



Connecticut Lottery Corporation
777 Brook Street
Rocky Hill, CT 06067

REQUEST FOR PROPOSALS

RFP Number: CLC201805
RFP Description: Financial Audit Services
RFP Issue Date: March 5, 2018
Proposal Due Date: March 27, 2018 by 2:00 PM Eastern Time

This document is subject to change. Visit www.ctlottery.org for the most current information.

Part I. INTRODUCTION

A. PURPOSE

The Connecticut Lottery Corporation (“CLC” or “Lottery”), a quasi-public agency with the mission of generating revenue for the State of Connecticut’s General Fund, issues this Request For Proposals (“RFP”) to obtain competitive proposals from qualified Certified Public Accounting firms (“CPA Firm”, “Audit Firm” or “Firm”) to:

1. audit the CLC’s fiscal year-end financial statements in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. For each fiscal year within the audit engagement term, the Audit Firm will express an opinion on the fair presentation of such statements in conformity with generally accepted accounting principles; and
2. upon the CLC’s request, provide other accounting services.

The audit engagement will be for three (3) years commencing with the CLC’s fiscal year ending June 30, 2018 and may be extended for three (3) additional fiscal years at the CLC’s sole option. **Firms must submit pricing for all six (6) years with their proposals.**

See Part V of this RFP for the full scope of services.

There are two phases to this RFP process:

1. Phase I – Written Proposal
2. Phase II – Interviews with finalist Firms

This RFP is not a contract or an offer to contract and does not require the CLC to award a contract. Unless and until a written contract is signed by the CLC and the successful CPA Firm (“Contract”), the CLC shall have no obligations.

Interested Firms must submit a Proposal in accordance with the requirements and directions of this RFP. **Firms are prohibited from contacting any Lottery employee or officer, or member of the Lottery Board of Directors, or State of Connecticut official or employee concerning this RFP, except as set forth in Part II, Section B, below.** A Firm’s failure to comply with this requirement may result in disqualification.

B. THE CONTRACT

The CLC expects to contract with a single successful Firm. Any Contract resulting from this RFP will commence on approximately May 1, 2018 and cover the audit of the CLC’s financial statements for FYE 2018, FYE 2019, and FYE 2020. The CLC may, at its option, issue a single extension of the Contract for three (3) additional fiscal years – FYE 2021, FYE 2022, and FYE 2023 – at the pricing set forth in Exhibit C.

A Contract award is contingent upon approval of the CLC Board of Directors and the successful CPA Firm satisfying all requirements identified in this RFP, including, without limitation, it and its key employees obtaining vendor and occupational licenses from the Connecticut Department of Consumer Protection (“CT DCP”), the CLC’s regulatory agency.

C. CONTINUING DISCLOSURE OBLIGATIONS

Part II, section E, number 3 (tabs 2,3,4,8,9,10) of this RFP are subject to a continuing disclosure requirement; any such matter or change in circumstance occurring after submission of a proposal and, with respect to the successful Firm after the execution of a Contract, must be disclosed promptly in writing to the CLC.

D. CLC RESERVATION OF RIGHTS

In addition to any rights set forth elsewhere in this RFP, the CLC may take the following actions at any time if it determines, in its sole discretion, that doing so is in its best interests:

1. Accept or reject any or all proposals, in whole or in part;
2. Waive any technicalities, informalities, irregularities, or non-material deficiencies in a proposal;
3. Waive any non-material specification(s) that cannot be complied with by any of the Firms;
4. Conduct discussions with any or all Firms for the purpose of clarification and modification of proposals;
5. Arrange to receive products and services from other vendors, or perform itself the services, to be obtained under this RFP;
6. Solicit additional and/or new proposals from anyone;
7. Clarify, modify, suspend, or terminate this RFP, or withdraw and reissue a new RFP;

8. Obtain information from any and all sources concerning a Firm that the CLC considers relevant to this RFP, and to consider such information in evaluating that Firm’s proposal;
9. Award a Contract for all or part of the work requested in this RFP, or not award a Contract at all;
10. Disqualify any Firm whose conduct and/or proposal fails to conform to the requirements of this RFP;
11. Negotiate Contract provisions with the successful Firm in addition to those included in this RFP; and
12. Set aside the original successful Firm if the CLC determines that the Firm is non-responsible. The CLC may, but shall not be obligated to, award the Contract to a different responsible Firm.

The CLC will post any clarification, modification, suspension, or termination of this RFP on the Lottery’s website (www.ctlottery.org, About Us, Bids) as well as the CT Department of Administrative Service’s website (www.das.state.ct.us, State Contracting Portal, Current Solicitations, Organization, drop down to “Connecticut Lottery Corporation”) (together, the “Websites”).

E. PRESUMPTION OF FIRM’S FULL KNOWLEDGE

The CLC will presume that by submitting a proposal, each Firm: (a) is familiar with and is able to comply with all federal, state, and local laws, ordinances, and regulations, as well as any mandatory or voluntary industry and professional standards, related to the work described in this RFP; (b) has read and understood this RFP and all addenda issued in connection with it, if any; and (c) is capable of performing all the work requested in this RFP in a competent, professional, cooperative, and timely manner to achieve the CLC’s goals and objectives. A Firm’s failure to review any information concerning this RFP shall in no way relieve it from any aspect of its Proposal or the related obligations.

Part II. PROPOSAL SUBMISSION REQUIREMENTS

A. CERTAIN KEY EVENTS AND DATES

Issue RFP	March 5, 2018
Firm Questions Deadline	March 9, 2018 by 2:00 PM Eastern Time*
CLC Issues Responses to Questions	March 16, 2018
Proposal Due Date	March 27, 2018 by 2:00 PM Eastern Time*
Date for Interviews of Finalist Firms	April 13, 2018
CLC Issues Preliminary Notice of Award	April 25, 2018
Contract Commencement Date	May 1, 2018

Dates bearing an asterisk (*) are firm dates and times. All other dates are anticipated, not firm.

All proposals will be publicly opened on the Proposal Due Date, and the name of each Firm will be read aloud. The public, including responding Firms, may be present at the opening. No information other than the names of Firms will be released at that time.

B. FIRM QUESTIONS

All questions concerning the CLC's procurement process or this RFP must be submitted by e-mail and directed only to:

Sue Starkowski ("Purchasing Officer")
Connecticut Lottery Corporation
777 Brook Street
Rocky Hill, CT 06067
Telephone: 860-713-2788
E-mail: sue.starkowski@ctlottery.org

Firms are prohibited from contacting any other Lottery employee or officer, or member of the Lottery Board of Directors, or State official or employee concerning this RFP. A Firm's failure to comply with this requirement may result in disqualification.

The Purchasing Officer must receive questions no later than the Questions Deadline set forth in Part II, Section A, above. The Purchasing Officer will confirm receipt of a Firm's questions, if any, by e-mail. Questions cannot be submitted via telephone or fax, but the Purchasing Officer will accept telephone calls to confirm receipt of a Firm's questions if the Firm has not received an e-mail confirmation.

