

<b>STATE OF NORTH CAROLINA</b> <b>Department of Health and Human Services</b> <b>Division of Child and Family Well-Being</b>	<b>REQUEST FOR PROPOSAL NO. 30-25002-DCFW</b>	
	Contract Name: Maintenance and Enhancement Services for the Crossroads WIC Management Information System	
	Bid Opening Date: <b>Thursday March 6, 2025 at 2PM Eastern</b>	
	Issue Date: <b>December 4, 2024</b>	
	Commodity Code: 432315 – Business Function Specific Software	
<b>Refer <u>ALL</u> inquiries regarding this RFP to:</b>  NC DHHS Office of Procurement, Contracts & Grants (OPCG) Eve.Hens@dhhs.nc.gov	Purchasing Agency: Department of Health and Human Services (DHHS)	
	Requisition No.: N/A	

## OFFER

The Purchasing Agency solicits offers for Services and/or goods described in this solicitation. All offers and responses received shall be treated as Offers to contract as defined in 9 NCAC 06A.0102(12).

## EXECUTION

In compliance with this Request for Proposal (RFP), and subject to all the conditions herein, the undersigned offers and agrees to furnish any or all Services or goods upon which prices are offered, at the price(s) offered herein, within the time specified herein.

**Failure to execute/sign offer prior to submittal shall render offer invalid. Late offers are not acceptable.**

OFFEROR:		
STREET ADDRESS:	P.O. BOX:	ZIP:
CITY, STATE & ZIP:	TELEPHONE NUMBER:	TOLL FREE TEL. NO
NAME & TITLE OF PERSON SIGNING:	FAX NUMBER:	
AUTHORIZED SIGNATURE:	DATE:	E-MAIL:

Offer valid for two hundred seventy (270) days from date of offer opening unless otherwise stated here: \_\_\_\_ days

## ACCEPTANCE OF OFFER

If any or all parts of this offer are accepted, an authorized representative of the Department of Health and Human Services (hereafter DHHS) shall affix its signature hereto and any subsequent Request for Best and Final Offer, if issued. Acceptance shall create a contract having an order of precedence as follows: Best and Final Offers, if any, Special terms and conditions specific to this RFP, Specifications of the RFP, the Department of Information Technology Terms and Conditions, and the agreed portion of the awarded Vendor's Offer. A copy of this acceptance will be forwarded to the awarded Vendor(s).

<b>FOR PURCHASING AGENCY USE ONLY</b>	
Offer accepted and contract awarded this date	, as indicated on attached certification,
by	(Authorized representative of DHHS).

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## 1.0 ANTICIPATED PROCUREMENT SCHEDULE

The Agency Procurement Agent will make every effort to adhere to the following schedule:

Action	Responsibility	Date
RFP Issued	Agency	12/4/24
Written Questions Deadline	Potential Vendors	1/6/25 by 2:00 PM Eastern
Agency's Response to Written Questions/ RFP Addendum Issued	Agency	1/29/25
Offer Opening Deadline	Vendor(s)	3/6/25 by 2:00 PM Eastern
Offer Evaluation	Agency	3/10/25-4/17/25
Selection of Finalists	Agency	4/21/25
Negotiations with Finalists	Agency designees and selected Vendor(s)	5/12/25
Best and Final Offers Deadline from Finalists	Selected Vendors	6/2/25
Contract Award	Agency	8/1/25
Protest Deadline	Responding Vendors	15 days after award

## **2.0 PURPOSE OF RFP**

### **2.1 INTRODUCTION**

The purpose of this RFP and any resulting contract award is to solicit offers for services of a qualified Vendor (hereinafter referred to as the “Vendor”) to provide Crossroads Management Information System (MIS) Maintenance and Enhancement Services (M&E) for the Supplemental Nutrition Program for Women, Infants, and Children (WIC) for the State of North Carolina (State). The M&E services also include rehosting to a cloud environment, defect correction, change order implementation, and production help desk support.

This request is for a close-ended contract between the awarded Vendor and the State to furnish services meeting the specifications and requirements described in this RFP during a specified period, for support of all Crossroads application code and sub-code modules needed to keep the MIS viable and compatible with infrastructure and platform components.

### **2.2 AGENCY BACKGROUND**

The mission of the United States Department of Agriculture Food and Nutrition Service (USDA/FNS), Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) is to safeguard the health of low-income pregnant, postpartum and breastfeeding women, infants, and children up to age five who are at nutritional risk by providing nutritious foods to supplement diets, information on healthy eating, and referrals to health care. WIC is funded by a Federal grant program and is available in all 50 States, 35 Indian Tribal Organizations (ITOs), American Samoa, District of Columbia, Guam, Puerto Rico, the Virgin Islands and the Commonwealth of Northern Mariana Islands.

