public Accounts (CPA). Bidders/Proposers using Methods A (1) or A (2) should use the database to verify the HUB status of all subcontractors listed/notified in their HSP. The Texas Lottery Commission does not endorse, recommend or attest to the capabilities of any company or individual listed.

The database may be accessed via the internet at:

<https://mycpa.cpa.state.tx.us/tpasscmbllsearch/tpasscmbllsearch.do>

The CMBL - HUB Directory is a “live” database that is updated on a continuous basis. **NOTE: Vendors who are currently HUB certified will have a HUB status of “A- Active” when viewed in the Detail List format. When viewing a vendor’s complete profile, a certified HUB will show a HUB status of “Active Bidder (A – Approved; Active Texas certified HUB).” All other HUB status codes indicate that a vendor is either inactive or not a HUB.** Be sure to list or solicit only HUB vendors who are certified at the time that you are preparing the HSP.

When using Method B, you must also access the following list on the CPA website to locate at least two trade organizations or development centers that serve members of the HUB groups, in order to notify them of each identified subcontracting opportunity:

<https://www.comptroller.texas.gov/purchasing/vendor/hub/resources.php>

These entities have expressed their willingness to accept notices of subcontracting opportunities from vendors to distribute to their members.

The following pages contain general information to assist Bidders/Proposers in using the CPA database.

# Using the Centralized Master Bidders List (CMBL) – HUB Directory to Locate Historically Underutilized Businesses (HUBs)

## Instructions

### I. Introduction

This guide is designed to assist you in accessing and using the CMBL – HUB Directory to locate HUB vendors who can provide specific goods or services and/or to verify HUB status. Note that you can view additional information by clicking on the “help” link displayed in the upper right hand corner of the CMBL – HUB Directory search screen.

### II. Access the CMBL – HUB Directory via the internet:

<https://mycpa.cpa.state.tx.us/tpasscmbblsearch/tpasscmbblsearch.do>

### III. CMBL – HUB Directory Search Screen

Use the various search selection criteria to create lists of potential vendors as well as retrieve specific vendor information. The “help” sections below explain the search criteria options.

After selecting desired search criteria, click on the “**Search**” button to begin the search.

Clicking on the “**Clear Search**” button will remove all information you have entered or selected, and thereby defaulting back to the original settings.

#### Specific vendor data options

Use the following optional fields to refine vendor-specific search results:

<b>“Search For” - This feature is used to specify whether you want to search for vendors who are registered on the CMBL, and/or vendors who are a Texas certified HUB.</b>	
<b>CMBL Only</b>	Search results will consist of active vendors who are registered on the CMBL regardless of whether they are a Texas certified HUB. This result will include both HUB and non-HUB vendors.  <b>NOTE: Only those vendors marked with a HUB status of “A-Active” are currently certified.</b>
<b>HUBs Only</b>	Search results will consist of <b>Active</b> vendors who are a Texas certified HUB, regardless of whether they are registered on the CMBL.
<b>HUBs on CMBL</b>	Search results will consist of <b>Active</b> vendors who are a Texas certified HUB registered on the CMBL.
<b>All Vendors</b>	Search results will consist of <b>Active</b> vendors that are registered on the CMBL, and active vendors who are a Texas certified HUB. This result will include both HUBs and non-HUB vendors.

Note that the check list in the “Select Fields for Output” box allows the user to customize the information that will be displayed in the search results. You may check as many or as few fields as appropriate. These selections will not work with the following two output options: 1) all contact information, or 2) two column mailing labels, because these options have a pre-determined format.

<b>“Output” Options</b>	
The user can determine output format by selecting the appropriate option from the drop down menu located next to the words “Output as” at the bottom of the search screen.	
<b>Detail List</b>	Produces a list of summary information for each vendor that meets the search criteria. Clicking on the links to either a vendor name or vendor ID will provide more detailed information, including a list of the commodity classes and items that the vendor has associated with their profile.
<b>All Contact Information</b>	Produces a profile box that displays complete contact information for each vendor, including address, phone, fax, contact name, and a business description.
<b>Excel Spreadsheet</b>	Generates a list in an Excel spreadsheet (this option will only work if the list is 1,000 vendors or less).
Other available options are: downloading to a text file (Max 1000 vendors), producing a comma or Pipe ( ) Delimited List, or generating two column mailing labels.	

<b>“Sort by” Options</b>
The user can sort by Vendor Name, Vendor ID, City, Zip Code, HUB Eligibility/HUB Gender, or HUB Status, by selecting the appropriate option from the drop down menu next to the words “Sort by” at the bottom of the search screen.

#### IV. Using the “Single Vendor Search” to Locate a Specific Vendor

<b>“Single Vendor Search” - This feature may be used to narrow your search to a specific vendor.</b>	
<b>Vendor ID (VID) Number</b>	Enter at a minimum, the first 10-digits of the company’s 13-digit VID Number you are searching for. Example: 199999999900. Search results will consist of vendor profiles matching the VID Number you entered based on the “Search For” criteria you selected.
<b>Vendor Number</b>	Enter the 5 or 6-digit Vendor Number of the company you are searching for. Example: 99999 or 999999. Search results will provide the vendor profile matching the Vendor Number you entered based on the “Search For” criteria you selected.
<b>Vendor Name</b>	Enter a portion of the company’s name you are searching for. Example: ABC Logistics Company. In the example given, it is recommended that you enter “Logistics” because “ABC” may have spaces or periods between them. The search results will provide the vendor profiles that have a company name containing “Logistics” based on the “Search For” criteria you selected.
<b>Include Inactive Vendors</b>	This feature can be used to include inactive vendor profiles to the search results based on the “Search For” criteria you selected, and the VID Number, or Vendor Number or Vendor Name you entered.

#### V. Using the “Multiple Vendor Search” to Generate a List of HUB Vendors

<b>“Multiple Vendor Search” - This feature can be used to narrow your search to vendors who can provide goods and/or services based on the National Institute of Governmental Purchasing codes they have identified in their company’s CMBL/HUB vendor profiles.</b>	
<b>NIGP Class Code</b>	NIGP Class Codes are 3-digit numbers that represent a general description of the goods or services vendors may provide. As referenced in the NIGP Commodity Code Book, the general description for 3-digit Class Code “005” is “Abrasives” whereas the general description for 3-digit Class Code “010” is “Acoustical Tile, Insulating Materials, and Supplies.”
<b>Items</b>	Item codes are 2-digit numbers that represent a more defined description of the goods or services vendors can offer. As referenced in the NIGP Commodity Code Book, the 2-digit Item code “05” represents “Abrasive Equipment and Tools” within Class Code “005” whereas the 2-digit Item code “14” represents “Abrasives, Coated: Cloth, Fiber, Sandpaper, etc.” within Class Code “005.” Note: You must use a comma to separate multiple Item codes. Example: Item = 05,14,21
<b>Highway District(s)</b>	The State of Texas is divided into 25 <a href="#">Highway Districts</a> which include designated counties. Vendors specify within their CMBL/HUB vendor profiles the highway districts to which they can provide their goods and services. Note: You must use a comma to separate multiple Highway District codes. Example: 01,03,22

For more information about using NIGP commodity codes, please refer to Section VII of this document.