By the date and time set forth in Part II, Section A, above, the CLC will answer all relevant written questions by issuing one or more written addenda, which shall be a part of this RFP and any resulting Contract. Addenda will be available on the Websites. **Each Firm is responsible for checking the Websites to determine if the CLC has issued any addenda and, if so, completing its proposal in accordance with the RFP as modified by the addenda.**

No oral statement of the CLC or any of its officers or employees, including the Purchasing Officer, shall be effective to waive, change, or otherwise modify any of the provisions of this RFP, and no Firm shall rely on any alleged oral statement.

C. PROPOSAL DUE DATE

The Purchasing Officer **must receive** proposals on or before the date and time set forth in Part II, Section A, above. Proposals postmarked after that date and time do **NOT** satisfy this requirement. The CLC will **NOT** accept submissions by e-mail or fax. Firms are solely responsible for ensuring timely delivery. **The CLC will reject, and may return, proposals received after the Proposal Due Date or that are sent by e-mail or fax. The CLC will NOT accept late proposals.**

D. WITHDRAWAL OF PROPOSAL/PROPOSAL EFFECTIVENESS

A Firm may withdraw a proposal in-person or in writing provided that the CLC's Purchasing Officer receives the withdrawal prior to the Proposal Due Date. Proposals are considered valid, and may not be withdrawn, cancelled, or modified, for one hundred eighty (180) calendar days after the

Proposal Due Date, to allow the CLC to review and evaluate the proposals, investigate a Firm and its qualifications, issue a preliminary notice of award, secure required CLC Board approval, and contract with the successful Firm.

E. PROPOSAL SUBMISSION

1. General Requirements

Proposals must be clearly written and legible. Each original and copy of the proposal must be provided in a 3-ring binder. Proposals must contain all of the information, documents, and forms listed below, and be presented in the order and manner listed. All pages of the proposal must be numbered at the right-hand bottom of the page.

The original Proposal must be signed by a person duly authorized to sign it on the Firm's behalf. The CLC may reject an unsigned proposal. The person signing the proposal must initial errors, alterations, or corrections on the original. Each copy of the proposal must contain a copy of the signatures and, if any, the initials. If there is a conflict among the proposals delivered to the CLC, the original shall prevail.

The CLC appreciates conciseness and clarity of content.

2. Package Labeling

- a. Proposals must be delivered in a sealed box(es) addressed to the Purchasing Officer, must contain the Firm's name and address in the upper left-hand corner, and must be clearly labeled with the words "RFP PROPOSAL RESPONSE PACKAGE 1 of X, 2 of X, etc." with the RFP description, RFP number, and Proposal Due Date listed.
- b. The CLC may reject any proposal submitted in an unmarked package or envelope that the CLC opens in the normal course of its business. The CLC may, but shall not be required to, return such proposal and inform the Firm that the proposal may be resubmitted as described above if there is still time remaining before the Proposal Due Date.

3. Content

The Proposal envelope must contain the original plus seven (7) copies of the following documents, each identified in the bound Proposal by a numeric tab as listed below. The Proposal must conform to the requirements of this RFP and demonstrate the experience, competence, and capabilities of the CPA Firm and the qualifications of the particular staff to be assigned to this engagement. The Proposal must also demonstrate the Firm's understanding of the work to be performed and its commitment to perform the work within the stated time periods. It must also describe an audit approach that will meet the RFP requirements.

Firms should describe how they intend to keep the CLC abreast of any changes in accounting principles or legislation that would impact the annual financial statements. Firms should also describe non-auditing professional services they provide to other clients, especially state government/quasi-government clients, if any, and innovative products offered by them.

The Proposal must address all the points outlined in the RFP and provide a straightforward and concise description of the proposing Firm's capabilities to satisfy the requirements of the RFP.

TAB 1: Cover Letter - A cover letter signed by an individual authorized to sign a Contract on the Firm's behalf. The letter must provide an affirmative statement that the Firm is independent of the CLC as defined by generally accepted accounting standards and the U.S. Comptroller General's *Government Auditing Standards* and, also, include an affirmative statement that the Firm is licensed to practice in the State of Connecticut.

TAB 2: Relationship Disclosure - The Firm must disclose any material assignments, relationships, or other employment that the Firm or any employee of the Firm has now, or has had within the last three (3) years, with any legally recognized gaming entity or entity involved in the gaming industry that may create a conflict of interest or the appearance of a conflict of interest in performing audits of the CLC's financial statements. The Audit Firm must discuss any measures that are either in place at the Firm or would be taken to identify, disclose, and resolve any possible conflict of interest.

TAB 3: Firm Qualifications and Experience - The Proposal must state the size of the Firm, the size of the Firm's audit staff, the location of the office from which the work on this engagement is to be performed, and the number and nature of the staff (including vendors and subcontractors) to be engaged for the CLC audit. The Proposal must indicate the extent of the Firm's gaming, governmental, and/or other relevant experience, and discuss how such experience will be beneficial to the Firm's performance of this engagement. Include here any other information related to the Firm's qualifications and ability to perform the Contract that it wishes the CLC to consider.

TAB 4: Partner, Supervisory, and Staff Qualifications and Experience - The Firm must identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement and indicate their credentials and relevant experience. The qualifications and experience of any proposed vendors and subcontractors should also be provided.

TAB 5: Audit Approach - Firms must provide the following information on their audit approach:

- a. Proposed segmentation of the engagement.
- b. Level of staff and estimated number of hours to be assigned to each proposed segment of the engagement.
- c. Approach to be taken to gain and document an understanding of the CLC's internal control structure and systems and to develop resulting recommendations to management and/or the Audit Committee of the Board of Directors, as appropriate.

TAB 6: Similar Engagements with Other Entities - For the proposed engagement partner(s), list the most significant engagements (at least one for each) performed within the past three (3) years that are similar to the engagement described in this RFP. Client contacts listed for this section must be included in the Client Contact List (Attachment D).

TAB 7: Pricing - Price Proposal (Attachment C) - completed and signed.

TAB 8: Peer Review - A copy of the Firm's most recent Peer Review evaluation report conducted by an independent CPA Firm.