The North Carolina WIC Program is administered by the Department of Health and Human Services, Division of Child and Family Well-Being. WIC services are provided at Local Health Agencies at clinic sites throughout the state. Clinic Staff are comprised of Competent Professional Authorities (CPA), Registered Dietitians, Lab Technicians, Breastfeeding Peer Counselors, in addition to WIC Program Managers and Coordinators. These staff provide direct WIC participant services including scheduling clients, determining client eligibility, completing nutrition assessment and education, breastfeeding support, and issuing food benefits through the Crossroads Management Information System (MIS). WIC food benefits are redeemed at authorized WIC retailers statewide using the state-issued eWIC card.

In 1984, the United States Department of Agriculture – Food and Nutrition Services (USDA/FNS) requested that the NC WIC Program provide data processing services to assist the Eastern Band of Cherokee Indians (EBCI) WIC to operate an independent program yet have similar features as the NC WIC Program. Since that time, the Eastern Bank of Cherokee Indians has utilized our system and NC will continue to include them in our MIS and eWIC systems.

#### **2.2.1 Crossroads WIC MIS Background**

The Crossroads Consortium was created in 2005 in response to the FNS State Agency Model (SAM) mandate for designing, building, and implementing new WIC management information systems (MIS) nationwide. The USDA/FNS produced the SAMs in order to create economies of scale by combining information technology development efforts with multiple states rather than the USDA/FNS funding multiple MIS projects individually. The Crossroads Consortium, with North Carolina as the lead state, awarded a contract to the incumbent vendor Computer Sciences Corporation (CSC) in 2009 to build a SAM system for the states of Alabama, North Carolina, Virginia, and West Virginia. Rollout of the Crossroads SAM system was completed in all four (4) Crossroads Consortium states by 2014, with the North Carolina instance of Crossroads being hosted by the NC Department of Information Technology. In 2017, North Carolina amended the Crossroads contract with CSC to continue providing Maintenance and

Enhancement Services using source code and documentation independent of the other three Consortium states. The Crossroads M&E contract was awarded to the current incumbent Voyatek (formerly known as Three Sigma Software / GCOM) in 2019. These continued M&E services include defect correction, change order implementation, software installation services, and production help desk support.

### **2.2.2 Subprograms of WIC Program**

While the Farmers' Market Nutrition Program (FMNP) and the Breastfeeding Peer Counseling Program (BFPC) are subprograms of the federal WIC Program, every state does not administer these programs. North Carolina does administer these programs, so its instance of the Crossroads source code does include the respective functionality that supports both subprograms.

A description of the State's NC WIC and FMNP program data is included below. The summary provided outlines the State's participation levels, number of users, number of retailers, and peer group structure.

### **2.2.3 Crossroads Current State-Hosted System Environments and Architecture**

The Crossroads solution currently utilizes two different technologies for its applications. The Clinic and State Office applications utilize a .NET Framework Visual Basic Windows Presentation Foundation (WPF) desktop application, the retail Vendor portal website is based on ASP.NET, and the Telehealth participant portal website is based on ASP.NET. All technologies are deployed similarly; the code is deployed on the web server and IIS is configured to allow access to the files. Services are deployed on the application servers and web servers as appropriate.

The main difference between the WPF and ASP.NET technologies is that the WPF is downloaded using ClickOnce technology and executes on the client machine. In the ASP.NET applications, the actual code is executed on the Crossroads web and application servers based on requests from the client. Only a small amount of client code is executed on the client machine, and it is typically related to user interface and service calls rather than business rule execution. All technologies will utilize the application servers to execute service calls. The application servers, which reside in the internal (or system) demilitarized zone (DMZ), will access the database. This ensures that no server in the public-facing web DMZ has direct access to the database.

The client machine requires the Microsoft .NET 4.8 Framework to run the WPF application. The .NET Framework is included as part of Windows 10 and Windows 11. The general flow or process of communication is that all Crossroads WIC personal computers (PC) or desktops/laptops will communicate with the Web server via an intranet or Internet connection. Existing WAN infrastructure can be used along with a local Internet service provider, or other varieties of connectivity that the North Carolina Local Agencies find most compatible with their current infrastructure. Since there is only one centralized database, all transactions are immediately seen by all users for their individual agency if the user has appropriate access rights.

