Commonwealth of Virginia

Request for Unsealed Proposals

Title: Compensation Analysis Services

Due Date: August 13, 2013

Contact Information:

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Request for Proposals (RFP) #: 10506ANB

RFP Issue Date: ..... July 30, 2013

Contract Term: ..... Twelve months from award of Contract

Proposal Due Date and Time: .....August 13, 2013; 3:00 P.M. EST

Electronic proposals preferred

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

Complete Legal Name of Offeror's Firm: _____

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I. PURPOSE:

The purpose of this Request for Unsealed Proposals (URFP) is to seek a highly qualified human resource vendor to provide a comprehensive employee compensation analysis.

II. BACKGROUND:

The Virginia Lottery (Lottery) is an independent agency of the Commonwealth of Virginia and as such is not subject to the provisions of the Virginia Personnel Act, chapter 10, Title 2.1 of the *Code of Virginia* and maintains a separate compensation plan from executive branch government agencies. The Lottery employs approximately 265 full-time employees; approximately 165 employees hold positions in areas including executive management, marketing, security, information technology, and general administration, while an additional 85 employees hold sales positions throughout the Commonwealth.

The Lottery is the premier provider of games for Virginians. The mission of the Lottery is to help finance public education K-12 in the Commonwealth and over the course of the last five years has used a Kaplan Norton model to create and maintain a Strategic Plan with a balanced scorecard. To carry out its mission, the Lottery recognizes the importance of a attracting and retaining qualified staff to maintain its operational excellence. All employees play an active role in the execution of the Lottery's strategic plan. As a result, the Lottery desires to provide competitive compensation to attract, retain and engage competent staff to achieve its mission, goals and objectives.

The Lottery's current total compensation plan is designed to deliver competitive total compensation relative to that offered within the various labor markets in which the Lottery competes for staff talent. The compensation plan is structured to promote performance-based results linked to achievement of the Lottery's annual operating goals and all compensation actions are subject to availability of funds.

The Lottery's current pay plan, implemented in December of 2008, includes 4 pay bands: Leadership, Management, Technical and Support. Each pay band has multiple salary zones that reflect the range of market base salaries and include a minimum and maximum salary. A job position may span multiple salary zones within a pay band or the zone span to allow for progression within the same position and job. Employees are assigned to salary zones within the designated zone span on the basis of knowledge, skills, abilities, and competencies as they relate to the positions occupied.

In addition to the base compensation, the Lottery utilizes variable compensation plans to offer incentive pay. The variable pay plan includes an Agency Inventive Plan (AIP) and a Sales Incentive Plan (SIP). Employee performance evaluations, agency net income achievement, and individual sales goal achievement determine incentive payments under the two incentive plans. Incentives are awarded at the discretion of the VA Lottery Executive Director.

For a copy of the Lottery's current compensation policy, please sign the attached confidentiality statement and return.

III. **STATEMENT OF NEEDS:**

Base Options:

A. Compensation Plan:
An analysis of the Lottery's current compensation plan, presentation of findings, recommend alternatives, and assistance with implementation, training and on-going maintenance that will meet the Lottery's current and future business needs shall be completed. A detailed justification for the recommended plan shall be included.

B. Additional Human Resources Initiatives of Interest:
While the Lottery has identified specific areas of need above, the Lottery is interested in all available services within the Human Resource Division. Additional areas of interest may include but are not limited to recruitment, payroll, employee relations, succession planning and training.

Invited Option:

A. Automated Solutions:
A computer system to implement the new program, including automated provisions for periodic maintenance (i.e. salary adjustments, analysis, etc.), ad hoc reporting, management queries, "what-if" scenarios, etc. shall be recommended. The automated solution shall either:

1) include provisions for interfacing with current systems

2) an analysis of workflow that would be required if the proposed system would not interface with human resources, payroll, and financial reporting systems

3) implement improvements to utilization of current systems

Proposed options may be a turnkey solution or remote access of a system administered by the Offeror and utilized by the Lottery through user licensing or some other authority. The Lottery shall not accept a system whereby any requests for information or analysis must be performed by the Offeror.

Proposed Timeline:

RFP Due Date:	August 13, 2013
Review of Proposals and Negotiations:	Completed by week of September 9
Project Start Date:	October 11, 2013
Compensation Plan delivered:	December 18, 2013

IV. PROPOSAL PREPARATION AND SUBMISSION REQUIREMENTS:

A. GENERAL REQUIREMENTS:

1. RFP Response:
   a. ***Electronic proposals are preferred*** however, should an Offeror submit the proposal in hard copy format, one (1) original and Five (5) copies of each proposal must be submitted to the Lottery. If proprietary information is contained it should be clearly marked in a cover letter and highlighted or underlined in the proposal as stated below.
   b. No other distribution of the proposal shall be made by the Offeror.
   c. Offeror is requested to respond to each section/subsection in the order in which it appears in the RFP.