TAB 9: Prior Performance Issues - Each Firm must state whether it has experienced any of the following events:

- a. During the last five (5) years, it, its parent, or subsidiary has had any contracts terminated by default or for any other cause. If so, the Firm must submit full details of the contract termination;
- b. It, its parent, or subsidiary has ever been debarred or otherwise prohibited from contracting or submitting proposals or bids for contracts with: the State of Connecticut or any agency or political subdivision thereof; any municipal entity; or any other state, Native American body, or other governmental or quasi-governmental entity within the United States. If so, please fully identify the authority issuing the debarment prohibition, describe the reason(s) for the debarment/prohibition, and state the inclusive dates thereof;
- c. During the last five (5) years, it, its parent, or subsidiary has been assessed penalties or liquidated damages under any of its existing or past contracts. If so, for each instance when penalties or liquidated damages were assessed, explain the reason(s) and the amount of such penalty/liquidated damages. Summary data is permitted when per instance data would cause a large volume of data; however, the CLC reserves the right to request the per instance data, which must be available upon request; and
- d. During the last five (5) years, it, its parent, or subsidiary was the subject of any order, judgment, or decree of any federal, state, municipal, or provincial authority barring, suspending, or otherwise limiting the right of the Firm to engage in any business practice or activity, or if trading in the stock of the Firm has been suspended. Information, including a complete copy of such order, judgment or decree, must be provided, with appropriate and accompanying date(s) and explanation(s).

TAB 10: Other Required Forms

- a. Attachment A, two (2) pages - A completed Vendor Information Form/Supplier Diversity Information;
- b. Attachment B, two (2) pages - A completed Proposer's Affidavit;
- c. Attachment C, two (2) pages - A completed Price Proposal;
- d. Attachment D, one (1) page - A completed Client Contact List; and
- e. Attachment E, one (1) page - A completed Consulting Agreement Affidavit – OPM Ethics Form 5.
- f. Exhibit 1, three (3) pages - Cyber Security and Privacy Questionnaire to be completed and returned to the CLC by Firms selected for interviews only. Do not return Questionnaire with proposals.

Part III. GENERAL TERMS AND CONDITIONS

A. CONTRACT TERMS

Any resultant Contract from this RFP will be based upon this RFP, any addenda, and the Proposal submitted by the successful Firm, and will include provisions required by the CLC and other mutually agreeable terms and conditions. The CLC reserves the right to either award the Contract without further negotiation with the successful Firm, or negotiate some or all terms and conditions, including, without limitation, scope of work, schedule, and financial terms, with the successful Firm if the best interests of the CLC would be served.

B. INTEGRITY OF THE SUCCESSFUL FIRM

Because of the extremely sensitive nature of the lottery industry, it is essential that the CLC's operations and reputation avoid any impropriety or appearance of impropriety.

1. The successful Firm must provide consistent, high quality product and service solutions;
2. The successful Firm must act with uncompromising integrity and honesty and with due regard for the public good;
3. The successful Firm must avoid activities reasonably judged by the CLC to adversely affect or reflect on the CLC, the State of Connecticut, or the lottery industry;
4. The successful Firm must be accountable for its actions and results and deliver on its commitments;
5. The successful Firm must report actual or potential security or integrity problems to the CLC immediately upon detection.

C. TAXES

Pursuant to Section 12-816 of the Connecticut General Statutes, the CLC is exempt from all state and certain federal taxation. Such taxes must NOT be included in proposal prices.

D. COSTS FOR PREPARING PROPOSAL

The CLC is not responsible for any costs or expenses incurred by a Firm in preparing or submitting a proposal, or activities or requirements to become and remain a vendor of the CLC.

E. OWNERSHIP OF PROPOSALS

All proposals become the CLC's property and will not be returned to Firms.

F. ADDITIONAL INFORMATION

The CLC may request Firms to provide, clarify, or supplement any information contained in their proposals at any time during the RFP process. However, the CLC is not required to make such requests. A Firm's failure to respond to CLC's requests promptly may result in rejection of that Firm's proposal.

G. FREEDOM OF INFORMATION ACT AND CONFIDENTIALITY OF INFORMATION

1. Firm Confidential Information

All information submitted in and with a proposal is subject to disclosure under the Connecticut Freedom of Information Act, unless exempted by law. A proposal may contain financial, proprietary commercial information, trade secrets, or other highly sensitive, competitive data that a Firm claims should not be public ("Firm Confidential Information"). To protect such information from disclosure, a Firm must identify specifically the pages and portions of its proposal that contain the claimed Firm Confidential Information. Such Firm Confidential Information must be identified as follows: (a) each page containing Firm Confidential Information must contain a footer with the word "CONFIDENTIAL"; (b) the beginning of Firm Confidential Information must be noted "CONFIDENTIAL INFORMATION BEGINS HERE," and the end of Firm Confidential Information must be noted "CONFIDENTIAL INFORMATION ENDS HERE;" and (c) the Firm must provide a CD or other digital media containing its complete proposal (including pricing) except for the Firm Confidential Information. Cost/pricing information is subject to public disclosure. Firms may not preface their proposals with a general proprietary statement, or use page headers or footers that arbitrarily mark all pages confidential. If the CLC receives a request for a copy of a proposal, the CLC will make a copy of that CD or other digital media and provide it to the requester without notice to the Firm and without review of the CD or other digital media's contents. Accordingly, each Firm is solely responsible for, and the CLC shall have no liability to a Firm for, the inclusion of any Firm Confidential Information on the CD or other digital media or the provision of a copy of such to a third party.

If the CLC receives a request for a Firm's Confidential Information, it will promptly notify the Firm of such request and provide the Firm with a copy of any written disclosure request. The Firm may provide written consent to the disclosure, or it may object to the disclosure by notifying the CLC in writing of the basis for its objection, including the statutory, judicial or other legal exemption(s) from disclosure. Firms agree that the CLC will not be liable for any disclosure of Firm Confidential Information under any circumstance. The Firm shall be solely responsible for indemnifying, defending, and holding the CLC harmless against any complaint or other legal proceeding related to the nondisclosure of claimed Firm Confidential Information, including but not only replying to and appearing before the Connecticut Freedom of Information Commission, and providing appropriate witnesses and documents.

2. CLC Confidential Data

Each Firm shall protect from unauthorized access, acquisition, use, and disclosure CLC Confidential Data. A Firm shall not disclose CLC Confidential Data to any third party without the CLC's prior express written consent in each instance, and shall only use CLC Confidential Data for the purpose of responding to this RFP. Upon CLC's request at any time, a Firm shall, at its own expense and as directed by the CLC, promptly return to the CLC or destroy (and certify in writing destruction of) all copies of CLC Confidential Data in the Firm's possession or control, whether physical or electronic.

If a Firm receives a request for disclosure of any CLC Confidential Data (for example only, by subpoena), the Firm shall immediately notify the CLC of such request and provide the CLC with a copy of any written request. The CLC reserves the right to object to the disclosure of

said information and to notify the Firm to withhold disclosure of said information, identifying in such notice the basis for such objection, including the statutory exemption(s) from disclosure.

Each Firm agrees and warrants that it shall not use CLC materials or data, including but not only CLC Confidential Data, in any form in connection with any other procurement effort, whether public or private.