At the close of business each day, the End of Day (EOD) processing is performed on the centrally located Process / Batch Server. This EOD process performs all nightly batch processing and prepares the system for the next day's activities. In order to allow round-robin load balancing, all service requests are stateless. In other words, Crossroads does not maintain session information across individual PC to Server transactions. Any request can be executed on any available server without regard to previous or future requests from the same instance of the application.

All North Carolina WIC clinics and State office operate in the Eastern Standard Time (EST) zone. All areas observe Daylight Saving Time (EDT). No NC local agencies deviate from these time zones.

#### **2.2.4 Web Server for current State-Hosted Solutions**

The Web Server provides the “storefront” for all Crossroads WIC PCs. All transactions are submitted to the web server which in turn interacts with the application server, which in turn interacts with the database server. Crossroads uses Microsoft’s IIS 10 or higher to host the centralized .NET Web services. The interaction with the web and application servers will use industry standard XML-based Web Services encrypted via a Secure Sockets Layer (SSL) connection to provide web-enabled, cross-platform independent interfaces to each of the Crossroads WIC PCs. The Central Processing Site will utilize a web farm with a number of servers proportionate to the number of concurrent workstation users. The connection from the web server to the application server will be conducted through a customized IIS http handler. In this case, the web server will act as a proxy to pass through the requests and responses to/from the application.

#### **2.2.5 Application Server for current State-Hosted Solutions**

As State Information Technology (IT) standards disallow direct communication between web servers and the database, the application server processes the request from the web server to the database server. Crossroads will use Microsoft’s IIS 10 or higher to host the centralized .NET Web services. The Central Processing Site will utilize a Web farm with a number of servers proportionate to the number of concurrent workstation users. IP load balancing is a hardware-based solution that works well with the proposed software architecture since a stateless Web Server is utilized.

#### **2.2.6 Microsoft SQL Server Failover Cluster Database Servers for current State-Hosted Solutions**

The database servers are configured in a Microsoft SQL Server 2016 failover cluster. The production database file itself is approximately 700 GB in size. The online transaction processing database is primary on node 1 of the database cluster. The report database is primary on node 2 of the database cluster in a separate named instance. State staff use Microsoft SQL Server Management Studio (SSMS) to execute queries and other scripting against the database.

#### **2.2.7 Storage Area Network (SAN) for current State-Hosted Solutions**

Shared storage is utilized by the production and non-prod servers for various processing purposes, plus for long-term retention of artifacts such as uploaded scanned images and other documentation. For all Crossroads environments, the State is currently using twelve (12) terabytes of a total SAN solution of twenty-seven (27) terabytes.

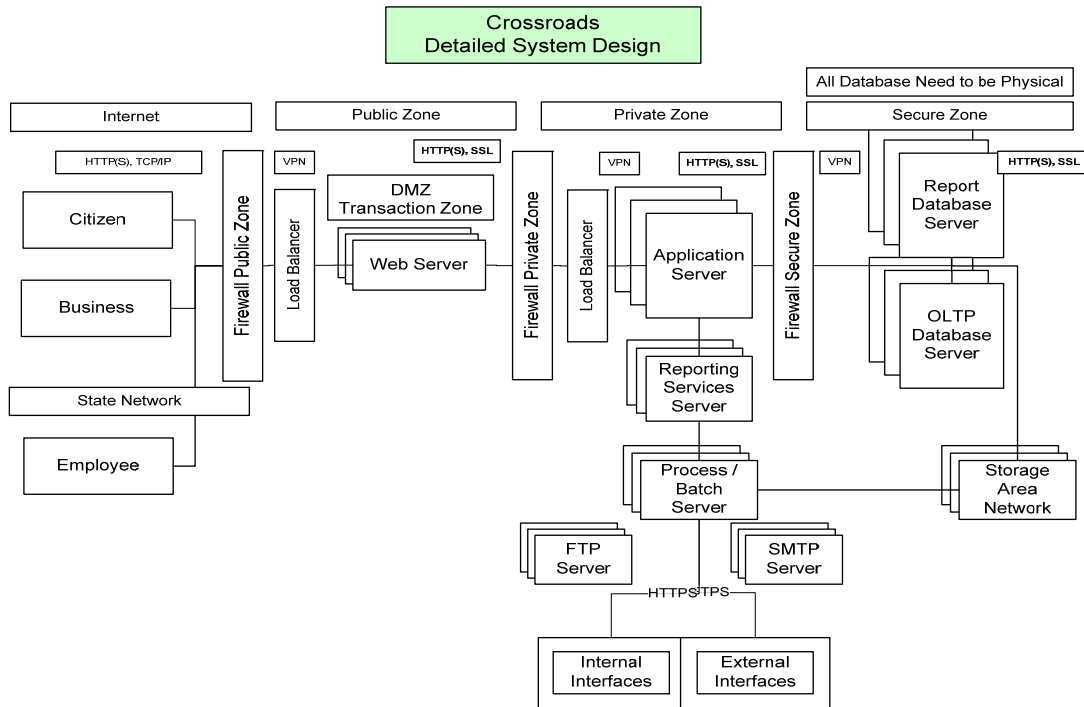
#### **2.2.8 Microsoft SQL Server Reporting Services Server for current State-Hosted Solutions**