Step	Action
1.	Select a search option. You may use either “HUBs Only” or “HUBs on the CMBL.”
2.	Select the desired format from the drop-down menu next to the words “Output as” in the “Output Options” box. If you would like to customize the information that will be displayed, check the appropriate fields in the “Select Fields for Output” box.
3.	Select the desired sort option from the drop-down menu next to the words “Sort by” in the “Output Options” box.
4.	In the “Multiple Vendor Search” box, enter the appropriate class and item codes into the field labeled “Selection 1” in the. You may enter up to three class codes to produce a list of HUBs who can provide one or more of the selected classes. You may also enter multiple item numbers, separated by a comma in the “items” field for a list of HUBs who can provide one or more of the selected items.  <b>NOTE: You may view the Commodity Code List by clicking on the “Class Code” or “Item Code” blue hot keys.</b>
5.	If you choose to limit the list by highway district, enter the district number.  <b>NOTE: You may view highway district Information by clicking on the “Highway District” blue hot key.</b>
6.	If you choose to limit the list by County, City or Zip Code, enter the appropriate information into the fields in the “Business Category/Vendor Location Search” box. If you have already limited by district, this additional information is not necessary.
7.	Press the “Search” button in the bottom left hand corner of the screen.

The HUB status codes indicate whether or not a particular vendor is an active HUB. The status codes may be viewed on-line by clicking on the “HUB Status” hot key. **NOTE: Vendors who are currently HUB certified will have a HUB status of “A- Active” when viewed in the Detail List format. When viewing a vendor’s complete profile, a certified HUB will show a HUB status of “Active Bidder (A – Approved; Active Texas certified HUB)”. All other HUB status codes indicate that a vendor is either inactive or not a HUB.**

## VI. Business Category/Vendor Location Search

<b>Business Category/Vendor Location Search” - This feature may be used to identify vendors within a general Business Category and/or located within a specific County, City, Zip Code or Highway District.</b>	
<b>Business Category</b>	For the purposes of CMBL/HUB registration, vendors are grouped into one of the following categories: 01 - Heavy Construction other than Building Contracts 02 - Building Construction, including General Contractors and Operative Builders 03 - Special Trade Construction 04 - Financial and Accounting Services 05 - Architectural/Engineering and Surveying Services 06 - Other Services including Legal Services 07 - Commodities Wholesale 08 - Commodities Manufacturers 09 - Medical
<b>County Location</b>	Texas County in which the vendor is located based on the mailing address in its CMBL/HUB vendor profile.
<b>City Location</b>	City in which the vendor is located based on the mailing address in its CMBL/HUB vendor profile.
<b>Zip Code Location</b>	Zip code in which the vendor is located based on the mailing address in its CMBL/HUB vendor profile. Specify 5-digit zip codes like “78701” or 9-digit zip codes like “78701-1234”.
<b>Highway District(s) Location</b>	The State of Texas is divided into 25 <a href="#">Highway Districts</a> which include designated counties. Vendors specify within their CMBL/HUB vendor profiles the highway districts to which they can provide their goods and services. Note: You must use a comma to separate multiple Highway District codes. Example: 01,03,22

“Select Fields For Output” - Select the fields of information that you would like have displayed in the search results. Some fields are preselected and may be unchecked if desired.

“Output Options” - Select the format in which you would like the information to be displayed. Note: If the search results exceed 1,000 vendors, you will have to select “Comma Delimited List” or “Tab Delimited List” which you can save and import into another median such as Excel.

## VII. Using the NIGP Commodity Code

The NIGP Commodity Code is a system of classifying goods and services by general descriptions (classes) and specific descriptions (items). NIGP Class-Item Codes contain five digits. To obtain the five digit code, combine the three digit class code with its corresponding two digit item number. Note that all class codes of 900 and above are for services.

EXAMPLE: Class 615 is described as “Office Supplies, General,” and Item 81 is described as “Staples.” If you were looking for vendors to provide staples, you would use Class/Item 615-81 to do your CMBL - HUB Directory search.

There are several ways to view the NIGP code on the CPA website:

### **Commodity Code Listing by Class**

This list includes a “hot key” for each class code. By clicking on the hot key, you can view the particular class with a sub-listing of individual item codes and descriptions. Classes are general headings, so if you can’t locate an item, try using the Commodity Code Search Screen.

Access the Commodity Code Listing by Class at:

[https://cmbreg.cpa.state.tx.us/commodity\\_book/Numeric\\_index.cfm](https://cmbreg.cpa.state.tx.us/commodity_book/Numeric_index.cfm)

### **Commodity Code Search Screen**

From this screen, you can enter a key word or words to match. Matches will contain all words entered. You can also do a search by three digit class code.

Access the Commodity Code Search Screen at:

[https://cmbreg.cpa.state.tx.us/commodity\\_book/Alpha\\_index\\_inquiry.cfm](https://cmbreg.cpa.state.tx.us/commodity_book/Alpha_index_inquiry.cfm)

**Commodity Class Code 946: FINANCIAL SERVICES**

**Item Numbers and Commodity Descriptions:**

**946-10 Accounting and Billing Services, Including Payroll Services, 3rd Party Reimbursement for Medicare, Medicaid, Private Insurance, etc.)**

The following is a list of Certified HUB Vendors from the CMBL identified for the services or commodities above:

Company Name	Contact Person	Mailing Address	City	ST	Zip	Email	Phone	HUB Eligibility	HUB Gender
4 CONSULTING, INC.	Vivek Anand	10440 NORTH CENTRAL EXPWY,SUITE 643	DALLAS	TX	75231	vivek@4ci-usa.com	972-333-0041	AS	F
721 RESOLUTION CO.	Shilise L Brooks	2775 VILLA CREEK DR # B-280,	FARMERS BRANCH	TX	75234-7432	lisa.brooks@721resolutionco.com	469-726-2094	BL	F
ABRAHAM BUSINESS SOLUTIONS, P.C.	Samuel A. Abraham	10333 HARWIN DR #495,	HOUSTON	TX	77036-1561	sam@abspcpa.com	832-246-4829	BL	M
AJANTA CONSULTING, LLC	ANIL PATEL	4107 FIRSTVIEW DR,	AUSTIN	TX	78731-3903	anil.patel@ajantaconsulting.com	512-775-2645	AS	M
ALL - N - ONE SERVICES, L.L.C.	Ann Gulix	P.O. BOX 2584,	HUMBLE	TX	77347-3270	allnoneservices@aol.com	281-812-3553	BL	F
ALL OUT CONSTRUCTION & HAULING, INC.	Kim Carnes	PO BOX 718,	QUINLAN	TX	75474-0012	info@allout-construction.com	214-708-0315	WO	F
ALLTEX STAFFING AND CONSULTING, LLC	Jennifer Amerson	2350 AIRPORT FWY,SUITE 130	BEDFORD	TX	76022-6026	accounting@abbastaffing.com	817-354-2800	WO	F
ALPHONSO SOLOMON AND COMPANY, INC.	Alphonso Solomon	610 UPTOWN BLVD STE 4300,	CEDAR HILL	TX	75104-3534	asolomon@ascmtconsultants.com	469-523-1394	BL	M
ANN E. CLIFT CPA PLLC	ANN CLIFT	9937 DERECHO DR,	AUSTIN	TX	78737-1027	ANNCLIFTCPA@GMAIL.COM	512-301-3160	WO	F
BAILEY'S PREMIER SERVICES LLC	Tamiko W Bailey	PO BOX 16454,	FORT WORTH	TX	76162	twbailey@baileyspremierservices.com	817-292-2423	BL	F
BANKOLE, OKOYE & ASSOCIATES, P.C.	Abiodun O. Bankole	11511 KATY FWY,SUITE 501	HOUSTON	TX	77079-1903	abankole@boacpas.com	281-741-7900	BL	M
BUNTING BUSINESS SOLUTIONS, LLC	George Bunting	P.O. BOX 795367,	DALLAS	TX	75379	get.bunting@gmail.com	214-497-7987	BL	M
CREDIT SYSTEMS INTERNATIONAL, INC.	Darlene Mead	1277 COUNTRY CLUB LN,	FORT WORTH	TX	76112-2304	darlene@creditsystemsintl.com	817-496-6800	WO	F



**Commodity Class Code 946: FINANCIAL SERVICES**

**Item Numbers and Commodity Descriptions:**

**946-10 Accounting and Billing Services, Including Payroll Services, 3rd Party Reimbursement for Medicare, Medicaid, Private Insurance, etc.)**

The following is a list of Certified HUB Vendors from the CMBL identified for the services or commodities above:

Company Name	Contact Person	Mailing Address	City	ST	Zip	Email	Phone	HUB Eligibility	HUB Gender
CYNTHIA R SAYLES ENTERPRISES LLC	Cynthia Sayles	8921 QUICK STREAM DR,	AUSTIN	TX	78724-7216	csayles@saylestax.com	512-740-5133	BL	F
DOLORES A. AMADOR, CPA	DOLORES A. AMADOR	19230 BARROW BAY,	SAN ANTONIO	TX	78258-3846	AMADORDOLORESA@AOL.COM	210-884-7031	HI	F
ELITE PERSONNEL CONSULTANTS INC	Jeff Evins	2013 W ANDERSON LN,	AUSTIN	TX	78757-1219	jefe@HRnetConnection.com	512-454-9561	WO	F
F.A.S.T., LLC.	Darlene Helms	5100 WESTHEIMER RD,SUITE 200	HOUSTON	TX	77056-5596	darlenehelms@fas-t.com	713-588-4475	BL	F
GARZA/GONZALEZ & ASSOCIATES	Rene E.Gonzalez, CPA Senior Partner	207 ARDEN GROVE,	SAN ANTONIO	TX	78215	regonzalez@gga-cpa.biz	210-227-1389	HI	M
HOLLIS RUTLEDGE AND ASSOCIATES, INC.	PRESIDENT/HOLLIS V. RUTLEDGE, JR.	523 N. CONWAY SUITE 3 2ND FLOOR,	MISSION	TX	78572-5373	hollis@rutledge-associates.com	956-583-0002	HI	M
INNOVATIVE PAYROLL SERVICE INC.	Cheryl Harris-Brown	3027 MARINA BAY DR STE 106,	LEAGUE CITY	TX	77573-2772	chbrown@innovativepayroll.com	281-554-2941	BL	F
INTEGRATED NETWORK SOLUTIONS, INC.	Pres./CHRISTOPHER BALQUE	PO BOX 750492,	HOUSTON	TX	77275-0492	cgbalque@insi-net.com	713-529-5003	BL	M
KF TAX & ACCOUNTING, P.C	Kemi Nwagbo, CPA,EA	1970 RAWHIDE DR,SUITE 204	ROUND ROCK	TX	78681-6957	kemi@kftaxandfinancials.com	512-244-1516	BL	F
LZ TECHNOLOGY, INC.	Michaela Davis	1110 NASA PKWY,STE 650	HOUSTON	TX	77058-3310	michaela@lzt.biz	832-864-3488	WO	F
MAKING STRAIGHT PATHS	Markita Samuel	1620 ENCLAVE PKWY,SUITE 2904	HOUSTON	TX	77077-3676	bids@Makingstraightpaths.com	281-858-3040	BL	F
MARIGA CPA, PLLC	Susanne Mariga	PO BOX 41595,	HOUSTON	TX	77241-1595	smariga@marigacpa.com	832-541-4654	BL	F
MCCONNELL & JONES LLP	Ira Wayne McConnell	4828 LOOP CENTRAL DRIVE SUTIE 1000,	HOUSTON	TX	77081	info@mjlml.com	713-968-1600	BL	M

**Commodity Class Code 946: FINANCIAL SERVICES**

**Item Numbers and Commodity Descriptions:**

**946-10 Accounting and Billing Services, Including Payroll Services, 3rd Party Reimbursement for Medicare, Medicaid, Private Insurance, etc.)**

The following is a list of Certified HUB Vendors from the CMBL identified for the services or commodities above:

Company Name	Contact Person	Mailing Address	City	ST	Zip	Email	Phone	HUB Eligibility	HUB Gender
MMC GROUP, L.P.	Pamela J Young	105 DECKER CT,SUITE 1100	IRVING	TX	75062-2767	pyoung@mmcgrp.com	972-893-0100	WO	F
MONDAY RUFUS & CO., P.C.	MONDAY RUFUS	608 MORROW ST STE 101,	AUSTIN	TX	78752-1348	MONDAY@MONDAYRUFUS.COM	512-380-0799	BL	M
PETROSEWICZ & COMPANY, INC.	President/Norma Montalvo Petrosewicz	121 FM 359 RD,	RICHMOND	TX	77406-2401	info@petrocpa.com	281-342-7306	HI	F
PREFERRED IT STAFFING SOLUTIONS,	Pres./Tina G. Guerrero	PO BOX 6463,	ROUND ROCK	TX	78683-6463	tina.guerrero@preferredstaffing.net	512-310-7666	WO	F
RECRUIT VETERANS	Rudy J Uribe	1464 E WHITESTONE BLVD STE 1903,	CEDAR PARK	TX	78613-9058	rudy.uribe@recruitveterans.com	512-996-0999	HI	M
RESOURCE INTEGRATORS LLC	Audra Launey	7301 N FM 620 STE 155,PMB 294	AUSTIN	TX	78726-4537	alauney@resourceintegrators.com	512-425-0975	WO	F
SBL ASSOCIATES	Erica Pittman	2303 MARS DR,	ROSHARON	TX	77583-2833	erica@strategicbusinesslife.com	281-669-7581	BL	F
SOURCEMATCH INC.	Marianne Metzner	PO BOX 91236,	AUSTIN	TX	78709-1236	Accounting@Sourcematch.team	512-441-7000	WO	F
STRATEGIC PARTNERSHIPS, INC.	Kirk Yoshida	901 S MO PAC EXPY BLDG 1 STE 100,	AUSTIN	TX	78746-5747	kyoshida@spartnerships.com	512-531-3900	WO	F
THE LORETTA HIGGINS BUSINESS	Owner/Loretta Higgins	GROUP, INC.,7206 N HEARTHSTONE GREEN CT	HOUSTON	TX	77095-3584	loretta@higginsacr.com	713-726-6414	WO	F
THOMAS ZAPATA JR, CPA	Thomas Zapata	76 WHITE MAGNOLIA CIR,	AUSTIN	TX	78734-6250	tzap77@yahoo.com	512-261-4555	HI	M
TRINITY REVIEW SERVICES, INC.	Johnny L Rogers	PO BOX 143,	DESOTO	TX	75123-0143	johnnyr@trinityreviews.com	888-737-2515	BL	M
TRINITY STAFFING SERVICES, INC	President/Kathleen Sue Jones	13750 SAN PEDRO AVE STE 540,	SAN ANTONIO	TX	78232-4371	suejones@trinitystaffing.com	210-805-9920	WO	F

**Commodity Class Code 946: FINANCIAL SERVICES**

**Item Numbers and Commodity Descriptions:**

**946-10 Accounting and Billing Services, Including Payroll Services, 3rd Party Reimbursement for Medicare, Medicaid, Private Insurance, etc.)**

The following is a list of Certified HUB Vendors from the CMBL identified for the services or commodities above:

Company Name	Contact Person	Mailing Address	City	ST	Zip	Email	Phone	HUB Eligibility	HUB Gender
WILLIAMS DATA SERVICES	Patsy Williams	PO BOX 110,	BARTLETT	TX	76511-0110	williamsdata@aol.com	254-527-3904	WO	F

**Commodity Class Code 946: FINANCIAL SERVICES**

**Item Numbers and Commodity Descriptions:**

**946-11 Accounting Service (Not Otherwise Classified)**

The following is a list of Certified HUB Vendors from the CMBL identified for the services or commodities above:

Company Name	Contact Person	Mailing Address	City	ST	Zip	Email	Phone	HUB Eligibility	HUB Gender
721 RESOLUTION CO.	Shilise L Brooks	2775 VILLA CREEK DR # B-280,	FARMERS BRANCH	TX	75234-7432	lisa.brooks@721resolutionco.com	469-726-2094	BL	F
ABRAHAM BUSINESS SOLUTIONS, P.C.	Samuel A. Abraham	10333 HARWIN DR #495,	HOUSTON	TX	77036-1561	sam@abspcpa.com	832-246-4829	BL	M
ADRIANA BUFORD CPA, L.L.C.	Owner/Adriana Buford	8240 N MOPAC EXPY STE 130,	AUSTIN	TX	78759-8847	abuford@bufordcpa.com	512-826-0626	HI	F
AJANTA CONSULTING, LLC	ANIL PATEL	4107 FIRSTVIEW DR,	AUSTIN	TX	78731-3903	anil.patel@ajantaconsulting.com	512-775-2645	AS	M
ALEXANDER CPA PLLC	Melvin Alexander	2591 DALLAS PKWY,SUITE 300	FRISCO	TX	75034-8542	malexander@cpaalexander.com	214-736-1444	BL	M
ALL OUT CONSTRUCTION & HAULING, INC.	Kim Carnes	PO BOX 718,	QUINLAN	TX	75474-0012	info@allout-construction.com	214-708-0315	WO	F
ALPHONSO SOLOMON AND COMPANY, INC.	Alphonso Solomon	610 UPTOWN BLVD STE 4300,	CEDAR HILL	TX	75104-3534	asolomon@ascmtgconsultants.com	469-523-1394	BL	M
ANN E. CLIFT CPA PLLC	ANN CLIFT	9937 DERECHO DR,	AUSTIN	TX	78737-1027	ANNCLIFTCPA@GMAIL.COM	512-301-3160	WO	F
BAILEY'S PREMIER SERVICES LLC	Tamiko W Bailey	PO BOX 16454,	FORT WORTH	TX	76162	twbailey@baileyspremierservices.com	817-292-2423	BL	F
BANKOLE, OKOYE & ASSOCIATES, P.C.	Abiodun O. Bankole	11511 KATY FWY,SUITE 501	HOUSTON	TX	77079-1903	abankole@boacpas.com	281-741-7900	BL	M
BUNTING BUSINESS SOLUTIONS, LLC	George Bunting	P.O. BOX 795367,	DALLAS	TX	75379	get.bunting@gmail.com	214-497-7987	BL	M
BUSINESS & FINANCIAL MANAGEMENT SOLUTION	Ida M. Ash	PO BOX 151708,	AUSTIN	TX	78715-1708	mara.ash@bafsolutions.com	512-366-8183	HI	F
DIRECT LINE TO COMPLIANCE, INC	Monica Brown Adeeko	9555 W SAM HOUSTON PKWY S,SUITE 333	HOUSTON	TX	77099-2132	monica.brown@dl2c.com	713-777-3522	BL	F

**Commodity Class Code 946: FINANCIAL SERVICES****Item Numbers and Commodity Descriptions:****946-11 Accounting Service (Not Otherwise Classified)**

The following is a list of Certified HUB Vendors from the CMBL identified for the services or commodities above:

Company Name	Contact Person	Mailing Address	City	ST	Zip	Email	Phone	HUB Eligibility	HUB Gender
DKJ GROUP, INC.	PRESIDENT/DARWIN K. JOHNSON	1905 LINFORD DR,	ALLEN	TX	75013-5311	darkay@aol.com	214-334-7493	BL	M
DOLORES A. AMADOR, CPA	DOLORES A. AMADOR	19230 BARROW BAY,	SAN ANTONIO	TX	78258-3846	AMADORDOLORESA@AOL.COM	210-884-7031	HI	F
DWG CPA PLLC	Darrell W Groves	6140 HIGHWAY 6,PMB 278	MISSOURI CITY	TX	77459-3802	info@dwgcpatx.com	281-201-8348	BL	M
ELITE PERSONNEL CONSULTANTS INC	Jeff Evins	2013 W ANDERSON LN,	AUSTIN	TX	78757-1219	jefe@HRnetConnection.com	512-454-9561	WO	F
F.A.S.T., LLC.	Darlene Helms	5100 WESTHEIMER RD,SUITE 200	HOUSTON	TX	77056-5596	darlenehelms@fas-t.com	713-588-4475	BL	F
GARZA/GONZALEZ & ASSOCIATES	Rene E.Gonzalez, CPA Senior Partner	207 ARDEN GROVE,	SAN ANTONIO	TX	78215	regonzalez@gga-cpa.biz	210-227-1389	HI	M
GOMEZ & COMPANY	BENJAMIN GOMEZ/Owner	5177 RICHMOND AVE STE 1100,	HOUSTON	TX	77056-6748	ben@gomezandco.com	713-666-5900	HI	M
HOLLIS RUTLEDGE AND ASSOCIATES, INC.	PRESIDENT/HOLLIS V. RUTLEDGE, JR.	523 N. CONWAY SUITE 3 2ND FLOOR,	MISSION	TX	78572-5373	hollis@rutledge-associates.com	956-583-0002	HI	M
ICADRE, LLC	iCadre, LLC	PO BOX 160253,	AUSTIN	TX	78716-0253	info@i-cadre.com	512-993-6390	WO	F
INTEGRATED NETWORK SOLUTIONS, INC.	Pres./CHRISTOPHER BALQUE	PO BOX 750492,	HOUSTON	TX	77275-0492	cgbalque@insi-net.com	713-529-5003	BL	M
JN3 GLOBAL ENTERPRISES LLC	James Nowlin	6034 W COURTYARD DR,#150	AUSTIN	TX	78730-5079	jnowlin@excelglobalpartners.com	512-501-1155	BL	M
KF TAX & ACCOUNTING, P.C	Kemi Nwagbo, CPA,EA	1970 RAWHIDE DR,SUITE 204	ROUND ROCK	TX	78681-6957	kemi@kftaxandfinancials.com	512-244-1516	BL	F
LZ TECHNOLOGY, INC.	Michaela Davis	1110 NASA PKWY,STE 650	HOUSTON	TX	77058-3310	michaela@lzt.biz	832-864-3488	WO	F

**Commodity Class Code 946: FINANCIAL SERVICES**

**Item Numbers and Commodity Descriptions:**

**946-11 Accounting Service (Not Otherwise Classified)**

The following is a list of Certified HUB Vendors from the CMBL identified for the services or commodities above:

Company Name	Contact Person	Mailing Address	City	ST	Zip	Email	Phone	HUB Eligibility	HUB Gender
MARIGA CPA, PLLC	Susanne Mariga	PO BOX 41595,	HOUSTON	TX	77241-1595	smariga@marigacpa.com	832-541-4654	BL	F
MCCONNELL & JONES LLP	Ira Wayne McConnell	4828 LOOP CENTRAL DRIVE SUTIE 1000,	HOUSTON	TX	77081	info@mjlm.com	713-968-1600	BL	M
MMC GROUP, L.P.	Pamela J Young	105 DECKER CT,SUITE 1100	IRVING	TX	75062-2767	pyoung@mmcgrp.com	972-893-0100	WO	F
MONDAY RUFUS & CO., P.C.	MONDAY RUFUS	608 MORROW ST STE 101,	AUSTIN	TX	78752-1348	MONDAY@MONDAYRUFUS.COM	512-380-0799	BL	M
OKAFOR & ASSOCIATES, PC	Chris Okafor	PO BOX 82248,	AUSTIN	TX	78708-2248	chris.okafor@okaforcpa.com	512-244-4908	BL	M
PETROSEWICZ & COMPANY, INC.	President/Norma Montalvo Petrosewicz	121 FM 359 RD,	RICHMOND	TX	77406-2401	info@petrocpa.com	281-342-7306	HI	F
POPE CONSULTING	Missy Pope	6800 W GATE BLVD,#132-213	AUSTIN	TX	78745-4883	missy@popeconsult.com	512-677-0803	WO	F
PREFERRED IT STAFFING SOLUTIONS,	Pres./Tina G. Guerrero	PO BOX 6463,	ROUND ROCK	TX	78683-6463	tina.guerrero@preferredstaffing.net	512-310-7666	WO	F
PRINCIPLED GS LLC	Melvin Alexander	5207 BUENA VISTA DR,	FRISCO	TX	75034-2252	malexander@principledgs.com	214-247-7350	BL	M
RECRUIT VETERANS	Rudy J Uribe	1464 E WHITESTONE BLVD STE 1903,	CEDAR PARK	TX	78613-9058	rudy.uribe@recruitveterans.com	512-996-0999	HI	M
RECRUITING SOURCE INTERNATIONAL LLC	Delaina Allen	21414 JULIE MARIE LN STE 2301,	KATY	TX	77449-5416	dcallen@recruiting-source.com	281-277-1411	BL	F
RESOLUTION OVERSIGHT CORPORATION	PRESIDENT/ERNESTO GARZA	P O BOX 691852,	SAN ANTONIO	TX	78269-1852	eagarzasdr@aol.com	210-490-8808	HI	M
RESOURCE INTEGRATORS LLC	Audra Launey	7301 N FM 620 STE 155,PMB 294	AUSTIN	TX	78726-4537	alauney@resourceintegrators.com	512-425-0975	WO	F

**Commodity Class Code 946: FINANCIAL SERVICES**

**Item Numbers and Commodity Descriptions:**

**946-11 Accounting Service (Not Otherwise Classified)**

The following is a list of Certified HUB Vendors from the CMBL identified for the services or commodities above:

Company Name	Contact Person	Mailing Address	City	ST	Zip	Email	Phone	HUB Eligibility	HUB Gender
SBL ASSOCIATES	Erica Pittman	2303 MARS DR,	ROSHARON	TX	77583-2833	erica@strategicbusinesslife.com	281-669-7581	BL	F
SIMMONS-JOHNSON CONSULTING, LLC	Stephanie Simmons Johnson	4307 LAKE KEMP CT,	RICHMOND	TX	77406-7945	tzefira2004@yahoo.com	832-620-6336	BL	F
SMART MANAGEMENT SERVICE, INC.	CHERYL DOTSON	5680 HIGHWAY 6,197	MISSOURI CITY	TX	77459-4188	cldotson@s-m-s.com	713-219-9250	BL	F
STRATEGIC PARTNERSHIPS, INC.	Kirk Yoshida	901 S MO PAC EXPY BLDG 1 STE 100,	AUSTIN	TX	78746-5747	kyoshida@spartnerships.com	512-531-3900	WO	F
T & D TAX SERVICE	CEO/Tamisha Lowe-Hendricks	5425 N. FRY RD. SUITE 1303,	KATY	TX	77449	gotyataxinfo@yahoo.com	281-856-6568	BL	F
THE ALLEN CPA FIRM, PLLC	Robert Allen	800 TOWN AND COUNTRY BLVD,SUITE 300	HOUSTON	TX	77024-4552	robert@theallencpafirm.com	713-489-7575	BL	M
THE PIERRE FIRM PLLC	J. Goodwille Pierre	PO BOX 925101,	HOUSTON	TX	77292-5101	goodwille@goodwillepierre.com	832-224-6539	BL	M
THOMAS ZAPATA JR, CPA	Thomas Zapata	76 WHITE MAGNOLIA CIR,	AUSTIN	TX	78734-6250	tzap77@yahoo.com	512-261-4555	HI	M
VANDERSLICE CONSULTING	Owner/CAMILLE VANDERSLICE	7301 TANBARK CV,	AUSTIN	TX	78759-3737	camille@dbtxcpa.com	512-796-2490	WO	F
WILLIAMS DATA SERVICES	Patsy Williams	PO BOX 110,	BARTLETT	TX	76511-0110	williamsdata@aol.com	254-527-3904	WO	F

**Commodity Class Code 946: FINANCIAL SERVICES****Item Numbers and Commodity Descriptions:****946-31 Certified Public Accountant (CPA) Services**

The following is a list of Certified HUB Vendors from the CMBL identified for the services or commodities above:

Company Name	Contact Person	Mailing Address	City	ST	Zip	Email	Phone	HUB Eligibility	HUB Gender
ABRAHAM BUSINESS SOLUTIONS, P.C.	Samuel A. Abraham	10333 HARWIN DR #495,	HOUSTON	TX	77036-1561	sam@abspcpa.com	832-246-4829	BL	M
ADRIANA BUFORD CPA, L.L.C.	Owner/Adriana Buford	8240 N MOPAC EXPY STE 130,	AUSTIN	TX	78759-8847	abuford@bufordcpa.com	512-826-0626	HI	F
AJANTA CONSULTING, LLC	ANIL PATEL	4107 FIRSTVIEW DR,	AUSTIN	TX	78731-3903	anil.patel@ajantaconsulting.com	512-775-2645	AS	M
ALEXANDER CPA PLLC	Melvin Alexander	2591 DALLAS PKWY,SUITE 300	FRISCO	TX	75034-8542	malexander@cpaalexander.com	214-736-1444	BL	M
BANKOLE, OKOYE & ASSOCIATES, P.C.	Abiodun O. Bankole	11511 KATY FWY,SUITE 501	HOUSTON	TX	77079-1903	abankole@boacpas.com	281-741-7900	BL	M
BUNTING BUSINESS SOLUTIONS, LLC	George Bunting	P.O. BOX 795367,	DALLAS	TX	75379	get.bunting@gmail.com	214-497-7987	BL	M
DIRECT LINE TO COMPLIANCE, INC	Monica Brown Adeeko	9555 W SAM HOUSTON PKWY S,SUITE 333	HOUSTON	TX	77099-2132	monica.brown@dl2c.com	713-777-3522	BL	F
DOLORES A. AMADOR, CPA	DOLORES A. AMADOR	19230 BARROW BAY,	SAN ANTONIO	TX	78258-3846	AMADORDOLORESA@AOL.COM	210-884-7031	HI	F
DWG CPA PLLC	Darrell W Groves	6140 HIGHWAY 6,PMB 278	MISSOURI CITY	TX	77459-3802	info@dwgcpatx.com	281-201-8348	BL	M
GLOBAL FORCE USA, INC.	Warden,Naz	11569 HIGHWAY 6 SOUTH SUITE 225,	SUGAR LAND	TX	77498	nazw@globalforce-us.com	832-532-7401	AS	M
GOMEZ & COMPANY	BENJAMIN GOMEZ/Owner	5177 RICHMOND AVE STE 1100,	HOUSTON	TX	77056-6748	ben@gomezandco.com	713-666-5900	HI	M
HOLLIS RUTLEDGE AND ASSOCIATES, INC.	PRESIDENT/HOLLIS V. RUTLEDGE, JR.	523 N. CONWAY SUITE 3 2ND FLOOR,	MISSION	TX	78572-5373	hollis@rutledge-associates.com	956-583-0002	HI	M
INTEGRATED NETWORK SOLUTIONS, INC.	Pres./CHRISTOPHER BALQUE	PO BOX 750492,	HOUSTON	TX	77275-0492	cgbalque@insi-net.com	713-529-5003	BL	M



**Commodity Class Code 946: FINANCIAL SERVICES**

**Item Numbers and Commodity Descriptions:**

**946-31 Certified Public Accountant (CPA) Services**

The following is a list of Certified HUB Vendors from the CMBL identified for the services or commodities above:

Company Name	Contact Person	Mailing Address	City	ST	Zip	Email	Phone	HUB Eligibility	HUB Gender
JN3 GLOBAL ENTERPRISES LLC	James Nowlin	6034 W COURTYARD DR,#150	AUSTIN	TX	78730-5079	jnowlin@excelglobalpartners.com	512-501-1155	BL	M
KF TAX & ACCOUNTING, P.C	Kemi Nwagbo, CPA,EA	1970 RAWHIDE DR,SUITE 204	ROUND ROCK	TX	78681-6957	kemi@kftaxandfinancials.com	512-244-1516	BL	F
MAKING STRAIGHT PATHS	Markita Samuel	1620 ENCLAVE PKWY,SUITE 2904	HOUSTON	TX	77077-3676	bids@Makingstraightpaths.com	281-858-3040	BL	F
MARIGA CPA, PLLC	Susanne Mariga	PO BOX 41595,	HOUSTON	TX	77241-1595	smariga@marigacpa.com	832-541-4654	BL	F
MCCONNELL & JONES LLP	Ira Wayne McConnell	4828 LOOP CENTRAL DRIVE SUTIE 1000,	HOUSTON	TX	77081	info@mjlm.com	713-968-1600	BL	M
OKAFOR & ASSOCIATES, PC	Chris Okafor	PO BOX 82248,	AUSTIN	TX	78708-2248	chris.okafor@okaforcpa.com	512-244-4908	BL	M
PETROSEWICZ & COMPANY, INC.	President/Norma Montalvo Petrosewicz	121 FM 359 RD,	RICHMOND	TX	77406-2401	info@petrocpa.com	281-342-7306	HI	F
PRINCIPLED GS LLC	Melvin Alexander	5207 BUENA VISTA DR,	FRISCO	TX	75034-2252	malexander@principledgs.com	214-247-7350	BL	M
RECRUIT VETERANS	Rudy J Uribe	1464 E WHITESTONE BLVD STE 1903,	CEDAR PARK	TX	78613-9058	rudy.uribe@recruitveterans.com	512-996-0999	HI	M
RESOURCE INTEGRATORS LLC	Audra Launey	7301 N FM 620 STE 155,PMB 294	AUSTIN	TX	78726-4537	alauney@resourceintegrators.com	512-425-0975	WO	F
SIMMONS-JOHNSON CONSULTING, LLC	Stephanie Simmons Johnson	4307 LAKE KEMP CT,	RICHMOND	TX	77406-7945	tzefira2004@yahoo.com	832-620-6336	BL	F
STRATEGIC PARTNERSHIPS, INC.	Kirk Yoshida	901 S MO PAC EXPY BLDG 1 STE 100,	AUSTIN	TX	78746-5747	kyoshida@spartnerships.com	512-531-3900	WO	F
THE ALLEN CPA FIRM, PLLC	Robert Allen	800 TOWN AND COUNTRY BLVD,SUITE 300	HOUSTON	TX	77024-4552	robert@theallencpafirm.com	713-489-7575	BL	M

**Commodity Class Code 946: FINANCIAL SERVICES****Item Numbers and Commodity Descriptions:****946-31 Certified Public Accountant (CPA) Services**

The following is a list of Certified HUB Vendors from the CMBL identified for the services or commodities above:

<b>Company Name</b>	<b>Contact Person</b>	<b>Mailing Address</b>	<b>City</b>	<b>ST</b>	<b>Zip</b>	<b>Email</b>	<b>Phone</b>	<b>HUB Eligibility</b>	<b>HUB Gender</b>
THE LORETTA HIGGINS BUSINESS	Owner/Loretta Higgins	GROUP, INC.,7206 N HEARTHSTONE GREEN CT	HOUSTON	TX	77095-3584	loretta@higginsacr.com	713-726-6414	WO	F
THOMAS ZAPATA JR, CPA	Thomas Zapata	76 WHITE MAGNOLIA CIR,	AUSTIN	TX	78734-6250	tzap77@yahoo.com	512-261-4555	HI	M
VANDERSLICE CONSULTING	Owner/CAMILLE VANDERSLICE	7301 TANBARK CV,	AUSTIN	TX	78759-3737	camille@dbtxcpa.com	512-796-2490	WO	F

**Commodity Class Code 966 – PRINTING AND TYPESETTING SERVICES**

**Item Numbers and Commodity Descriptions:**

**966-18 Copying Service, Reproduction**

The following is a list of Certified HUB Vendors from the CMBL identified for the services or commodities above:

Company Name	Contact Person	Mailing Address	City	ST	Zip	Email	Phone	HUB Eligibility	HUB Gender
410 PRINTING CENTER &	Karen Mainz	PHOTOGRAPHY STUDIO, LLC, 7215 S WW WHITE RD	SAN ANTONIO	TX	78222-5203	karen@410printing.com	210-648-7720	WO	F
ABSOLUTE COLOR, LTD.	Hugh Nguyen	5810 WINDFERN RD,	HOUSTON	TX	77041-6215	hugh@absolutecolor.net	713-996-0202	AS	M
AD-IMAGE CREATIVE PROMOTIONS CO	President/TERRI FINAZZO	851 LAKEVIEW DR,	COPPELL	TX	75019-5418	adimagedallas@aol.com	972-462-0919	WO	F
APPLE SPECIALTY ADVERTISING	Jane Thomas	1149 E COMMERCE ST, SUITE 104	SAN ANTONIO	TX	78205-3304	jane@applespecialty.com	210-225-9322	WO	F
BEST PRESS INC	Pres./WENDY KALISHER	4201 AIRBORN DR,	ADDISON	TX	75001-5183	admin@bestpress.com	972-930-1000	WO	F
BEST PRINTING	Javier Berlanga	844 PINE ST,	ABILENE	TX	79601-4202	bestprinting@suddenlinkmail.com	325-673-2378	HI	M
BUSINESS INK, CO.	Susan Goodwin	15404 LONG VISTA DR,	AUSTIN	TX	78728-3814	sgoodwin@businessink.com	512-949-2200	WO	F
CENTRAL TEXAS LITIGATION SUPPORT	Katherine Burrow/President	SERVICES, INC., 7215 BOSQUE BLVD	WACO	TX	76710-4020	kburrow@centexlitigation.com	254-399-9400	WO	F
COLORMIX GRAPHICS & PRINTING, LLC	Carla Sisk	404 S C M ALLEN PKWY,	SAN MARCOS	TX	78666-6904	orders@colormixgraphics.com	512-353-2412	WO	F
DEWITT POTTH & SON	Administrator / Hannah Hartman	PO BOX 487,	YOAKUM	TX	77995-0487	sales@dewittpotth.com	361-293-3791	WO	F
DIGIPRINT GRAPHICS LLC	Ketki Parekh	1324 PIN OAK RD,	KATY	TX	77494-6848	katy@minutemanpress.com	832-437-8354	AS	F
DP-NXA CONSULTANTS, LLC	Principal/NIPAT ATTAVIT	6100 WESTERN PL, SUITE 500	FORT WORTH	TX	76107-4600	N.ATTAVIT@ATT.NET	817-238-9853	AS	M
DYNAMIC COLOR GRAPHICS	Pres./KATHY R. BOWERS	PO BOX 161758,	FORT WORTH	TX	76161-1758	kathyb@dynamiccolorgraphics.com	817-520-6331	WO	F