H. DATA PRIVACY AND INFORMATION SECURITY

The Contract will, among other matters, establish the successful Firm's obligations to: (a) implement and maintain appropriate administrative, technical, physical, electronic, and procedural measures to protect against the unauthorized access to or disclosure of CLC Confidential Data in compliance with applicable federal and state privacy and data protection laws and professional requirements and standards, without limiting any higher data security and confidentiality measures that the CLC may require; (b) notify the CLC in the event of a security breach affecting the CLC's Confidential Information and take appropriate corrective action ; and (c) indemnify, hold harmless and, upon the CLC's request but at the successful Firm's sole cost and expense, defend the CLC, its directors, officers, employees and the State of Connecticut from all third party claims and losses arising as a result of any unauthorized access to or disclosure of CLC Confidential Data in the successful Firm's possession or under its control.

I. INDEMNIFICATION

By submitting a proposal, each Firm agrees to indemnify, hold harmless and, upon the CLC's request but at the Firm's sole cost and expense, defend the CLC and the State of Connecticut, and each of their respective directors, officers, employees, agents, and representatives whether sued in their official or individual capacities (collectively, "Indemnified Parties"), from and against any and all actual and threatened claims, lawsuits, proceedings, investigations, appeals, damages, awards, judgements, losses, and costs and expenses of every kind, including, without limitation, attorney and professional fees, court costs, costs of enforcing Firm's indemnification obligations in this section, and costs of pursuing any insurance providers, arising from or related to its activities in responding to and participating in this RFP and any alleged or actual misuse, mishandling, loss, or compromise of CLC Confidential Data shared with the Firm during the RFP Process. The obligations under this subparagraph I are intended to be as broad and inclusive as possible to give the Indemnified Parties the maximum rights and protections allowed by law. These obligations shall survive the RFP process. Any resulting Contract from this RFP will include similar indemnification obligations requiring the successful Firm to indemnify, hold harmless, and defend the Indemnified Parties from liabilities arising out of or related to the Contract.

J. AUTHORITY TO DO BUSINESS

The successful Firm, upon Contract execution and for the duration of the Contract, must be registered with the Connecticut Secretary of State to do business in the Connecticut, unless it is a sole proprietorship or general partnership. The CLC may at any time request and the successful Firm will promptly provide documentation evidencing the Firm's current authority to do business in Connecticut. Information concerning registration with the Secretary of State may be obtained by contacting:

Connecticut Secretary of the State
30 Trinity Street
Hartford, CT 06106
Telephone: 860-509-6200
www.ct.gov/sots

K. CT DCP LICENSING; INVESTIGATION OF FIRMS

The CLC may require the successful Firm, its principals, and any employees who are assigned to carry out the responsibilities of the Contract be separately licensed by the CT DCP (See, Connecticut General Statutes § 12-815a). The CLC shall not be responsible for paying any application fees or other costs associated with such licensing.

Estimated DCP licensing fees are as follows:

Vendor License: \$250 per corporation

Affiliate License: \$250 per subcontractor

Occupational Licenses: \$100 per Class I employee; \$20 per Class II director, officer, or owner

The CLC, the DCP, and/or the Connecticut State Police may, prior to the commencement of the Contract and at any time during the Contract, initiate investigations into the backgrounds of any directors, officers, owners, subcontractors, employees, or any other associates of the successful Firm it deems appropriate. The successful Firm will cooperate with such investigations. Such investigations may include, but not be limited to, fingerprint identification by the Connecticut State Police, and financial and criminal background investigations on those individuals the CLC and the DCP, in their sole discretion, determine to be key employees expected to be directly involved in the performance of the Contract. The CLC may reject a proposal or terminate a Contract based upon the results of these investigations.

L. PROHIBITION AGAINST LOTTERY PLAY

The successful Firm and its principals, as well as each of its employees assigned to carry out the responsibilities of the Contract, as well as certain members of their households will be prohibited from purchasing and participating in or sharing the winnings from any CLC lottery game. This prohibition may be expanded at any time by the CLC to include owners and subcontractors of the successful Firm, if the CLC or the CT DCP determines doing so to be in their best interests.

M. INSURANCE REQUIREMENT

A Firm agrees that, if it is the successful Firm, it will obtain and maintain in force during the term of the Contract the minimum types and limits of insurance coverages specified in this RFP, at its sole cost and expense. The required insurance policies shall be written by a company or companies licensed to issue insurance policies in the State of Connecticut, which company or companies shall have not less than an A- rating and a Class VII financial status as reported in the latest edition of Best's Insurance Guide. The CLC reserves the right to approve all insurance companies.

Before Contract execution, the successful Firm shall obtain and deliver to the CLC Certificate(s) of Insurance, in a form satisfactory to the CLC in its sole discretion, evidencing insurance

coverage. Upon each annual insurance policy renewal during the Contract, new, updated certificates must be provided to the CLC at least thirty (30) calendar days prior to the end of the then-expiring Certificate.

All insurance policies, except workers' compensation and errors and omission coverage, must: (a) be endorsed to name the "Connecticut Lottery Corporation, the State of Connecticut, and each of their respective directors, officers, employees, agents, and representatives" as additional insured parties with respect to liabilities and losses related to the Contract; (b) be endorsed to require the insurance company to provide thirty (30) calendar days advance written notice to the CLC of any change in, termination of, failure to renew, default, or cancellation of coverage; and (c) attach a list of all pertinent endorsements (by endorsement number and name) for each required policy. The successful Firm will require the insurance carriers of the required coverages to waive all rights of subrogation against the additional insured parties.

The CLC reserves the right, at any time, to require the successful Firm to obtain additional types of insurance or to increase the limits of its existing insurance as the CLC, in its sole discretion, deems necessary. The successful Firm will promptly comply with such requirements at its sole cost and expense.

Except for Workers Compensation coverage, all required insurance policies shall be primary and non-contributory with any insurance or self-insurance carried or administered by the CLC or that of any other additional insured party. No insurance required or furnished shall in any way relieve or diminish the successful Firm's responsibilities, obligations, or liabilities to the CLC under the Contract.

General Liability. In the minimum amount of \$1,000,000 Combined Single Limit per occurrence for bodily injury, personal injury and property damage. Coverage shall include Premises and Operations, Independent Contractors, Products and Completed Operations, Contractual Liability and Broad Form Property Damage coverage. If a general aggregate is used, the general aggregate limit shall apply either separately to the project or the general aggregate limit shall be twice the occurrence amount;

Automobile Liability. In the minimum amount of \$1,000,000 Combined Single Limit Automobile Liability insurance shall be maintained against claims for damages resulting from bodily injury, including wrongful death, and property damage that may arise from the operations of any owned, hired or non-owned automobiles used by or for the successful Firm in any capacity in connection with carrying out the Contract;

Workers Compensation and Employer's Liability. Workers Compensation coverage in the minimum amount required by the applicable law of the location where the work under the Contract will be performed.