2. Single Point of Contact:
   Submit all inquiries concerning this RFP in writing by email, subject: "Questions on RFP # 10506 to:

   SPOC: Amanda K. Nies-Berger

   Email: anies-berger@valottery.com

   The Lottery cannot guarantee a response to questions received less than five (5) days prior to the proposal due date. No questions will be addressed orally.

   To ensure timely and adequate consideration of proposals, Offerors are to limit all contact, whether verbal or written, pertaining to this RFP to the designated SPOC for the duration of this proposal process.

3. Proposal Preparation:
   a. Proposals shall be signed by an authorized representative of the Offeror.
   b. Failure to submit all information requested may result in the Evaluation Team giving a lowered evaluation score of the proposal.
   c. An explanation describing how you will accomplish each requirement must be included in your proposal. The phrase "fully comply" without an explanation is unacceptable. If a requirement is not being provided, state "Not Provided." Proposals, which are substantially incomplete or lack key information, may be rejected by the Lottery.
   d. Ownership of all data, materials and documentation originated and prepared for the Lottery pursuant to the RFP shall belong exclusively to the Lottery and be subject to public inspection in accordance with the Virginia Freedom of Information Act. Trade secrets or proprietary information submitted by an Offeror shall not be subject to public disclosure under the Virginia Freedom of Information Act; however, the Offeror

must invoke the protections of §2.2-4342 of the *Code of Virginia*, in writing, either before or at the time the data or other material is submitted. The written notice must specifically identify the data or materials to be protected and state the reasons why protection is necessary. The proprietary or trade secret material submitted must be identified by some distinct method such as highlighting or underlining and must indicate only the specific words, figures, or paragraphs that constitute trade secret or proprietary information. The classification of an entire proposal document, line item prices and/or total proposal prices as proprietary or trade secrets is not acceptable and will result in rejection of the proposal.

3. Oral Presentation: Offerors who submit a proposal in response to this RFP may be required to give an oral presentation to the Evaluation Team. This provides an opportunity for the Offeror to clarify or elaborate on the proposal.

B. **SPECIFIC PROPOSAL REQUIREMENTS:**

Proposals shall be as thorough and detailed as possible so that the Lottery may properly evaluate Offeror's capabilities to provide the required services. In addition to any other requirements imposed by Section III of this Request for Proposals, Offerors are required to submit the following items as a complete proposal:

1. Offeror shall include a cover sheet that indicates the page number(s) containing proprietary information.

2. Offeror shall include detailed information on how all needs will be met as discussed in *Section III. Statement of Needs, A. Compensation Plan*. Details shall include but are not limited the process used to analyze the current compensation plan, the format in which findings will be presented, the delivery method of recommendations, and an implementation/training plan.

3. Offeror shall include detailed information on how all needs will be met as discussed in *Section III. Statement of Needs, B. Automated Solutions.* Details shall include but are not limited to provisions for interfacing systems, an analysis of workflow, an implementation plan for improvements, and details on how the solution will be provided, i.e. turnkey or an alternative method.

4. Offeror shall include detailed information on all additional functionality as requested in *Section III. Statement of Needs, C. Additional Human Resources Initiatives of Interest*. Each additional functionality shall be contained in a separate proposal so that the Lottery can easily select the function(s) that would best meet the needs of the Lottery.

5. Offeror shall provide a brief company history, including the number of years in the human resource consulting business, a company organization chart, and other pertinent information. For each human resource function proposed, experience in providing each shall be discussed.

6. Offeror shall provide details of proposed timeline and if the proposed timeline as listed in Section III. Statement of Needs, D. Proposed Timeline allows for the best possible outcome for the Lottery.

7. Offeror shall provide names, qualifications, experience, and specific area of expertise of personnel to be assigned to this project, both permanently and temporarily and specify who will be permanent and temporary. Professional resumes shall be provided for all staff members assigned to the project outlining their experience within the areas they will review.

8. Offeror shall provide a minimum of three (3) client references for which the company is currently or has previously provided services similar to those specified herein.

9. Offeror shall describe how the Lottery Leadership Team will be advised on critical or significant human resource issues.

