

RFP 0000003036 - Equine Drug Testing
BUSINESS PROPOSAL
ATTACHMENT E

Instructions: Please provide answers in the shaded areas to all questions.
Reference all attachments in the shaded area.

Business Proposal

2.3.1 General (optional)

Please introduce or summarize any information the Respondent deems relevant or important to the State's successful acquisition of the products and/or services requested in this RFP.

The Industrial Laboratories Company, Inc. was founded in 1945. Originally established as an in-house microbiology company for a baked goods factory, verifying product quality and safety. The laboratory was sold off from the parent company, and started expanding into the field of Analytical Chemistry to complement the laboratory's services in food safety and started testing products for nutritional labeling and other claims. In 1953, the State of Colorado, interested in opening racetracks, approached the company and asked if the lab could test racehorses and greyhounds for banned substances. Since that time, Industrial Laboratories has conducted banned substance testing, uninterrupted, for the State of Colorado. Over time the lab began to expand and offer its services to other racing jurisdictions. Industrial Laboratories is now one of the leading laboratory authorities in horse racing and provides banned substance testing services to states across the US and countries, internationally.

Industrial Labs is a family owned and operated business that employs 31 hardworking individuals at its location in Wheat Ridge. The lab provides quality, cost effective, cutting edge analysis coupled with outstanding customer service. The lab believes firmly in the quality of its analytical science and helped lead the initiative for third party accreditation. Industrial Laboratories was one of the first labs in industry, accredited to ISO 17025 through American Association of Laboratory Accreditation (A2LA) and to the Racing Medication Testing Consortium's (RMTC) Laboratory Accreditation Program, as well.

Industrial Labs is committed to advancing the performance of the animal drug testing industry. In 2012, Industrial Labs, while working with racing jurisdictions who suspected a rogue doping substance, the lab discovered the use of dermorphin. To advance the racehorse testing industry and help all jurisdictions screen for and eradicate the use of this banned substance, Industrial Labs released its method to the racehorse testing industry.

Industrial Laboratories has been exceptionally grateful for the working relationship that it has been able to establish with the Indiana Horse Racing

Commission. We are excited to have the opportunity to, potentially, continue working with the Racing Commission to help Indiana facilitate an exemplary horse racing program. With Industrial laboratories' cutting edge technology, cost effective, technically advanced, quality oriented laboratory analysis, paired with excellent customer service, Industrial Laboratories is pleased to provide the State of Indiana Horse Racing Commission with a best in class drug screening program.

2.3.2 Respondent's Company Structure

Please include in this section the legal form of the Respondent's business organization, the state in which formed (accompanied by a certificate of authority), the types of business ventures in which the organization is involved, and a chart of the organization. If the organization includes more than one (1) product division, the division responsible for the development and marketing of the requested products and/or services in the United States must be described in more detail than other components of the organization. Please enter your response below and indicate if any attachments are included.

The Industrial Laboratories Company, Inc. is a C corporation registered in the State of Colorado. The company was reincorporated under the new name in 1994 and is a private for-profit corporation. The address of record for the company is 4046 Youngfield Street Wheat Ridge CO 80033. Industrial Laboratories consists of five departments. The Analytical Chemistry laboratory where the company tests products for label claim verification and nutritional labels. A microbiology laboratory which tests food product for safety and quality, and food manufacturing facilities for sanitary conditions and cleanliness. The company also has a Quality Assurance Department that helps verify and conduct independent data review of sample results and monitors and facilitates the company's Quality System. IL also has an administrative department responsible for facilitating customer needs and facilitate accounting. Industrial laboratories' fifth department is its Drug Testing Services department where the lab tests racehorses and livestock for drugs in the animal's system. This is the department that will be responsible for facilitating the work related to this RFP. The Drug Testing Services department is the largest department at IL. All these departments are located in company's 13,000 square foot lab in Wheat Ridge, Colorado. An organizational chart depicting our departments and lab staff is attached.