In addition, Employer's Liability coverage with minimum limits of \$500,000 each accident, \$500,000 per employee, and \$500,000 disease policy limit;

Errors and Omissions. In the minimum amount of \$1,000,000 for Each Occurrence with an Aggregate minimum of \$1,000,000;

Commercial Umbrella Policy. In the amount of \$5,000,000; and

Fidelity Bond/Crime Insurance in the minimum amount of \$100,000 endorsed to include third party or client coverage. This insurance shall with respect to property of the CLC include coverage for any dishonest act of the successful Firm's employees including, but not limited to, larceny, theft, forgery, misappropriation, wrongful abstraction, willful misapplication, or any other fraudulent or dishonest acts resulting in financial loss or damage, whether the successful Firm's employees acted alone or in collusion with others. Such insurance at a minimum must cover property of the CLC. Any deductible under this policy will be the successful Firm's responsibility. Coverage shall not require arrest or conviction. The policy must be endorsed to name "Connecticut Lottery Corporation, its directors, officers, employees, agents, and the State of Connecticut" as Loss Payees.

OPTIONAL Cyber Security (Data Protection Insurance). Although it is not required at this time, the CLC reserves the right to require the successful Firm to acquire such coverage at any time during the term of the Contract.

If any of the required policies provide **claims-made** coverage, the successful Firm must: (a) provide coverage with a retroactive date before the Effective Date of the Contract or the beginning of Contract activities; (b) maintain coverage and provide evidence of coverage for at least three (3) years after completion of the Contract activities; and (c) if coverage is canceled or not renewed, and not replaced with another claims-made policy form with a retroactive date prior to the Contract effective date, the successful Firm must purchase extended reporting coverage for a minimum of three (3) years after completion of work.

Part IV. CONNECTICUT LOTTERY CORPORATION

A. BACKGROUND

The CLC was created to generate revenue for the State of Connecticut's General Fund. The unaudited financial statements for fiscal 2017 consisted of approximately \$1.2 billion in net sales, \$756 million in prizes, \$122 million in other costs of sales and operating expenses, and \$330 million in net transfers to the General Fund. The CLC's fiscal year begins on July 1st and ends on June 30th.

An 11-member Board of Directors governs the CLC, and the President and CEO leads the management team. The results of the CLC's operations are reported to the Governor, as well as the legislature's Committee on Public Safety & Security and Committee on Finance, Revenue and Bonding. In addition, the CLC is subject to regulatory oversight by the CT DCP. The CLC is also audited biannually by the Auditors of Public Accounts. By statute, the CLC is not permitted to engage the services of an auditing Firm for more than six (6) consecutive years.

The CLC uses the accrual basis of accounting and applies generally accepted accounting principles (GAAP) and all applicable pronouncements of the GASB issued since December 1, 1989 including all required financial statements, disclosures, and all required supplementary information.

The CLC presently uses the Microsoft Dynamics GP2016 Financial Suite software as its core financial system. The software integrates accounts payable, fixed assets, general ledger, budgeting, asset management, and financial reporting with a complete audit trail for all transactions. The system and software were installed and used live for FY2018, and all computer

software and programs are managed in-house. The CLC also uses Excel software to perform financial analysis and to generate reports. The CLC's payroll records are maintained in the State's CORE CT payroll systems.

Ticket inventory is primarily located at the CLC headquarters in Rocky Hill, with a small quantity of inventory held at its disaster recovery site in Newington.

Scientific Games International ("SG") provides and maintains the wagering system for all lottery games under a contract that extends through April 2023. Under the contract, some of the services provided include: processing ticket transactions; preparing activity reports; providing hardware and software to support the wagering system; and providing and maintaining a network of lottery terminals. SG engages a third-party company to perform annual examinations of controls used in operations in accordance with standards established by the Accounting Standards Board. These reports, commonly referred to as SOC 1 (Type II) reports, are in compliance with Standards for Attestation Engagements (SSAE 16), Reporting on Controls at a Service Organization. A SSAE 16 review is not part of this RFP. The SSAE 16 Reports prepared by the company engaged by SG will be available for review and may be relied upon by the Firm selected by the CLC under this RFP.

The audited financial statements for Fiscal Years 2017 and 2016 are an integral part of this RFP and are furnished in order to provide as much information as possible to Firms. The audited financial statements for prior years are available on the CLC's website at <http://www.ctlottery.org/content/4/annual-reports> .

The Chief Financial Officer is responsible for accounting for all revenues and expenses of operations, reporting, and overseeing the weekly transfer of net profits to the State Treasurer, as well as for maintaining control of the assets and liabilities (supervision and accounting), accounting systems development, risk management, and managing cash flow and investments.

There have been no management letters issued in the prior six (6) year period.

The CLC's Board of Directors, on the advice and recommendation of the Audit Committee, is the appointing authority for the Audit Firm. A recommendation for award will be presented to the Board of Directors for final approval on or about May 1, 2018.

B. ASSISTANCE PROVIDED TO THE AUDIT FIRM

The finance staff of the CLC will prepare or provide the following statements and schedules for the Audit Firm for each fiscal year to be examined:

1. Adjusted trial balance.
2. Detailed statement of revenues, expenses, and changes in net position.
3. Detailed statement of net position.
4. Detailed statement of cash flows.
5. Reconciliation of all bank accounts.
6. Detailed schedules of accounts receivable and accounts payable.
7. Detailed schedules of investments and annuities.
8. Fixed asset schedules and related schedules of depreciation.
9. Payroll records, as required.
10. Analysis of other accounts, as requested.

Office space will be provided. A telephone and internet access will be made available, as well as the use of a copy machine during the engagement. The Firm will be required to provide whatever equipment and other office materials are needed for the engagement.

Part V. NATURE OF THE SERVICES REQUIRED

A. SCOPE OF WORK TO BE PERFORMED

1. For each CLC fiscal year-end period covered by this RFP, the CLC desires the Audit Firm to perform an audit of the financial statements in accordance with generally accepted auditing standards and the standards applicable to financial audits in *Government Auditing Standards*, issued by the Comptroller General of the United States. Based on the audit, the Audit Firm is to express an opinion on the fair presentation of such statements in conformity with generally accepted accounting principles.
2. The Audit Firm will assist the CLC in compiling the basic financial statements (GAAP), all required supplementary schedules, and the notes to the financial statements. The CLC prepares schedules and analyses related to the annual financial statements, up to and including draft statements. The independent Audit Firm must advise the CLC on the latest developments regarding accounting pronouncements and suggest presentation formats for any new disclosure included in the financial statements. Final presentation is agreed to after discussion between the CLC and Audit Firm.
3. The Audit Firm, at its sole cost and expense, will provide the CLC with forty (40) bound copies of the Audited Financial Statements each year. The target date for completion of all audit work and delivery of the Audited Financial Statements, auditor's report, and management letter to the CLC's Chief Financial Officer is on or about September 1st of each year.
4. Upon the CLC's request, the Audit Firm will also provide the CLC with other accounting services, which will be priced separately and agreed to by both parties prior to the services start date.