10. Offeror shall provide three (3) sample compensation plans that closely match the plan that would be developed for the Lottery. Explain the success with adoption and implementation of the plans. For confidentiality purposes, client name and address may be changed or removed.

V. **EVALUATION AND AWARD CRITERIA**:

A. **EVALUATION CRITERIA**:

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

1. Qualifications of assigned staff and experience of Offeror providing specific services contained herein

2. Specific plans and methodology used to provide a comprehensive compensation plan

3. Price

B. **AWARD OF CONTRACT**:

Two or more Offerors deemed to be fully qualified and best suited among those submitting proposals will be identified on the basis of the evaluation factors stated herein. Negotiations may be conducted with the Offerors so selected. After negotiations have been conducted with each Offeror so selected, the Virginia Lottery may select the Offeror(s) who, in its opinion, has made the best proposal, and award the Contract to that Offeror(s). The Virginia Lottery may cancel this RFP or reject proposals at any time prior to the award, and is not required to furnish a statement of the reasons why a particular proposal was not deemed to be the most advantageous. Should it be determined in writing that only one Offeror is fully qualified, or that one Offeror is clearly more highly qualified than the others under consideration, a Contract may be negotiated and awarded to that Offeror.

V. **SPECIAL TERMS AND CONDITIONS:**

C. **AUDIT:**

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

D. **PROPOSAL ACCEPTANCE PERIOD:**

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

E. **CANCELLATION OF CONTRACT:**

The Lottery reserves the right to cancel and terminate any resulting Contract, in part or in whole, without penalty, upon 60 days written notice to the Contractor. In the event the initial Contract period is for more than 12 months, the resulting Contract may be terminated by either party, without penalty, after the initial 12 months of the Contract period upon 60 days written notice to the other party. Any Contract cancellation notice shall not relieve the Contractor of the obligation to deliver and/or perform on all outstanding orders issued prior to the effective date of cancellation.

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

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

decisions regarding external reporting. Contractors and their employees working on this project may be required to sign a confidentiality statement.

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

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

IF PROPOSAL IS MAILED: Offeror must mail proposal to the Virginia Lottery, Attention: 12th Floor Purchasing Office, 900 East Main Street, Richmond, Virginia 23219. The proposal must be enclosed in an envelope or package and identified as follows:

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

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

IF PROPOSAL IS HAND DELIVERED (INCLUDING COURIER): Proposal must be delivered to 900 East Main Street, Richmond, Virginia 23219. Due to increased building security, an Offeror must only deliver a proposal to the Security Guard Station located on the **Main Street entrance** of the Lottery Headquarters, Pocahontas Building (address above). **However,** the **Security Guard is not responsible for identifying the date and time a proposal is received; only a Virginia Lottery employee can make that determination.** The Security Guard will contact an appropriate Lottery employee for proposal receipt; this process could take 30 minutes or more.

Late proposal will not be accepted.

Note: the Lottery does not conduct public openings.

H. **RENEGOTIATION OF CONTRACT**

The Lottery reserves the right, at any time during the Contract term or any renewals of the term, to renegotiate with the Contractor a reduction in the compensation paid to the Contractor that is less than the compensation initially agreed to by the Contractor and the Lottery at the time of Contract execution. The Lottery may initiate such negotiations whenever the Lottery determines that it is in the Lottery's best fiscal interests to do so. Notwithstanding any other provision of this Contract to the contrary, the Lottery may terminate this Contract immediately and without penalty if the

Lottery is unable to renegotiate the compensation with the Contractor to an amount which the Lottery determines to be appropriate.

I. **RENEWAL OF CONTRACT:**

This Contract may be renewed by the Lottery upon written agreement of both parties for two (2) successive one year periods, under the terms of the current Contract, and at a reasonable time (approximately 90 days) prior to the expiration.

VI. GENERAL TERMS AND CONDITIONS:

A. ANTI-DISCRIMINATION:

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

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

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

1. The Contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment, except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the Contractor. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

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

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

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

B. **ADDENDA:**

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

C. **ANNOUNCEMENT OF AWARD:**

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

D. **ANTITRUST:**

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

E. **APPLICABLE LAWS AND COURTS:**

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

F. **ASSIGNMENT OF CONTRACT:**

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

G. **AVAILABILITY OF FUNDS:**

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

H. **PROPOSAL PRICE CURRENCY:**

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

I. **CHANGES TO THE CONTRACT:**

Changes can be made to the Contract in any of the following ways:

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

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

By mutual agreement between the parties in writing; or

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

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

J. **CLARIFICATION OF TERMS:**

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

by addendum issued by the buyer.