The Reporting Services Server receives requests from the Crossroads web servers and provides completed reports to the requesting application. This interaction uses industry standard XML-based Web Services encrypted via an SSL connection to provide Web enabled cross platform independent interfaces to each of the Crossroads WIC PCs. The SQL Server Reporting Services standard databases (Report Server and Report Server Temp DB) are hosted on the Reporting Services Server.

#### **2.2.9 Production and Non-Prod Environments**

The State currently utilizes one (1) Production environment and five (5) non-Prod environments, made up of a total of approximately sixty (60) servers. The incumbent vendor utilizes an Octopus Deploy solution to maintain software deployments on these servers.

## 2.2.10 Illustration of current State-Hosted Crossroads System Design



## 2.3 SUMMARY OF PROBLEM STATEMENT

In addition to providing Maintenance and Enhancement Services (M&E), this RFP solicits offers that rehost (or “lift and shift”) the existing production and non-production Crossroads applications and data from the current State hosted infrastructure to a Vendor managed cloud infrastructure during the eight (8) month Transition-In phase. This approach alleviates the need for the Vendor to provide M&E services on the State-hosted versions of the Crossroads solutions during the M&E Phase. State personnel will continue to have unimpeded access and read-only permissions to the production and non-prod databases in the Vendor managed cloud infrastructure.

## 2.4 CONTRACT TERM

A contract awarded pursuant to this RFP shall have an effective date as provided in the Notice of Award. The term shall be **seven (7) years** and will expire upon the anniversary date of the effective date unless otherwise stated in the Notice of Award, or unless terminated earlier. The State retains the option to extend the Agreement for **three (3) additional one (1) year** periods at its sole discretion.

## 2.5 EFFECTIVE DATE

This solicitation, including any Exhibits, or any resulting contract or amendment shall not become effective nor bind the State until the appropriate State purchasing authority/official or Agency official has signed the document(s), contract or amendment; the effective award date has been completed on the document(s), by the State purchasing official, and that date has arrived or passed. The State shall not be responsible for reimbursing the Vendor for goods provided nor Services rendered prior to the appropriate signatures and the

arrival of the effective date of the Agreement. No contract shall be binding on the State until an encumbrance of funds has been made for payment of the sums due under the Agreement.

## **2.6 CONTRACT TYPE**

Definite Quantity Contract - This request is for a close-ended contract between the awarded Vendor and the State to furnish services meeting the specifications and requirements described in this RFP during a specified period of time,

The State reserves the right to make partial, progressive or multiple awards where it is advantageous to award separately by items; where more than one supplier is needed to provide the contemplated specifications as to quantity, quality, delivery, service, geographical areas; or where other factors are deemed to be necessary or proper to the purchase in question.

## **3.0 RFP REQUIREMENTS AND SPECIFICATIONS**

### **3.1 GENERAL REQUIREMENTS AND SPECIFICATIONS**

#### **3.1.1 REQUIREMENTS**

Requirement means, as used herein, a function, feature, or performance that the system must provide. If the offer cannot meet the requirements, they will not be evaluated.

#### **3.1.2 SPECIFICATIONS**

Specification means, as used herein, a detailed description that documents the function and performance of a system or system component.

The apparent silence of the specifications as to any detail, or the apparent omission of detailed description concerning any point, shall be regarded as meaning that only the best commercial practice is to prevail and that only processes, configurations, materials and workmanship of the first quality may be used. Upon any notice of noncompliance provided by the State, Vendor shall supply proof of compliance with the specifications. Vendor must provide written notice of its intent to deliver alternate or substitute Services, products, goods or other Deliverables. Alternate or substitute Services, products, goods or Deliverables may be accepted or rejected in the sole discretion of the State; and any such alternates or substitutes must be accompanied by Vendor's certification and evidence satisfactory to the State that the function, characteristics, performance and endurance will be equal or superior to the original Deliverables specified.

