

*Maryland Lottery and Gaming Control Commission*

**STAFF AGENDA MEMORANDUM**

**DATE OF MEETING:** March 22, 2018

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

**PRESENTER:** Gina Smith, Deputy Director/CFO

**ISSUE SUMMARY:** Contract with a Certified Public Accounting firm to provide auditing, accounting, and management services to include technical advice and assistance on various aspects of the Lottery's operations for both Lottery games and the Video Lottery Terminal program. The Contract included three 1-year renewal options. The MLGCA desires to exercise the first 1-year Renewal Option with the term 7/1/2018 – 6/30/2019 in the amount of \$243,925 to continue to provide auditing, accounting, and management services. The NTE amount of this renewal option was specified in the original Contract as \$238,150 but was increased by Modification #1 during the base contract term to add the annual audit of Cash4Life® Agreed Upon Procedures.

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

**STAFF RECOMMENDATIONS:** Staff recommends approval. Subject to Commission approval, this contract will be submitted to DBM for inclusion on the BPW Agenda in April.

# Maryland Lottery and Gaming Control Agency

Larry Hogan, Governor • Gordon Medenica, Director



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March 12, 2018

Mr. Barry C. Offutt, CPA  
Stout, Causey & Horning, P.A.  
910 Ridgebrook Road  
Sparks, MD 21152

Re: Auditing and Accounting Services Contract (#2015-04)  
Renewal Option #1 of 3

Dear Mr. Offutt:

In accordance with Paragraph 4.2 – Contract Term of the subject Contract, the Maryland State Lottery and Gaming Control Agency ("MLGCA") intends to exercise its unilateral right to extend the Contract for an additional one (1) year period. This extension period shall commence on July 1, 2018 and end on June 30, 2019 with an estimated Not-To-Exceed amount of Two Hundred Forty Three Thousand Nine Hundred Twenty Five Dollars (\$243,925.00).

All other terms and conditions of the Contract, as previously modified by Modification #1, shall remain the same and in full force and effect. The requirement added during the base Contract term to conduct an annual audit of Cash4Life® Agreed Upon Procedures will continue during the term of this Renewal Option #1, and the original Not To Exceed amount for this Renewal Option #1 has been increased by Five Thousand Seven Hundred Seventy Five Dollars (\$5,775.00) in accordance with Modification #1 dated June 28, 2107.

This action requires prior approval by the Maryland Department of Budget and Management ("DBM") and the Maryland Board of Public Works ("BPW"). The MLGCA anticipates submitting this extension to the BPW in April/May 2018 and you will be notified when approval has been obtained.

If there are any questions regarding this matter you may contact me at (410) 230-8789 or [Robert.howells@maryland.gov](mailto:Robert.howells@maryland.gov).

Sincerely,

A handwritten signature in black ink, appearing to read "Robert W. Howells".

Robert W. Howells  
Director of Procurement

cc: Gina Smith, Deputy Director/CFO