K. **DEBARMENT STATUS:**

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

L. **DEFAULT:**

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

M. **DRUG-FREE WORKPLACE:**

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

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

N. **ETHICS IN PUBLIC CONTRACTING:**

By submitting their proposal, Offerors certify that their proposal are made without collusion or fraud and that they have not offered or received any kickbacks or inducements from any other Offeror, supplier, manufacturer or subcontractor in connection with their proposal, and that they have not conferred on any public employee having official responsibility for this procurement transaction any payment, loan, subscription, advance, deposit of money, services or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value was exchanged.

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

By entering into a written Contract with the Lottery, the Contractor certifies

that they so not, and shall not during the performance of the Contract for goods and services in the Commonwealth, knowingly employ an unauthorized alien as defined in the federal Immigration Reform and Control Act of 1986.

P. **INFORMATION SECURITY REVIEW:**

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

Q. **INSURANCE:**

By signing and submitting a proposal under this solicitation, the Offeror certifies that if awarded the Contract, it will have the following insurance coverage at the time the Contract is awarded. For construction contracts, if any subcontractors are involved, the subcontractor will have workers' compensation insurance in accordance with §§ 2.2-4332 and 65.2-800 et seq. of the *Code of Virginia*. The Offeror further certifies that the Contractor and any subcontractors will maintain this insurance coverage during the entire term of the Contract and that all insurance coverage will be provided by insurance companies authorized to sell insurance in Virginia by the Virginia State Corporation Commission.

Minimum Insurance Coverages and Limits Required for Most Contracts:

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

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

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

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

R. **NONDISCRIMINATION OF CONTRACTOR:**

A Offeror or Contractor shall not be discriminated against in the solicitation

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

S. **PAYMENT:**

1. To Prime Contractor:

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

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

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

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

e) Unreasonable Charges. Under certain emergency procurements and for most time and material purchases, final job costs cannot be accurately determined at the time orders are placed. In such cases, contractors should be put on notice that final payment in full is contingent on a determination of reasonableness with respect to all invoiced charges. Charges which appear to be unreasonable will be researched and challenged, and that portion of the invoice held in abeyance

until a settlement can be reached. Upon determining that invoiced charges are not reasonable, the Lottery shall promptly notify the Contractor, in writing, as to those charges which it considers unreasonable and the basis for the determination. A Contractor may not institute legal action unless a settlement cannot be reached within 30 days of notification. The provisions of this section do not relieve the Lottery of its prompt payment obligations with respect to those charges which are not in dispute.

2. To Subcontractors:

a) A Contractor awarded a Contract under this solicitation is hereby obligated:

i. To pay the subcontractor(s) within seven (7) days of the Contractor's receipt of payment from the Lottery for the proportionate share of the payment received for work performed by the subcontractor(s) under the Contract; or

ii. To notify the Lottery and the subcontractor(s), in writing, of the Contractor's intention to withhold payment and the reason.

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

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

T. **PERSONNEL SECURITY CLEARANCES:**

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

Corporation.

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

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

U. **PRECEDENCE OF TERMS:**

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

V. **QUALIFICATION OF OFFEROR:**

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

W. **TAXES:**

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

X. **TESTING AND INSPECTION:**

The Lottery reserves the right to conduct any test/inspection it may deem advisable to assure goods and services conform to the specifications.

Y. **TRANSPORTATION AND PACKAGING:**

By submitting their proposal, all Offerors certify and warrant that the price offered for FOB destination includes only the actual freight rate costs at the

lowest and best rate and is based upon the actual weight of the goods to be shipped. Except as otherwise specified herein, standard commercial packaging, packing and shipping containers shall be used. All shipping containers shall be legibly marked or labeled on the outside with purchase order number, commodity description, and quantity.

Z. **USE OF BRAND NAMES:**

Unless otherwise provided in this solicitation, the name of a certain brand, make or manufacturer does not restrict Offerors to the specific brand, make or manufacturer named, but conveys the general style, type, character, and quality of the article desired. Any article which the public body, in its sole discretion, determines to be the equivalent of that specified, considering quality, workmanship, economy of operation, and suitability for the purpose intended, shall be accepted. The Offeror is responsible to clearly and specifically identify the product being offered and to provide sufficient descriptive literature, catalog cuts and technical detail to enable the Lottery to determine if the product offered meets the requirements of the solicitation. This is required even if offering the exact brand, make or manufacturer specified. Failure to furnish adequate data for evaluation purposes may result in a lower score of Offeror's proposal. Unless the Offeror clearly indicates in its proposal that the product offered is an equivalent product, such proposal will be considered to offer the brand name product referenced in the solicitation.