#### **3.1.3 SITE AND SYSTEM PREPARATION**

Vendors shall provide the Purchasing State Agency complete site requirement specifications for the Deliverables, if any. These specifications shall ensure that the Deliverables to be installed or implemented shall operate properly and efficiently within the site and system environment. Any alterations or modification in site preparation, which are directly attributable to incomplete or erroneous specifications provided by the Vendor and which would involve additional expenses to the State, shall be made at the expense of the Vendor.

#### **3.1.4 EQUIVALENT ITEMS**

Whenever a material, article or piece of equipment is identified in the specification(s) by reference to a manufacturer's or Vendor's name, trade name, catalog number or similar identifier, it is intended to establish a standard for determining substantial conformity during evaluation, unless otherwise specifically stated as a brand specific requirement (no substitute items will be allowed). Any material, article or piece of equipment of other manufacturers or Vendors shall perform to the standard of the item named. Equivalent offers must be accompanied by sufficient descriptive literature and/or specifications to provide for detailed comparison.

#### **3.1.5 ENTERPRISE LICENSING**

In offering the best value to the State, Vendors are encouraged to leverage the State's existing resources and license agreements, which can be viewed here:

<https://it.nc.gov/resources/statewide-it-procurement/statewide-it-contracts>

- a) Identify components or products that are needed for your solution that may not be available with the State's existing license agreement.
- b) Identify and explain any components that are missing from the State's existing license agreement.
- c) If the Vendor can provide a more cost effective licensing agreement, please explain in detail the agreement and how it would benefit the State.

## **3.2 SECURITY SPECIFICATIONS**

### **3.2.1 SOLUTIONS HOSTED ON STATE INFRASTRUCTURE (RESERVED)**

### **3.2.2 SOLUTIONS NOT HOSTED ON STATE INFRASTRUCTURE**

The Crossroads WIC MIS will be required to receive and securely manage data that is classified as Restricted. Refer to the North Carolina Statewide Data Classification and Handling policy for more information regarding data classification. The policy is located at the following website: <https://it.nc.gov/document/statewide-data-classification-and-handling-policy>.

To comply with the State's Security Standards and Policies, State agencies are required to perform annual security/risk assessments on their information systems using NIST 800-53 controls. This requirement additionally applies to all Vendor-provided, agency-managed Infrastructure as a Service (IaaS), Platform as a Service (PaaS), and Software as a Service (SaaS) solutions which will handle data classified as Medium Risk (Restricted) or High Risk (Highly Restricted) data.

(a) Vendors shall provide a completed Vendor Readiness Assessment Report Non-State Hosted Solutions ("VRAR") at offer submission. This report is located at the following website: <https://it.nc.gov/documents/vendor-readiness-assessment-report>

(b) Upon request, Vendors shall provide a current independent 3<sup>rd</sup> party assessment report in accordance with the following subparagraphs (i)-(iii) prior to contract award. However, Vendors are encouraged to provide a current independent 3<sup>rd</sup> party assessment report in accordance with subparagraphs (i)-(iii) at the time of offer submission.

(i) Federal Risk and Authorization Management Program (FedRAMP) certification, SOC 2 Type 2, ISO 27001, or HITRUST are the preferred assessment reports for any Vendor solutions which will handle data classified as Medium Risk (Restricted) or High Risk (Highly Restricted).

(ii) Reserved.

(iii) An IaaS vendor cannot provide a certification or assessment report for a SaaS provider UNLESS permitted by the terms of a written agreement between the two vendors and the scope of the IaaS certification or assessment report clearly includes the SaaS solution.

(c) Additional Security Documentation. Prior to contract award, the State may in its discretion require the Vendor to provide additional security documentation, including but not limited to vulnerability assessment reports and penetration test reports. The awarded Vendor and any subcontractors of the awarded Vendor shall provide such additional security documentation upon request by the State during the term of the contract.

## **3.3 ENTERPRISE SPECIFICATIONS**

### **3.3.1 ARCHITECTURE DIAGRAMS**

The two diagrams are Network Architecture and Technology Stack. The State utilizes architectural diagrams to better understand the design and technologies of a proposed solution. Details on these diagrams can be found at the following link: <https://it.nc.gov/resources/statewide-it-procurement/vendor-engagement-resources#Tab-Architecture-1192>

The provision of these two diagrams is a requirement at offer submission. If they are not supplied at that time, the Vendor's offer will be considered non-responsive and will not be evaluated.