Attachment 2.3.2: Industrial Laboratories' Organizational Chart

2.3.3 Company Financial Information

This section must include documents to demonstrate the Respondent's financial stability. Examples of acceptable documents include: most recent Dunn & Bradstreet Business Report (preferred) or audited financial statements for the two (2) most recently completed fiscal years. If neither of these can be provided, explain why and include an income statement and balance sheet, for each of the two most recently completed fiscal years.

If the documents being provided by the Respondent are those of a parent or holding company, additional information should be provided for the entity/organization directly responding to this RFP. That additional information should explain the business relationship between the entities and demonstrate the financial stability of the entity/organization which is directly responding to this RFP.

The Industrial Laboratories Company, Inc. is financially stable and able to facilitate the State of Indiana contract. The company was originally founded in 1945 and was purchased by new shareholders in 1994. This 75-year history is testament to our ability to manage and operate a well-functioning state of the art, customer service-oriented laboratory that can provide cutting edge analyses. A copy of our Dunn & Bradstreet business report is attached and is strictly confidential. Additionally, Seth Wong, the company President will be glad to answer any direct questions related to the company's financial stability, should any arise.

Attachment 2.3.3: STRICTLY CONFIDENTIAL – Industrial Laboratories Dunn & Bradstreet Business Report – STRICTLY CONFIDENTIAL

2.3.4 Integrity of Company Structure and Financial Reporting

This section must include a statement indicating that the CEO and/or CFO, of the responding entity/organization, has taken personal responsibility for the thoroughness and correctness of any/all financial information supplied with this proposal. The particular areas of interest to the State in considering corporate responsibility include the following items: separation of audit functions from corporate boards and board members, if any, the manner in which the organization assures board integrity, and the separation of audit functions and consulting services. The State will consider the information offered in this section to determine the responsibility of the Respondent under IC 5-22-16-1(d).

As President/CEO of the organization, I, Seth Wong, take full responsibility that all the financial information supplied in this proposal is correct and thorough. Financials are prepared independently of our Board of Directors and then the information is provided to them, the board has no involvement or influence in the preparation of our financials. The Board additionally, does not have access to the accounting staff. Annually our tax returns are prepared by a national third-party accounting firm. As a small business, Industrial Laboratories, works to ensure that all our financials are accurate and thorough.

2.3.5 Contract Terms/Clauses

A sample contract that the State expects to execute with the successful Respondent(s) is provided in Attachment B. This contract contains both mandatory and non-mandatory clauses. Mandatory clauses are listed below and are non-negotiable. Other clauses are highly desirable. It is the State's expectation that the final contract will be substantially similar to the sample contract provided in Attachment B.

In your Transmittal Letter please indicate acceptance of these mandatory contract terms (see section 2.2.2). In this section please review the rest of the contract and indicate your acceptance of the non-mandatory contract clauses. If a non-mandatory clause is not acceptable as worded, suggest specific alternative wording to address issues raised by the specific clause. If you require additional contract terms please include them in this section. To reiterate it's the State's strong desire to not deviate from the contract provided in the attachment and as such the State reserves the right to reject any and all of these requested changes.

The mandatory contract terms are as follows:

Mandatory Clauses	Accept (Yes/No)
Duties of Contractor, Rate of Pay, and Term of Contract	Yes
Authority to Bind Contract	Yes
Compliance with Laws	Yes
Drug-Free Workplace Provision and Certification	Yes
Employment Eligibility	Yes
Funding Cancellation	Yes
Governing Laws	Yes
Indemnification	Yes
Non-Discrimination Clause	Yes
Ownership of Documents and Materials	Yes
Payments	Yes
Penalties/Interest/Attorney's Fees	Yes
Termination for Convenience	Yes
Non-Collusion and Acceptance	Yes

2.3.6 References

Reference information is captured on ATTACHMENT H. Respondent should complete the reference information portion of the ATTACHMENT H which includes the name, address, and telephone number of the client facility and the name, title, and phone/fax numbers of a person who may be contacted for further information if the State elects to do so. The rest of

ATTACHMENT H should be completed by the reference and either mailed or emailed DIRECTLY to the State. The State should receive three (3) ATTACHMENT Hs from clients for whom the Respondent has provided products and/or services that are the same or similar to those products and/or services requested in this RFP. ATTACHMENT H should be submitted to idoareferences@idoa.in.gov or mailed to the address listed in section 1.8 of the RFP. ATTACHMENT H should be submitted no more than ten (10) business days after the proposal submission due date listed in Section 1.24 of the RFP. Please provide the customer information for each reference.

