

Maryland Lottery and Gaming Control Commission

STAFF AGENDA MEMORANDUM

DATE OF MEETING: April 28, 2022

AGENDA ITEM: **Modification # 5 Auditing and Accounting Services Contract (#2015-04) - Stout, Causey & Horning, P.A.**

PRESENTER: James Nielsen, Deputy Director / COO

ISSUE SUMMARY: This Contract for a Certified Public Accounting firm to provide auditing, accounting, and management services to include technical advice and assistance on various aspects of both Lottery and Gaming operations expires on June 30, 2022, with a single 6-month Renewal Option remaining. The Final Renewal Option in the Contract is for facilitating the transition to a follow-on Auditing and Accounting Services contractor.

The parties wish to amend the Contract so that the MLGCA may extend the Contract for a period of twelve, rather than six months in order to facilitate the conversion and transition process to a follow-on contractor and to allow for the Contract to run concurrently with the MLGCA's fiscal year and align with the audit cycle. MLGCA wishes to exercise the Contract extension in the modification to extend the Contract until June 30, 2023.

The MLGCA is in the process of developing an RFP for a new contract, but due to factors affecting the development of requirements for this RFP, such as Sports Wagering implementation and a new Random Number Generator system for Lottery Drawings, the RFP has been delayed. This additional one-year period will provide time for the procurement and implementation of a new replacement Audit and Accounting Services contract and facilitate the conversion and transition process to a follow-on contractor. It will also keep the Contract on a cycle which runs concurrently with the fiscal year, which is critical for the accounting process. The Not to Exceed amount for the 1-year extension is \$332,800. This Contract Modification and exercise of the Renewal Option is submitted to the Commission for review/approval and then, subject to Commission approval, will be submitted to the Department of General Services for inclusion on the next available BPW Agenda.

COMMISSION ACTION REQUIRED/REQUESTED: Discussion, consideration, and possible action.

STAFF RECOMMENDATIONS: Staff recommends approval.