B. REPORTS TO BE ISSUED/PRESENTATION TO BOARD OF DIRECTORS

Following the completion of the audit of the CLC fiscal year's financial statements, the Audit Firm shall issue, as required by generally accepted auditing standards, and the Connecticut General Statutes, the following:

1. A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles.
2. A report on compliance and on internal control over financial reporting and on compliance under Connecticut General Statutes § 1-122 based on an audit of financial statements performed in accordance with *Government Auditing Standards*.
3. If applicable, a Report on Comments and Recommendations Concerning Other Matters in the Internal Control Structure that shall cover audit findings and recommendations affecting internal control, accounting systems, legality of actions, and any other material matters.

4. Other reports as may be deemed necessary.

A partner of the Audit Firm shall annually present in person the results of the audit and report to the Audit Committee and the Board of Directors.

C. WORKING PAPER RETENTION AND ACCESS TO WORKING PAPERS

All working papers and reports must be retained, at the Audit Firm's expense, for a minimum of five (5) years, unless the Firm is notified in writing by the CLC of the need to extend the retention period, also at the Audit Firm's sole cost and expense. The Audit Firm will be required to make working papers available to authorized parties, upon request by the CLC.

In addition, the Firm shall respond to the reasonable inquiries of a successor audit firm and allow a successor audit firm to review working papers relating to matters of continuing accounting significance.

D. IMPLIED REQUIREMENTS

All services not specifically mentioned in this RFP that are necessary to provide the financial statement audit functional capabilities described by the Audit Firm shall be included in the pricing.

E. PRICE PROPOSAL (Attachment C)

1. Proposed Fees for Audit of Financial Statements - The proposed fees for the six (6) year period must include a total proposed price, as well as an estimate of the number of hours by staff level, in the format set forth in Attachment C.
2. Proposed Hourly Fee for Other Services – The proposed fees for the six (6) year period for other accounting services must include the hourly rate for the partner(s), manager, and staff, as set forth in Attachment C.
3. Out-of-Pocket-Expenses – The CLC will not authorize, pay for, or reimburse out-of-pocket expenses, travel time, or mileage incurred by the successful Firm.
4. Manner of Payment - Progress payments will be made on the basis of hours of work completed during the course of the engagement in accordance with the Firm's proposed cost. Interim billings shall cover a period of not less than a calendar month. The CLC will pay all undisputed fees and charges timely.

Part VI. EVALUATION/AWARD CRITERIA, PROCESS, AND THE CONTRACT

A. Phase I - Written Proposals

The CLC will accept the proposal that the CLC determines to be in its best interests.

The CLC will conduct a comprehensive, fair, and impartial evaluation of proposals and other information obtained and received in response to this RFP. The CLC will be represented by an

Evaluation Committee, which will select the final recommended Audit Firm. The recommended Firm is subject to the approval of the CLC Board of Directors.

The ability of the CLC to evaluate a Firm's proposal is dependent upon the completeness and proper submission of the proposal. The failure of a Firm to provide information requested by this RFP, to submit according to the required format, or to respond appropriately to a clarification request, may result in rejection of the Firm's proposal or affect its evaluation.

The Evaluation Committee will evaluate the proposals and any other information the CLC deems to be in its best interests. Price is an important factor, but it will not be the only basis for award. Due consideration will be given to other objective and subjective evaluation factors such as, but not limited to: a Firm's experience, client references, and audit capabilities; a Firm's resources, staffing levels devoted to the audit, and staff qualifications; a Firm's data privacy and security practices; and whether a Firm qualifies as a diverse supplier by the CT Department of Administrative Services or other accrediting entity.

B. Phase II - Interviews with Finalist Firms

Certain Firms may be selected for interviews and, if so, information gathered at that time will be considered in the CLC's evaluation process. **All Firms selected for interviews must complete and return the Cyber Security and Privacy Questionnaire in Exhibit A.**

The CLC may issue a Preliminary Notice of Award to the successful Firm. **The making of a Preliminary Notice of Award does not provide the Firm with any rights and does not impose upon the CLC any obligations. The CLC is free to withdraw a Preliminary Notice of Award at any time and for any reason. A successful Firm has rights, and the CLC has obligations, only if and when a Contract is executed by the CLC and the successful Firm.** The successful Firm should not make any commitments or commence any work until all conditions of the Preliminary Notice have been met.

The CLC's issuance of a Preliminary Notice of Award is subject to further discussions with the successful Firm as the CLC, in its sole discretion, deems in its best interests. The CLC reserves the right to negotiate additional or modified Contract terms and to conduct any further evaluation of the successful Firm and its proposal that the CLC deems advisable.

Final approval of the award is subject to execution of a definitive written Contract with the CLC, including all required procurement documents and information, and the successful Firm's fulfillment of all CT DCP licensing and other requirements.

Because the successful Firm and certain of its key employees must be licensed by the CT DCP, the CLC will require (and will notify the successful Firm when to submit) the following information and documents prior to Contract execution:

1. An organizational chart containing the names and titles of all employees who will be associated with performance of the Contract;
2. A list of employee names, addresses, dates of birth, and Social Security numbers; and

3. Authorizations (to be provided by the CLC) signed by the employees to allow law enforcement agencies to release relevant background information.

Attachment A: Proposer Information Form

VENDOR INFORMATION FORM

Rev. 10/11

Page 1 of 2

BUSINESS INFORMATION	
Vendor Legal Business Name	
Vendor Website address	
Vendor Address	
City	State
Zip Code	
Business Telephone Number	Business Fax Number
Nature of Business (please describe):	
Business Entity Type: Corporation ___ LLC Corporation ___ LLC Partnership ___ LLC Single Member Entity ___ Non-Profit ___ Partnership ___ Individual/Sole Proprietor ___	
NOTE: If your business is a Corporation, in which State are you Incorporated? _____ If individual/sole proprietor, individual's name (as owner) must appear in the legal business name block above. If your business is a Partnership, you must attach the names and titles of all partners to any bid submission.	
Are you a current CLC Vendor? Yes ___ No ___	Do you hire Subcontractors? Yes ___ No ___
Business Name, Trade Name, Doing Business As Name (if different from above)	
Remittance Address if Different from Business Address Above	
Remittance City	State
Zip Code	
CONTACT INFORMATION	
Name of Individual	Job Title
Business Telephone Number	Business Fax Number
Business Cell Phone Number	Email Address

The Connecticut Lottery Corporation is collecting vendor and supplier information in order to compile a list of available vendors and to track its compliance with supplier diversity goals. The CT Lottery considers commercial and financial information disclosed on this form to be confidential but, unless exempted from disclosure by the Connecticut Freedom of Information Act or other applicable law, information supplied to the Connecticut Lottery Corporation may be subject to disclosure under the Connecticut Freedom of Information Act.