There may be additional architectural diagrams requested of the vendor after contract award, at no additional cost. This will be communicated to the vendor by the agency as needed during the project.

An example of the current State-Hosted Crossroads design is illustrated above in Section 2.2 Agency Background, , subsection 2.2.10 Illustration of current State-Hosted Crossroads System Design.

### **3.3.2 SOLUTION ROADMAP (RESERVED)**

### **3.3.3 IDENTITY AND ACCESS MANAGEMENT**

The proposed solution must externalize identity and access management. The protocols describing the State's Identity and Access Management can be found at the following link: <https://it.nc.gov/services/vendor-engagement-resources#Tab-IdentityAccessManagement-1241>

Describe how your solution supports the above protocols, as well as making them available for application integration/consumption.

### **3.3.4 INTEGRATION APPROACH (RESERVED)**

### **3.3.5 DISASTER RECOVERY AND BUSINESS CONTINUITY (RESERVED)**

### **3.3.6 DATA MIGRATION (RESERVED)**

### **3.3.7 APPLICATION MANAGEMENT (RESERVED)**

### **3.3.8 ACCESSIBILITY (RESERVED)**

### **3.3.9 ENTERPRISE, SERVICES, AND STANDARDS**

Vendors should refer to the Vendor Resources Page for information on North Carolina Department of Information Technology regarding architecture, security, strategy, data, digital, identity and access management and other general information on doing business with state IT process.

The Vendor Resources Page found at the following link: <https://it.nc.gov/vendor-engagement-resources>. This site provides vendors with statewide information and links referenced throughout the RFP document. Agencies may request additional information.

## **3.4 BUSINESS AND TECHNICAL REQUIREMENTS**

This RFP seeks to obtain a Vendor to provide maintenance and enhancement services of the North Carolina Crossroads WIC Management Information System, including system cloud hosting, in accordance with the Service Level Agreement and other technical specifications. Vendor must address each requirement listed within this Section 3.4 within their proposal to confirm that the proposed solution meets the requirements within this RFP.

### **3.4.1 SYSTEM**

- a) Confirm that the State will retain all ownership rights to the Crossroads source code and its derivative works.
- b) The State will not consider offers for an alternative replacement MIS system, nor consider offers to convert the State's Crossroads ownership rights to a Software as a Service (SaaS) solution. Confirm that Vendor solution is not an alternate replacement MIS system and that Vendor will not convert Crossroads ownership rights to a SaaS solution.

- c) Confirm that Vendor will not impose any “black out periods” on any M&E activity, nor allow Vendor efforts with other state agencies to introduce delays or other impacts on execution of this contract.

### **3.4.2 OTHER MAINTENANCE TASKS**

The following requirements govern this product and the related technical specifications. Vendor will indicate compliance with each requirement within **Table 3.4.2** located below.

#### **a) Interface with Existing or Future WIC Electronic Benefits Transfer (WIC EBT)**

Crossroads is required to interface with the current or any future WIC EBT provider. As of the date of this RFP, the Crossroads system is only compatible with the interim version of the WIC Universal MIS-EBT Interface (WUMEI) from July 2013. The system is scheduled for an upgrade to support the latest WUMEI by March 2026.

1. Should the upgrade to the latest WUMEI specification not be completed prior to the March 2026 deadline, planning will commence by the State, the WIC EBT Provider, and the Vendor to complete the upgrade the Crossroads production system to the new WUMEI as well as any related technology changes at no additional cost. All planning, JAD sessions, development, testing, support for UAT, pilot and rollout related to the WUMEI will be performed by the Vendor. The production upgrade completion date will be solely determined by the State.
2. Should Crossroads contain an interface to a non-State owned or licensed software component required to support the WUMEI interface, the Vendor must maintain or substitute such component to ensure no interruption in EBT processing.

#### **b) Correction of Unknown Defects or Issues Introduced Prior To Contract Execution**

Vendor must correct any unknown defects or issues in the Crossroads system that originated prior to work by the Awarded Vendor, using the defect correction process and at no additional cost to the State. All defects known prior to the award of this Contract will be classified as adaptive changes and addressed by the Awarded Vendor using the Maintenance Change Request process.

### c) Maintenance Change Requests and Data Corrections

The Vendor must perform all application maintenance, which refers to routine support activities that include corrective, adaptive, and perfective changes.