Customer 1	
Legal Name of Company or Governmental Entity	Kentucky Horse Racing Commission
Company Mailing Address	4063 Iron Works Parkway, Building B
Company City, State, Zip	Lexington, KY 40511
Company Website Address	www.khrc.ky.gov
Contact Person	Marc Guilfoil, Executive Director
Company Telephone Number	859-246-2040
Company Fax Number	303-246-2039
Contact E-mail	Marc.guilfoil@ky.gov
Industry of Company	Horse Racing
Customer 2	
Legal Name of Company or Governmental Entity	New Mexico Horse Racing Commission
Company Mailing Address	4900 Alameda Blvd, NE
Company City, State, Zip	Albuquerque, NM 87113
Company Website Address	www.nmrc.state.nm.us
Contact Person	Ismael Trejo, Executive Director
Company Telephone Number	502-222-0700
Company Fax Number	502-222-0713
Contact E-mail	Ismael.trejo@state.nm.us
Industry of Company	Horse Racing
Customer 3	
Legal Name of Company or Governmental Entity	Oklahoma Horse Racing Commission
Company Mailing Address	2401 NW 23 rd Street, Suite 78
Company City, State, Zip	Oklahoma City, OK 73107
Company Website Address	www.ohrc.ok.gov
Contact Person	Kelly Cathey
Company Telephone Number	405-943-6472
Company Fax Number	N/A
Contact E-mail	kcathey@ohrc.gov
Industry of Company	Horse Racing

2.3.6.1 Does your company have any pending litigation regarding contract disputes?

No, The Industrial Laboratories Company, Inc. does not have any pending litigation related to contract disputes.

2.3.6.2 Please list any contracts lost or terminated in the last three years and provide reasons for loss or termination, as well as contact information.

The Industrial Laboratories Company, Inc. has not lost or had any contracts terminated in the last three years.

2.3.7 Registration to do Business

Selected out-of-state Respondents providing the products and/or services required by this RFP must be registered to do business within the State by the Indiana Secretary of State and the Indiana Department of Administration, Procurement Division. The address contact information for this office may be found in Section 1.18 of the RFP. This process must be concluded prior to contract negotiations with the State. It is the successful Respondent's responsibility to complete the required registration with the Secretary of State. Please indicate the status of registration, if applicable. Please clearly state if you are registered and if not provide an explanation.

The Industrial Laboratories Company, Inc. Is currently registered with the State of Indiana. Our Bidder ID is 0000025769.

2.3.8 Authorizing Document

Respondent personnel signing the Transmittal Letter of the proposal must be legally authorized by the organization to commit the organization contractually. This section shall contain proof of such authority. A copy of corporate bylaws or a corporate resolution adopted by the board of directors indicating this authority will fulfill this requirement. Please enter your response below and indicate if any attachments are included.

Seth Wong, as the President of Industrial Laboratories, is authorized by the Industrial Laboratories' Board of Directors through the corporate bylaws of the company in article IV, Section 5 which states "Subject to the direction and supervision of the Board of Directors, the president shall be the Chief Executive Officer of the Corporation and shall have the general and active control of its affairs and business and general supervision of its officers, agents, and employees." A copy of this excerpt from our bylaws is attached.

Attachment 2.3.8: Strictly Confidential – Industrial Laboratories' Bylaws

Article IV, Section 5. – STRICTLY CONFIDENTIAL

2.3.9 **Subcontractors**

The Respondent is responsible for the performance of any obligations that may result from this RFP, and shall not be relieved by the non-performance of any subcontractor. Any Respondent's proposal must identify all subcontractors and describe the contractual relationship between the Respondent and each subcontractor. Either a copy of the executed subcontract or a letter of agreement over the official signature of the firms involved must accompany each proposal.