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

Specify **when** payment will be made, e.g., upon delivery, monthly, quarterly, completion of project, etc. In addition, specify **when** and where invoices are to be submitted, e.g., by the 10th of the month following the month services were rendered, upon shipment, completion of project, etc.

Invoices shall be rendered directly to:
Virginia Lottery
Attention: Accounts Payable
900 East Main Street
Richmond, VA 23219

Invoice must contain the following information:

- Virginia Lottery's contract number;
- description of the goods and services;
- date goods and services were provided;
- invoice total;
- Contractor's Federal Identification Number or Federal Employer's Number.

If this information is not contained in the invoice, the invoice may be returned to the Contractor.

VIII. **DISCOUNT FOR PROMPT PAYMENT:**

Discount for prompt payment at: _____%/Net ____ days (see Discount for Prompt Payment requirement herein). This Discount will not be calculated in determining low bid amount(s).

IX. **PRICING:**

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

Compensation Plan Total Cost: **$_____**

Offeror shall provide an itemized listing of the services and associated prices that are incorporated in the cost listed above.

Computer System and Support Cost: **$_____**

Offeror shall provide an itemized listing of the services and associated prices that are incorporated in the cost listed above.

For other human resource functions proposed, Offeror shall provide separate pricing for each function. Offeror shall provide an itemized listing of the services and associated prices that are incorporated in each function.

X. **ADDENDA:**

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

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

XI. SIGNATURE AND OFFEROR PROFILE SHEET:

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

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

In compliance with this Request for Proposal #10506ANB and subject to all conditions thereof, the undersigned offers and agrees to furnish any or all items and/or services proposal herein.

Complete Legal Name of Firm	
Address	
Remit To Address	
Authorized Signature	
Print Name	
Title	FIN #
Email	Telephone

Offeror Profile: Offeror shall indicate whether they are *certified* with the Virginia Department of Minority Business Enterprises as a (check all that apply)

☐ Small Business ☐ Minority-Owned Business ☐ Woman-Owned Business

Certification Number: Expiration Date:

Definitions and information on how to become certified may be obtained at www.dmbe.virginia.gov

Contact person regarding this Proposal	
Check here to use above contact ☐ or provide name below: Name:	
Email	Phone

XII. **OFFERORS CHECKLIST:**

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

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

I, _____ (*print name clearly),* hereby certify that I have provided all required information on this form to the best of my knowledge and agree to the following confidentiality and conflict of interest protocols for the subject project/solicitation. I further certify that I have read and understand the attached confidentiality and Conflict of Interest Guidelines.

CONFIDENTIALITY STATEMENT

1. I understand that information related to the Compensation Study project, specifically the compensation policy or previous compensation studies shall be held in strict confidence.

2. I will not divulge any information pertaining to Compensation study project, previous compensation studies or current compensation structure.

3. The confidential data or any information acquired or accessed in connection with the Compensation Study project shall not be used except for the purpose of providing a proposal and the deliverables as agreed upon in any resulting Contract document. Furthermore, do not release, disseminate or otherwise disclose such data or information to any other party unless authorized by applicable law or required by court order, notify the Contracting Officer who is responsible for such disclosure.

BY SIGNING BELOW, I ACKNOWLEDGE THE INFORMATION AND CERTIFICATIONS I HAVE GIVEN IN THIS STATEMENT:

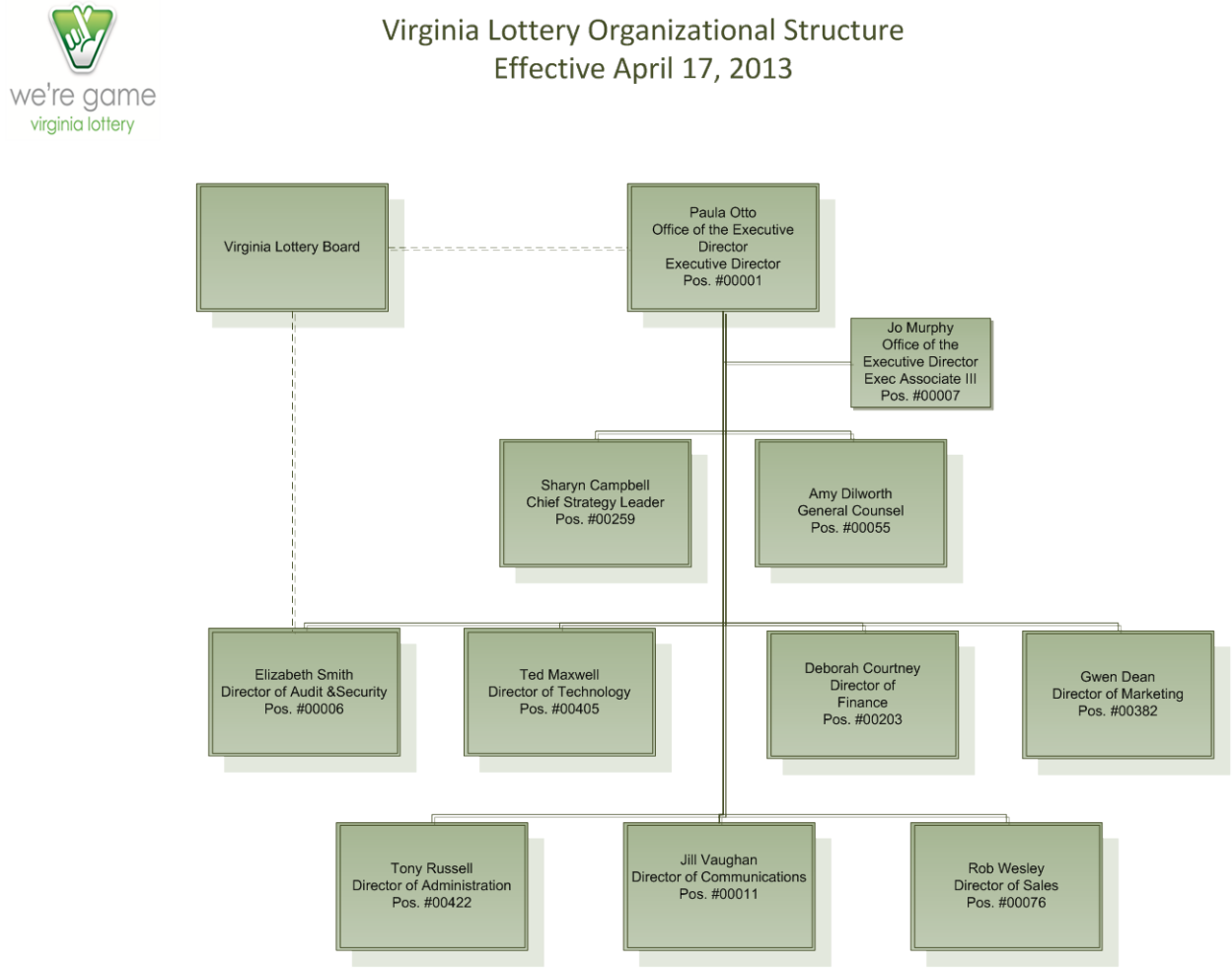
Signature: _____

Company: _____

E-mail Address: _____

Date: _____

VA Lottery Org Chart



VIRGINIA LOTTERY STRATEGY MAP

MISSION: Contributing to Virginia's future one play at a time.

VISION: the Virginia Lottery will become an innovative leader in delivering gaming products to the broadest possible consumer base.

STRATEGY 2015: To grow the number of Virginians who play* Lottery games by 2% by December 2015, we will transform the Virginia Lottery into a consumer-focused organization.

*Played within the past month

Increase profit per capita

	Delivery Method Innovation	Consumer Research & Support	Operational Excellence	Social Responsibility (Stakeholder)
Financial	Realize revenue from new delivery methods	Increase revenue among existing & new customers	Increase productivity	Better understand stakeholders; Enhance stakeholder confidence
Customer	Build Lottery on demand for players; Build Lottery on demand for retailers	Be relevant to consumer segments	Simplify the customer experience	Build Lottery brand
Internal Process	Rapidly implement relevant delivery options; Conduct environmental scanning & delivery method consumer research	Rapidly innovate relevant games & services; Actively manage customer relationships	Optimize system enhancement cycle	Uphold compliance standards; Enhance transparency
Learning & Growth	Invest in alternative delivery technologies; Promote an analytical environment	Collectively & individually respond to consumer desires; Develop customer-focused infrastructure	Collaborate proactively toward strategy; Champion learning & growth	Support corporate social responsibility

CORE VALUES: Integrity | Innovation | Collaboration | Empowerment | Customer Focus

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