**Commodity Class Code 966 – PRINTING AND TYPESETTING SERVICES**

**Item Numbers and Commodity Descriptions:**

**966-18 Copying Service, Reproduction**

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Company Name	Contact Person	Mailing Address	City	ST	Zip	Email	Phone	HUB Eligibility	HUB Gender
DYNAMIC REPROGRAPHICS, INC.	Cora Brown	PO BOX 300038,	AUSTIN	TX	78703-0001	cora@dynamicreprographics.com	512-474-8842	WO	F
FOUR SOLUTIONS	Julian M. Mondragon	15155 RICHMOND AVE #1223,	HOUSTON	TX	77082	julian@foursolutions.net	832-566-1666	HI	M
GILL DIGITAL SERVICES, LLC	Barbara Gill	4100 SPRING VALLEY ROAD # 920,	DALLAS	TX	75244	bgill@gilldigital.com	214-808-3950	WO	F
GLOBAL PRINT GROUP	Owner/KIM BLAIR	PO BOX 8848,	THE WOODLANDS	TX	77387-8848	k_blair@sbcglobal.net	281-798-0276	WO	F
GURROLA REPROGRAPHICS, INC.	Account Manager/ Dianna Gurrola	6161 WASHINGTON AVE,	HOUSTON	TX	77007	dgurrola@gurrolareprographics.com	713-861-4277	HI	M
HEALER PRINTING COMPANY	ALLAN HEALER	906 FRANKLIN AVE,	WACO	TX	76701-1906	osthree@prodigy.net	254-757-1122	WO	F
INDUSTRIAL PRINTING SOLUTIONS, INC.	LAURENCE M. LASATER, JR./OWNER	3419 KNICKERBOCKER RD,	SAN ANGELO	TX	76904-6816	lorenzo@industrialprinting.biz	325-942-8581	HI	M
JENN'S COPY & BINDING	Owner/Jennifer K. Matyear	2518 GUADALUPE ST,	AUSTIN	TX	78705-4520	jenn@jennscopies.com	512-482-0779	WO	F
JENR8	Jennifer Drake Jensen	5419 LOGSTON LN,	SPRING	TX	77389-4520	jen@jenr8it.com	832-610-5403	WO	F
K. FERNANDEZ & ASSOCIATES, LLC	President/ Karla Fernandez Parker	6507 JESTER BLVD,SUITE 510Q	AUSTIN	TX	78750-8368	karla@kfernandez.com	512-358-1756	HI	F
KJHCONSULTANT SERVICES	Karla Horn	10333 NORTHWEST FREEWAY, SUITE 101,	HOUSTON	TX	77092-4144	kjh@kjhconsultant.com	832-881-0956	BL	F
LONE STAR DIRECT	Kelsey August	3801 N CAPITAL OF TEXAS HWY,SUITE E240-213	AUSTIN	TX	78746-1416	kelsey@lonestardirect.com	512-785-3812	WO	F
MADWOMEN	Liane Garrett	26635 FOREST LINK,	NEW BRAUNFELS	TX	78132	Liane@MadWomen.biz	210-683-1169	WO	F

**Commodity Class Code 966 – PRINTING AND TYPESETTING SERVICES**

**Item Numbers and Commodity Descriptions:**  
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MCCARTHY PRINT, INC.	Owner/Teresa McCarthy	1804 CHICON ST.,	AUSTIN	TX	78702-1226	sschenk@mccarthyprint.com	512-479-8938	WO	F
MILLER IMAGING AND DIGITAL SOLUTIONS,	President/Luci Miller	INC.,PO BOX 81771	AUSTIN	TX	78708-1771	Luci.Miller@millerids.com	512-478-8793	WO	F
MS DALLAS REPROGRAPHICS INC	President/Daphne Best	PO BOX 190228,	DALLAS	TX	75219-0228	dbest@msdallas.com	214-521-7000	WO	F
NEWMAN PRINTING COMPANY, INC	Louis Newman	1300 E 29TH ST,	BRYAN	TX	77802	lnewman@newmanprint.com	979-779-7700	DV	M
P I C PRINTING, L.L.C.	Pres./Gilbert Juarez	4521 S HULEN ST,SUITE 116	FORT WORTH	TX	76109-4948	gjuarez@pic-printing.com	817-927-5545	HI	M
POSTILION GRAPHICS, LLC	Thomas Lengel	PO BOX 90414,	AUSTIN	TX	78709-0414	thomas@postiliongroup.com	512-940-2523	WO	F
PRINTMPRO, LTD	CEO/Keith Daboub	9011 TUSCANY WAY,SUITE 200	AUSTIN	TX	78754-4793	kdaboub@printmailpro.com	512-821-9000	HI	M
SAFEGUARD UNIVERSAL, LLC	ANTHONY ANZALDUA	2741 SWANTNER ST,	CORPUS CHRISTI	TX	78404-2832	aanzaldua@safeguarduniversal.com	800-221-7419	HI	M
SAN ANTONIO DOCUMENT AND	Carolyna Garza	GRAPHICS SOLUTIONS, LLC,581 SPENCER LN	SAN ANTONIO	TX	78201-2030	cgarza@sadgs.com	210-765-0014	AS	F
SHERRY MATTHEWS, INC.	Wardaleen Belvin	200 S CONGRESS AVE,	AUSTIN	TX	78704-1219	wbelvin@sherrymatthews.com	512-478-4397	WO	F
SIR SPEEDY #4092	President/CONNIE JOHNS	3818 FAR WEST BLVD STE 105,STE 105	AUSTIN	TX	78731-3050	connie@sirspeedy4092.com	512-338-9818	WO	F
SOUTH COAST PRINTING, INC.	JACKIE WITT	601 HIGHLAND STREET,	HOUSTON	TX	77009	jackie@southcoastprinting.com	713-681-5250	WO	F
TOG, INC.	Pres./MARY DUNSEITH	3011 HIGHWAY 30 W,SUITE 101-160	HUNTSVILLE	TX	77340-3534	marydunseith@att.net	936-293-6263	WO	F

**Commodity Class Code 966 – PRINTING AND TYPESETTING SERVICES****Item Numbers and Commodity Descriptions:****966-18 Copying Service, Reproduction**

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TOP SERVICES, LLC	Robby E. Stephenson	PO BOX 1047,116 US HWY 183	REFUGIO	TX	78377-1047	stephenson_robby@yahoo.com	361-526-2760	DV	M
TOVAR PRINTING, INC.	Noemi Tovar	1230 TEXAS AVE,	EL PASO	TX	79902	nptovar@sbcglobal.net	915-584-5900	HI	M
TPC TEXAS PRINTING COMPANY, INC.	Owner/Amber Whitmire	209 W BUCK ST,	CALDWELL	TX	77836-1703	orders@texasprintingcompany.net	979-567-7500	WO	F
TRACHMAR, LLC	President./Pamela Marshall Trachtenberg	2900 N QUINLAN PARK RD,STE B240 - 321	AUSTIN	TX	78732-6083	pamela@trachmar.com	512-828-6430	BL	F
VINESC LLC	Manager Owner / Daniel Vinado	719 WAINWRIGHT ST,	DENTON	TX	76201-6170	daniel@ProSmartMailing.com	940-383-3556	HI	M
WISHLIST DIRECT	Carolyn Lehmann	P.O. BOX 312100,	NEW BRAUNFELS	TX	78130-2100	Carolyn@wishlistdirect.com	830-627-7744	WO	F