Any subcontracts entered into by the Respondent must be in compliance with all State statutes, and will be subject to the provisions thereof. For each portion of the proposed products and services to be provided by a subcontractor, the technical proposal must include the identification of the functions to be provided by the subcontractor and the subcontractor's related qualifications and experience. The combined qualifications and experience of the Respondent and any or all subcontractors will be considered in the State's evaluation. The Respondent must furnish information to the State as to the amount of the subcontract, the qualifications of the subcontractor for guaranteeing performance, and any other data that may be required by the State. All subcontracts held by the Respondent must be made available upon request for inspection and examination by appropriate State officials, and such relationships must meet with the approval of the State.

The Respondent must list any subcontractor's name, address, and the state in which formed that are proposed to be used in providing the required products and/or services. The subcontractor's responsibilities under the proposal, anticipated dollar amount for subcontract, form of organization, and an indication from the subcontractor of a willingness to carry out these responsibilities are to be included for each subcontractor. This assurance in no way relieves the Respondent of any responsibilities in responding to this RFP or in completing the commitments documented in the proposal. The Respondent must indicate which, if any, subcontractors qualify as a Minority Business Enterprises or Women's Business Enterprises under IC 4-13-16.5-1. See Section 1.21 and Attachment A for Minority and Women's Business Enterprises information. Please enter your response below and indicate if any attachments are included.

Industrial Laboratories will utilize the University of Kentucky, Veterinary Diagnostic Laboratory for assistance with screening for metals in equine blood. Industrial Laboratories has been working with the Vet Diagnostics Lab in this capacity for several years. The VDL lab is set up to take regular sample submissions and does not have a formal subcontract process. As the Industrial

Labs has been working with the University of Kentucky Vet Diagnostic Lab, we can attest to the quality of their work and that it meets performance requirements of our laboratory and our State contract.

University of Kentucky, Veterinary Diagnostic Laboratory
1490 Bull Lea Road
Lexington, KY 40512

No other subcontractors will be utilized for this contract.

2.3.10 Evidence of Financial Responsibility

This section will indicate the ability to provide the mandatory evidence of financial responsibility. See Section 1.25 for details.

Notwithstanding any other provisions relating to the beginning of the term, any contract will not become effective until the evidence of financial responsibility is delivered in the correct form and amount to the address indicated in Section 1.25.

IL has provided a Dunn & Bradstreet Business Report for the company, if additional information is required, Industrial Laboratories will be glad to consider the request. Additionally, the company has no conflicts of interest related to the preparation of this RFP. Industrial Laboratories agrees that the company, will not hire, within a one-year period of this RFP, anyone who may have assisted with or participated in the preparation of this RFP.

2.3.11 General Information

Each Respondent must enter your company's general information including contact information.

Business Information	
Legal Name of Company	The Industrial Laboratories Company, Inc.
Contact Name	Petra Hartmann
Contact Title	Director, Drug Testing Services
Contact E-mail Address	phartmann@industriallabs.net
Company Mailing Address	4046 Youngfield Street
Company City, State, Zip	Wheat Ridge, CO 80033
Company Telephone Number	303-287-9691
Company Fax Number	303-287-0964
Company Website Address	www.industriallabs.net
Federal Tax Identification Number (FTIN)	84-1257406
Number of Employees (company)	31
Years of Experience	75 years
Number of U.S. Offices	1
Year Indiana Office Established (if applicable)	Not Applicable
Parent Company (if applicable)	Not Applicable

Revenues (\$MM, previous year)	Confidential Information
Revenues (\$MM, 2 years prior)	Confidential Information
% Of Revenue from Indiana customers	Confidential Information

- a. Does your Company have a formal disaster recovery plan? Please provide a yes/no response. If no, please provide an explanation of any alternative solution your company has to offer. If yes, please note and include as an attachment.