1. Corrective changes are tasks to correct errors or deficiencies in the Crossroads system, at no additional cost to the State
2. Adaptive changes are revisions to the Crossroads system to meet the changing WIC, State Agency, or USDA/FNS policy, statutory, security, or regulatory requirements, and will use the change management process and Supplemental Service Hours;
3. Perfective changes are improvements to the Crossroads system so that it will perform in a more efficient, economical, and/or effective manner, at no additional cost to the State

Corrective and perfective application maintenance examples can include activities such as revising standard or state-created ad-hoc reports, creating new reports or data extracts (CSV or similar formats at the sole discretion of the State), creating (and executing at the request of the State) data scripts to implement limited data correction changes regardless of root cause, and making limited performance alterations or minor improvements to imbedded passwords, data input and display screen designs and layouts.

State personnel will also be granted read-only access to the cloud computing platforms at no additional cost, to exercise data reporting, or other queries against the Production and non-Production environments at the sole discretion of the State.

### d) Other FNS Programs Covered by this RFP

The Farmers' Market Nutrition Program (FMNP) and the Breastfeeding Peer Counseling Program (BFPC) functionality are also components of the North Carolina Crossroads system and are covered by all M&E processes throughout this RFP.

**Table for 3.4.2 Other Maintenance Tasks**

Does the Vendor meet the requirements listed above?	yes	no
a) Interface with Existing or Future WIC Electronic Benefits Transfer (WIC EBT)		
b) Correction of Unknown Defects or Issues Introduced Prior To Contract Execution		
c) Maintenance Change Requests and Data Corrections		
d) Other FNS Programs Covered by this RFP		

### 3.4.3 PRODUCT DELIVERABLES

- a) The Vendor's proposed schedule for the provision of product deliverables and documentation for review and approval by North Carolina WIC must adhere to the dates specified in Table 1 below. Electronic copies of the draft and final documentation and deliverables will be supplied to the State through use of a secure electronic documentation repository, hosted and managed by the Vendor. Electronic copies will be provided in Microsoft Office 365 format, unless otherwise specified within this solicitation.
- b) State comments will be provided to the Vendor within ten (10) Business Days of the receipt of draft deliverables. Within five (5) Business Days of receipt of State comments, and after incorporating such comments, the draft of the documentation will be delivered to the State. The State desires to keep deliverable review and revision cycles to a minimum. The above process will be repeated until the State has approved the deliverable in writing. Acceptance by the State will be in the form of a written acknowledgement that the Deliverable meets the specifications as specified in this RFP.
- c) The Vendor will update and maintain product deliverables and documentation for the duration of the Contract, at no additional cost to the State. The approved deliverables and documentation will be updated to reflect changes in system design or operations or as requested by the State. The timing for product deliverables and documentation updates will be determined as part of each change request and each major release.

Deliverables requiring periodic updates will be submitted per the document update schedules included in the description of each deliverable in the associated sections of this RFP.

- d) Timelines for the submission of deliverables are provided in Table 1 below. Details as to what will be in each deliverable are provided in subsequent sections. The Vendor will submit the following deliverables within the timeframe listed for each deliverable in Table 1, or as otherwise specified in this RFP. If preferred, the Vendor may include each of these deliverables in the Appendices section of its proposal bid (after Attachments) and will label each of the deliverables that are requested with the bid proposal as indicated in the "RFP Response Deliverable Label" column in Table 1. These appendices are the agency's preference, but not a requirement.
- e) Deliverables must be itemized under Attachment D in order to receive payment. Deliverables not itemized under Attachment D are at no additional cost.

**Table 1 – List of Product Deliverables**

<b>Deliverable ID</b>	<b>Deliverable Name</b>	<b>Deliverable Timeline</b>	<b>RFP Response Deliverable Label</b>
1	Transition-In Plan	Described in bid response proposal	Appendix A: Transition-In Plan
2	Product Management Plan	Describe in bid response proposal	Appendix B: Product Management Plan

