

JANUS Software, Inc., d/b/a JANUS Associates

Proposed Invoicing

Invoicing for this project is requested as follows:

- 30% upon completion of the preparation period
- 45% upon completion of the field work
- 20% upon submission of the draft reports
- 5% upon submission of the final reports

Payment Terms

Net 30, 1% discount, 10 days

General Assumptions

1. Timely access to all resources (system and personnel) required to complete the audit and undertake interviewing (within three (3) business days).
2. Lottery management will be responsible for evaluating the appropriateness of recommendations with respect to overall needs.
3. To facilitate the timely completion of JANUS' scope of work, the Lottery and any third-party providers will respond to all requests for information and meetings within a reasonable amount of time; e.g., within three (3) business days for requests for information and meetings.
4. Commitment and support from management and project stakeholders. The Lottery will designate a senior-level individual who will be authorized during the term of the project to act as the project's primary contact. This individual must have authority to make decisions about actions to be taken by JANUS on behalf of the Lottery for the proposed services.
5. The Lottery acknowledges and agrees that if any Lottery responsibility as set forth in this proposal is not performed by the Lottery then JANUS will be relieved of providing the affected JANUS services to the extent the Lottery's nonperformance impacts JANUS' ability to provide the affected services.
6. Availability of appropriate Lottery staff and resources so that deliverables can be submitted, reviewed and accepted within the required timeframe. Interruptions by the Lottery in testing or auditing that lead to extending the test or audit window will result in less time available to undertake the work since JANUS' staff is assigned 100% to this project, unless identified at least two (2) weeks before the beginning of the project.
7. Scope is contained to the hours proposed within the detailed project plan (with minor changes that do not result in more than four (4) hours of additional work).

8. The Lottery will provide JANUS personnel with remote VPN access to all required internal systems where appropriate as determined by the Lottery and JANUS.
9. The JANUS team will provide observations and recommendations to Lottery project management during this engagement. The Lottery is solely responsible for determining what changes/improvements should be implemented.
10. JANUS assumes two (2) drafts and three (3) copies of the final submission of each deliverable. Additional iterations can be agreed-to at additional pricing.
11. Specific IP addresses, URLs, credentials, and other information related to technical test targets will be provided a minimum of ten (10) days before scheduled testing.
12. Scans will be allowed to execute to completion, including overnight execution.
13. If we are unable to complete a scan deliverable specified within this proposal within 30 days following commencement of the scan due to the Lottery's failure to meet its obligations, the scan will be considered completed.
14. JANUS will perform work during normal business hours. Off-hours work may be scheduled with advance notice of more than 72 hours. More than one postponement in off-hours work may result in scope changes and pricing differentials.
15. Our staff will be provided proper credentials and access to conduct technical tests prior to the start of testing. Delays will affect the amount of testing able to be performed.
16. The Lottery acknowledges that the ability of JANUS to provide the services in accordance with the proposal (including the agreed pricing and delivery models) are contingent upon the accuracy and completeness of information, data, and applications provided by the Lottery as well as the Lottery's cooperation and timely performance of its obligations.
17. Any delays to staff access will result in delayed deliveries or less test time available.
18. Any attacks that could potentially cause a system failure, be it at the system or application level, will only be performed in coordination with the Lottery. If the usage of the attack has been deemed as required to provide necessary coverage and authorization is gained from the Lottery's technical contact, then the attack will be performed.
19. Should travel agreed upon by the Lottery be cancelled by the Lottery, actual cancellation fees and/or charges, if any, will be reimbursable to JANUS by the Lottery.

Needs from the Lottery Staff

When a project is agreed to specific items are regularly needed with which to carry out the project. Sometimes, clients do not attend to these details until the project has already begun and in such situations, the amount of testing, auditing, and assessment or consulting contemplated in the project cannot be undertaken. We want you to obtain the most for your expenditures. Therefore, although not difficult to produce, JANUS does have the following needs:

Access to System and Staff

- Adequate access to management and other key personnel for consultation and interviews. Very little of these people's time will be taken, but some contact will be necessary;

- Access to a project manager for scheduling interviews with appropriate Lottery staff;
- Access to technical and system programming staff (if needed) during the length of the technical testing (very little time needed);
- Access to staff who have been identified for interviews during the length of the project (approximately one hour each); and
- Immediate access on a part-time basis to a security (or staff) liaison person providing interface capability to assist with questions (when needed), contact with appropriate staff, etc. (low level of support) and establishing schedules. This is typically one-fifth to one-quarter time unless the person wishes to shadow our team to increase knowledge.

Logical and Other Access

- IP addresses relevant to project;
- User IDs/passwords for applications/operating systems (if needed);
- Authority to access network components and operating systems (as needed);
- Relevant documentation such as policies, practices, and procedures; and
- Letter of Authorization to access and test systems (format provided by JANUS when needed for the assessment).

Office Space/Physical Needs (if on-site)

- Identification badges, or equivalent should be available on arrival (if needed);
- Telephone connectivity;
- Lockable cabinet for documentation; and
- Workspace in which to work when on-site.

Other Items

Service Strategy

Our strategy is totally committed to clients. In fact, we have passed up marketing opportunities when they conflict with the needs of clients. Although we prefer for this not to happen, client needs are always placed first. Marketing to new clients must take second place. Our internal motto on how to treat clients is “make the client a star.” As a result of this attitude, we have passed on venture money several times. We run a successful business, but that success is based on our client’s trust and confidence in us and we treasure that.

Vendor Neutrality

JANUS is a vendor neutral consulting company. We take no revenue from vendors in our consulting engagements and we sell none of their hardware or software. As vendor neutral consultants to both large and small organizations with complex needs, we subscribe to a high standard of results focused only on you, our potential client, with experienced project management and quality and we keep these foremost in our dealings with clients.

Bonding and Background Check Procedures

JANUS carries a criminal theft and fraud bond for \$5,000,000 as well as liability and umbrella coverage. Our employees are bonded and undergo background checks (criminal and credit) prior to employment. We also carry both Errors and Omissions and Cyber Liability insurance as additional levels of protection for clients. Employees sign a five-page ethics code upon entry to JANUS that defines their behavior and stresses that they are to put the needs of JANUS' clients first in all situations.

In addition to background checks, many of our employees have also undergone separate background checks by federal and/or state agencies and typically often either hold, or are in the process of receiving, clearances for working with critical and sensitive data.

Change Order Process

As part of our quality plan, we utilize a formal change management process for all changes considered to a project's scope, deliverables, timeline, and budget. The change process includes steps, responsibilities, change parameters or measurement criteria and deadlines to guide the review of proposed changes for potential impacts and appropriateness prior to acceptance. Ensuring well-structured change management processes is a basic element of quality performance. Changes usually affect delivery dates, resources and costs. As a result, they need to be agreed to by both the Lottery and JANUS management before application to the project to make sure that all entities understand what is expected of them. Major items to be addressed within the Change Order Process include change requirement, priority, impact (to project scope), budget, and schedule.