Yes, the company has a formal disaster recovery plan. Individual backups on each workstation are backed up into the cloud. Additionally, all electronic documentation is required to be stored on the laboratory's central server, which is also backed up via redundant hard drives in the server, and through cloud back up. Furthermore, the company utilizes various separate servers; one for document retention and the other for the laboratory information management system, which stores all results generated in the laboratory. These systems were placed on separate servers for security purposes and both servers are backed up to the cloud. All instrument data is backed up on local computers and moved from local computers onto the server regularly. Thus, providing redundant storage and back up fail-safes. The company also has a firewall which restricts access by unapproved parties from accessing the company network, workstations, and servers.

Documentation for all client sample requests, lab processes, and results is generated in hard copy format. Hard Copy documents are retained on site for one to two years and then moved to a secure 3rd party document storage facility, where they are retained until they have been held for seven years, at which point they are shredded. This hard copy retention provides additional disaster recovery preparedness, if hard copies are needed.

- b. What is your company's technology and process for securing any State information that is maintained within your company?

Industrial Laboratories has minimal a amount of data from the State of Indiana information by design. The information that the laboratory does have is limited in that it is coded by independently assigned sample numbers designated by the test barn and held by the State of Indiana. Thus, for data to be of significant value an individual would need to know which sample numbers correspond to each sample. Test results are reported by sample numbers and do not disclose the identity of any participant. Test reports are stored on the company's data server and information laboratory management software. Both data bases are set up on independent servers to restrict reach through access of each system. The company's Laboratory Information Management System also requires that each independent workstation be granted access to the LIMS at install authorizing that workstation access to the database, ensuring that only approved computers can access company testing data. Additionally, each server sits behind a firewall for protection from hacking.

2.3.12 Experience Serving State Governments

Please provide a brief description of your company's experience in serving state governments and/or quasi-governmental accounts.

Industrial laboratories has been providing drug testing services in performance sports animals since 1953 when the lab was approached by the State of Colorado to commence racehorse and equine drug testing and the State was eager to adopt racehorse betting and install racetracks across the State. Since then, Industrial Labs, has grown to service various government race jurisdictions

across the United States and Internationally. Through its other lines of work, Industrial laboratories works with a variety of government entities from municipalities where we conduct drinking water compliance, other State agencies and the federal government where we provide other various testing services.

2.3.13 Experience Serving Similar Clients

Each Respondent is asked to please describe your company's experience in serving clients of a similar size to the State that also had a similar scope. Please provide specific clients and detailed examples.

Industrial Laboratories services a number of states in similar scope and size. The following is a list of clients that currently contract Industrial Laboratories' services. demonstrating our ability to serve clients within this discipline.

State of Arizona – Department of Racing (Currently Horse racing, previously dog racing)

1110 West Washington Street, Suite 260
Phoenix, AZ 85007
(602) 364-1700
Mr. Greg Stiles
gstiles@azgaming.gov

The Industrial Laboratories Company has been an official testing laboratory for the State of Arizona since **1991**.

State of Colorado – Division of Racing Events (Currently Horse racing, previously also dog racing)

1881 Pierce Street, Room 108
Lakewood, CO 80214
(303) 866-6597
Ms. Donia Amick, Director
Donia.Amick@state.co.us

The Industrial Laboratories Company has continuously served as the official testing laboratory for the State of Colorado since **1953**.

State of Indiana - Indiana Horse Racing Commission (Horse and Harness racing)

ISTA Center, Suite 412
150 W Market St
Indianapolis, IN 46204
Ms. Deena Pitman, Executive Director
DPitman@hrc.IN.gov

The Industrial Laboratories Company has been the official testing laboratory for Indiana since **2016**.

State of Iowa

Iowa Racing and Gaming Commission
1300 Des Moines St., Suite 100
Des Moines, IA 50309-5508
Ms. Tina Eick, Director of Operations
tina.eick@iowa.gov
(515) 281-3451

IL was awarded the Iowa contract in April **2018**.