SUPPLIER DIVERSITY INFORMATION

Vendor Legal Business Name

CURRENT CERTIFICATION INFORMATION

Small Business Enterprise (SBE)	Yes _____	No _____	HUB Zone Enterprise	Yes _____	No _____
Minority Business Enterprise (MBE)	Yes _____	No _____	Disadvantaged Business Enterprise (DBE)	Yes _____	No _____
Women Business Enterprise (WBE)	Yes _____	No _____	Sheltered Workshop	Yes _____	No _____
Veteran Owned Business Enterprise	Yes _____	No _____			

*NOTE: Include copies of certifications with the submission of this form for all items checked **YES**.*

If **YES**, indicate which **Agency/Organization** has certified your business:

Department of Administrative Services (DAS) _____	Greater New England Minority Supplier Diversity Council (GNEMSDC)
Department of Transportation (DOT) _____	Women's Business Enterprise National Council (WBENC) _____
Small Business Administration (SBA) _____	Other: _____
Agency/Organization Name	

If **MBE/WBE** certified, indicate Diversity Category:
(check all that apply)

Hispanic American _____	African American _____	Asian / Indian American _____
Native American / Alaskan _____	Woman Owned _____	Minority Woman Owned _____
Asian / Pacific American _____	Subcontinent Asian American _____	

FINANCIAL AND ORGANIZATIONAL INFORMATION

Please provide the Gross Annual Receipts for the last three fiscal years:

Year _____	Amount \$ _____
Fiscal Year End Date _____ MM/DD/YYYY	Year _____ Amount \$ _____
	Year _____ Amount \$ _____

Current number of full-time employees _____ Current number of part-time employees _____

CERTIFICATION

SIGNATURE OF PERSON AUTHORIZED TO SIGN PROPOSALS ON BEHALF OF THE ABOVE NAMED VENDOR	Date Executed
Type or Print Name of Authorized Person	Title of Authorized Person

Attachment B: Proposer's Affidavit

RFP Number: CLC201805
RFP Description: Financial Audit Services

Proposer's Complete Legal Name:

I, _____, am over the age of eighteen
(Print Name)

(18) years, believe in, and understand the obligations of an oath. I am of sound mind, not acting under duress, and make this affidavit freely for the purpose of inducing the Connecticut Lottery Corporation (the "CLC") to consider our proposal and to make a preliminary notice of award to the proposer.

I am the _____ of the proposer and duly authorized to give this affidavit on its
(Print Title)
behalf.

I, having fully informed myself regarding the accuracy of the statements made in this affidavit, do hereby state that:

1. The proposal is genuine. It is not a collusive, sham or fraudulent proposal, and it was not made in the interest or on behalf of any person or entity not named or disclosed in this affidavit.
2. The proposer developed the proposal independently and submitted it without collusion with, and without any agreement, understanding, communication or planned common course or action with, any person or other entity designed to fix the proposal price or otherwise limit independent competition.
3. The proposer, its officers, employees, and agents have not offered or received any kickbacks or inducements from any person or entity in connection with the proposal.
4. The proposer, its officers, employees, and agents have not conferred or promised to any State of Connecticut or CLC official, officer, employee or member of the Board of Directors any payment, loan, subscription, advance, deposit of money, gift, service, or present unless consideration of substantially equal or greater value was exchanged and such consideration was not related to and was not intended to influence any decision regarding this RFP.
5. The proposer, its officers, employees, and agents have not communicated with any officer, member of the Board of Directors, or employee of the CLC (other than the Purchasing Officer) or the State of Connecticut concerning this RFP and its proposal.
6. The proposer, its officers, employees, and agents have not communicated the contents of its proposal to any person not an officer, employee or agent of the proposer and, further, the proposer represents that it will not communicate the contents of its proposal to any such person until after the proposal due date and time.
7. To the best of my knowledge, information and belief, no CLC officer, official, employee or member of the Board of Directors has any financial or other interest whatsoever, direct or indirect, in the proposer or its business.

8. The proposer has thoroughly examined and understood each and every provision of the RFP, including the nature of the services provided, and any and all addenda.
9. All information in the proposal is complete, not misleading (including misleading by omission), and accurately and fully portrays all requested aspects of the proposer and its services.
10. The proposer is not currently debarred or otherwise prohibited from contracting or submitting proposals for contracts with: the State of Connecticut or any agency or political subdivision thereof; any municipal entity; any other state, Native American body, or other governmental or quasi-governmental entity within the United States; or any lottery within the United States.
11. The proposer is not an agent of any person or entity currently debarred or otherwise prohibited from contracting or submitting proposals or proposals for contracts with: the State of Connecticut or any agency or political subdivision thereof; any municipal entity; any other state, Native American body, or other governmental or quasi-governmental entity within the United States; or any lottery within the United States.

The proposer understands and agrees that any misinformation or misrepresentation in this affidavit may disqualify the proposal and result in termination of any resulting Contract.

Signature: _____

Date: _____

Subscribed and sworn to before me this _____ day of _____, 201__.

Notary Public

My Commission Expires _____

(Place Seal)

Attachment C: Price Proposal

RFP Number: CLC201805
RFP Description: Financial Audit Services

Firm Name: _____

In submitting this Price Proposal, the proposer acknowledges and agrees that: (a) each price supplied below is fixed and all-inclusive – including, but not limited to, the costs of all labor and services, overhead, insurance, bonds or letters of credit (if required), profits, permits and licenses, third party costs, and expenses and costs of any other kind; and (b) the Connecticut Lottery Corporation will make no, and have no liability to make, additional payment of any kind for the services performed under the price(s) as proposed.

The proposer offers and agrees to furnish all of the services for which a price has been supplied below and to do so in full compliance with the terms and conditions of this RFP:

1. Audit of Financial Statements and Related Work (please provide total cost)

	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Total Cost	\$	\$	\$	\$	\$	\$
Estimated number of hours by:						
Partner						
Manager						
Staff						
Total Hours						

(CONTINUED ON NEXT PAGE)

Attachment C: Price Proposal (continued)

RFP Number: CLC201805
RFP Description: Financial Audit Services

Firm Name: _____

2. Other Accounting Services (please provide hourly rate for each level and year)

	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Hourly rate for other accounting services requested by the CLC by:						
Partner						
Manager						
Staff						

Submitted by: _____ Date: _____

Signature: _____ Title: _____

* **NOTE:** In order to be considered valid, this Pricing Proposal must be signed by a principal officer or owner of the Firm that is submitting the proposal.

Attachment D: Client Contact List

RFP Number: CLC201805
RFP Description: Financial Audit Services

(List at least one client)

The Audit Firm of _____
hereby confirms that the contacts listed below represent current or former (within the last three years) audit clients and, further, that the Connecticut Lottery Corporation ("CLC") is expressly authorized to contact any or all of said contacts to ascertain the nature and manner of services rendered by the Audit Firm, the timeliness of such services, and the contact's opinion of the Audit Firm's qualifications to perform similar services for the CLC. The Audit Firm represents that each of the listed contacts has been notified of its inclusion on this contact list and has acknowledged its willingness to respond to a request from the CLC.

<u>Client Name and Address</u>	<u>Name of Contact Person</u>	<u>Telephone Number</u>	<u>Client's Industry</u>	<u>Current (C) or Former (F) Client</u>
--------------------------------	-------------------------------	-------------------------	--------------------------	---

1.

2.

3.

4.

5.

Authorized Signature: _____

Signatory's Name and Title: _____

(Please Print)

Attachment E: Consulting Agreement Affidavit – OPM Ethics Form 5



**STATE OF CONNECTICUT
CONSULTING AGREEMENT AFFIDAVIT** Rev. 3-28-14

Affidavit to accompany a bid or proposal for the purchase of goods and services with a value of \$50,000 or more in a calendar or fiscal year, pursuant to Connecticut General Statutes §§ 4a-81(a) and 4a-81(b). For sole source or no bid contracts the form is submitted at time of contract execution.

INSTRUCTIONS:

If the bidder or vendor has entered into a consulting agreement, as defined by Connecticut General Statutes § 4a-81(b)(1): Complete all sections of the form. If the bidder or contractor has entered into more than one such consulting agreement, use a separate form for each agreement. Sign and date the form in the presence of a Commissioner of the Superior Court or Notary Public. **If the bidder or contractor has not entered into a consulting agreement, as defined by Connecticut General Statutes § 4a-81(b)(1):** Complete only the shaded section of the form. Sign and date the form in the presence of a Commissioner of the Superior Court or Notary Public.

Submit completed form to the awarding State agency with bid or proposal. For a sole source award, submit completed form to the awarding State agency at the time of contract execution.

This affidavit must be amended if there is any change in the information contained in the most recently filed affidavit not later than (i) thirty days after the effective date of any such change or (ii) upon the submittal of any new bid or proposal, whichever is earlier.

AFFIDAVIT: [Number of Affidavits Sworn and Subscribed On This Day: _____]

I, the undersigned, hereby swear that I am a principal or key personnel of the bidder or contractor awarded a contract, as described in Connecticut General Statutes § 4a-81(b), or that I am the individual awarded such a contract who is authorized to execute such contract. I further swear that I have not entered into any consulting agreement in connection with such contract, **except for the agreement listed below:**

_____		_____
Consultant's Name and Title		Name of Firm (if applicable)
_____	_____	_____
Start Date	End Date	Cost
Description of Services Provided: _____		

Is the consultant a former State employee or former public official? YES NO

If YES: _____
Name of Former State Agency Termination Date of Employment

Sworn as true to the best of my knowledge and belief, subject to the penalties of false statement.

_____	_____	_____
Printed Name of Bidder or Contractor	Signature of Principal or Key Personnel	Date
_____		_____
Printed Name (of above)		Awarding State Agency

Sworn and subscribed before me on this _____ day of _____, 20____.

Commissioner of the Superior Court or Notary Public

My Commission Expires

EXHIBIT 1: Cyber Security and Privacy Questionnaire

RFP Number: CLC201805
RFP Description: Financial Audit Services

Proposer's Complete Legal Name: _____

Address: _____

Contact Person: _____

Risk Management Policies and Procedures

Do you employ a Chief Privacy Officer or Chief Security Officer? Yes No

Do you maintain insurance that specifically covers losses and expenses attributable to cybersecurity or other data breach incidents? Yes No

If so, what is the limit? \$ _____

Please attach the declaration page of this policy.

Do you have the following written Policies/Procedures:

- | | | |
|---|------------------------------|-----------------------------|
| Privacy Policy | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| Network Security Policy | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| Breach Incident Response Plan | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| Business Continuity/Disaster Recovery Plan | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| Laptop/Computer Use Policy (including Tablets/Smart Phones) | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| Employee Training Regarding Confidential Information | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| Acceptable use and safe browsing | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| Data encryption policy | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| Password Policy | Yes <input type="checkbox"/> | No <input type="checkbox"/> |

Network Security and Data Management

Do you use the following or perform the following with respect to your network and data?

Firewall Protection	Yes <input type="checkbox"/> No <input type="checkbox"/>	Anti-Virus Protection	Yes <input type="checkbox"/> No <input type="checkbox"/>
Intrusion Prevention Software	Yes <input type="checkbox"/> No <input type="checkbox"/>	Off-Site System Backup	Yes <input type="checkbox"/> No <input type="checkbox"/>
Username/Password Management	Yes <input type="checkbox"/> No <input type="checkbox"/>	Wireless Access Points Secured	Yes <input type="checkbox"/> No <input type="checkbox"/>
Encrypt Sensitive Client Data in Transit	Yes <input type="checkbox"/> No <input type="checkbox"/>	Encrypt Client Data at Rest	Yes <input type="checkbox"/> No <input type="checkbox"/>
Perform Vulnerability Management	Yes <input type="checkbox"/> No <input type="checkbox"/>	Third Party Network Intrusion Tests	Yes <input type="checkbox"/> No <input type="checkbox"/>
Third Party Privacy Compliance Audits	Yes <input type="checkbox"/> No <input type="checkbox"/>	Restrict Admin Rights on Desktops	Yes <input type="checkbox"/> No <input type="checkbox"/>

Portable Devices, Apps and Internet Usage

Do you require that I.T. personnel approve the downloading of any new apps to company computers or devices? Yes No

Do you place any limitations on apps used on company computers or devices (e.g., Dropbox)? Yes No
If so, what are they?

Do you place any limitations on internet usage (e.g., Web Mail)? Yes No
If so, what are they?

Do you place limitations on use of flash drives? Yes No
If so, what are they?

Do you place limitations on use of personal devices for company and/or client work? Yes No
If so, what are they?

Do you encrypt confidential information stored on portable devices, such as laptops, flash drives, back-up tapes, smart phones, tablets, etc.? Yes No

The Cloud and Third Party Vendors

Do you store any confidential client information using servers or data storage devices shared with others (e.g. "cloud-based services")? Yes No

Do you use an e-mail server not exclusively reserved for use by the company? Yes No

Do you use any third party or outsourced vendors to service or store client data? Yes No
If so, please provide vendor name(s):

Regulatory and Compliance Management

Do you have procedures in place to comply with the following laws governing confidential information?

State/Federal Privacy Laws? Yes No State Notification Laws? Yes No

Past Circumstances/Claims/Breaches

Are you aware of any privacy breach incident or complaint related to any of your company's systems during the past five years? Yes No

During the past five years have you had any complaints or litigation pertaining to a network security or privacy breach? Yes No

NOTE: Please check one of the following statements that is applicable to your submission of this Exhibit 1:

- We consider our responses to the questions above as trade secrets, or as commercial or financial information given in confidence, or as otherwise exempt from public disclosure under Connecticut's Freedom of Information Act.
- We do not consider our responses to the questions above as trade secrets, or as commercial or financial information given in confidence, or as otherwise not exempt from disclosure under Connecticut's Freedom of Information Act.

I affirm that the above statements and representations are true and correct and that no facts have been suppressed or misstated.

Signature

Date

Title