Commonwealth of Kentucky

Kentucky Horse Racing Commission
4063 Iron Works Parkway, Building B
Lexington, KY 40511
Mr. Marc Guilfoil, Executive Director
Marc.Guilfoil@ky.gov
859-246-2040 (Telephone)

The Industrial Laboratories Co. has been the primary testing laboratory for Kentucky since **2018**.

Commonwealth of Massachusetts – Massachusetts Gaming Commission (Horse and Harness racing)

101 Federal Street, 12th Floor
Boston, Massachusetts 02110
Dr. Alex Lightbown, Director
alightbown@MassMail.State.MA.US
(617) 979-8436

The Industrial Laboratories Company has been the official testing laboratory for Massachusetts since **2016**.

State of Michigan – Michigan Gaming Commission (Horse and Harness racing)

Cadillac Place
3062 West Grand Blvd.
Suite L-700
Detroit, MI 48202
Mr. Al Ernst
ErnstA@michigan.gov
(313) 456-4130

The Industrial Laboratories Company has been the official testing laboratory for Minnesota since **2017**.

State of Minnesota – Minnesota Racing Commission (Horse and Harness

racing)

P.O. Box 630
1100 Canterbury Road
Shakopee, MN 55379
Dr. Lynn Hovda: (612) 860-5806 (cell)
Lynn.hovda@state.mn.us

The Industrial Laboratories Company has been the official testing laboratory for Minnesota since **2008**.

**State of New Mexico
New Mexico Racing Commission**

4900 Alameda Blvd. NE
Albuquerque, NM 87113
Office: 505.222.0714
Mr. Ismael (Izzy) Trejo, Executive Director
Ismael.Trejo@state.nm.us

The Industrial Laboratories Company has been the official testing laboratory for New Mexico since **2018**

State of North Dakota – North Dakota Racing Commission (Horse racing)

500 N 9th Street
Bismarck, ND 58501-4509
Mr. Jack Schutz, Executive Director
Office: 701-328-4290
jschulz@nd.gov

The Industrial Laboratories Company has been the official testing laboratory for North Dakota for at least the past twenty years.

State of Oklahoma – Oklahoma Horse Racing Commission (Horse racing)

2401 NW 23rd Street, Suite 78
Oklahoma City, OK 73107
Mr. Kelly Cathey, Executive Director
kcathey@ohrc.gov
(405) 943-6472

The Industrial Laboratories Company has been the official testing laboratory for the State of Oklahoma since **2006**.

State of West Virginia – West Virginia Horse Racing Commission (Horse racing)

State Capital Complex
West Wing, Room 317

Charleston, WV 25305-3327
Mr. Joe Moore, Executive Director
joe.k.moore@wv.gov
(304) 558-2150

The Industrial Laboratories Company has been the official testing laboratory for West Virginia since **2015**.

2.3.14 Indiana Preferences

Pursuant to IC 5-22-15-7, Respondent may claim only one (1) preference. For the purposes of this RFP, this limitation to claiming one (1) preference applies to Respondent's ability to claim eligibility for Buy Indiana points. Respondent must clearly indicate which preference(s) they intend to claim. Additionally, the Respondent's Buy Indiana status must be finalized when the RFP response is submitted to the State.

Buy Indiana

Refer to Section 2.7 for additional information.

2.3.15 Payment

Respondent should be able to accept payment by credit card as an optional form of payment but should be able to accept other forms of payment from the State as well. In the Respondent's proposal, the Respondent should agree to accept any credit card-user handling fees associated with acceptance of the State's Purchasing Card. Please demonstrate how your company will meet this requirement of accepting payment by credit card as the only form of payment if the State chooses to implement this policy.

Industrial Laboratories can accept credit card payments, but can also accept check, cash, money orders, and direct wire transfers. If credit card payments are the desired form of remitting payment, Industrial Laboratories agrees to accept any credit card user handling fees associated with the acceptance of the State's Purchasing Card. If the state chooses to implement the credit card payments, Industrial Labs will process the payments, and fees will be assessed to Industrial Laboratories who will pay the fees without passing them on to the State of Indiana.