3A	Product Work Plan and Schedule DRAFT	Describe in bid response proposal	Appendix C: Product Work Plan and Schedule DRAFT
3B	Product Work Plan and Schedule FINAL	During Transition-In – 45 Calendar Days after Contract execution date	
4	Quality Assurance Management Plan	Describe in bid response proposal	Appendix D: Quality Assurance Management Plan
5	Communication and Coordination Plan	Describe in bid response proposal	Appendix P: Communication and Coordination Plan
6	Maintenance and Enhancement Status Reports	Monthly during the life of the contract, aligned with monthly invoice	
7	UAT Readiness Reports	14 Calendar Days Prior to each UAT Start	
8	UAT Completion Reports and System Documentation	21 Calendar Days prior to each Deployment	
9	Production Deployment Plan	During Transition-In: 90 Calendar Days prior to the first statewide deployment	
10	Disaster Recovery and Contingency Plan	Describe in bid response proposal	Appendix F: Disaster Recovery and Contingency Plan
11	Security and Vulnerability Plan	Describe in bid response proposal	Appendix G: Security and Vulnerability Plan
12	Risks and Issues Management Plan	Describe in bid response proposal	Appendix H: Risks and Issues Management Plan
13	Configuration Management / Release Management Plan	Describe in bid response proposal	Appendix J: Configuration Management / Release Management Plan
14	Evidence of Vendor and financial stability (See Section 7 for acceptable documentation)	Describe in bid response proposal	Appendix K: Evidence of Vendor Financial Stability
15	Transition-Out Plan	Describe in bid response proposal	Appendix L: Transition-Out Plan

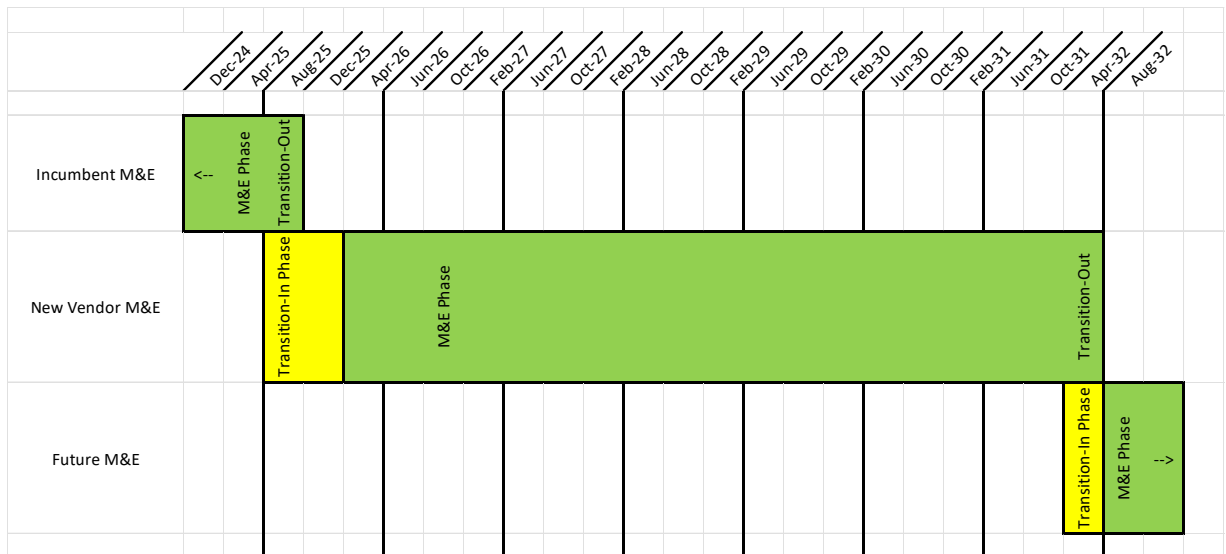
16	Transition-Out Completion Report	During Transition-Out: 10 Calendar Days prior to Contract termination or expiration	
17	Partnerships and Contractual Relationships	Describe in bid response proposal	Appendix M: Partnerships and Contractual Relationships
18	Risk and Security Assessment of Vendor critical systems and infrastructure	Assessment due during the Transition-In Phase.	
19	Help Desk Plan	Describe in bid response proposal	Appendix N: Help Desk Plan
20	Rehosting Implementation and Rollout Plan	Describe in bid proposal	Appendix E: Rehosting Implementation and Rollout Plan
21	Vendor-Hosting Status Report	Monthly during the life of the contract, aligned with monthly invoice	

### 3.5 BUSINESS AND TECHNICAL SPECIFICATIONS

Please describe your proposed approach to meet all specifications, including capabilities, features, and limitations. All pricing and cost information will be restricted to the Pricing Section of the Vendor's response.

#### 3.5.1 SCOPE

The scope of this RFP includes two phases, the Transition-In Phase and the Maintenance and Enhancement Phase, as illustrated here with tentative dates that are subject to change.



### a) Phase I: Transition-In Phase

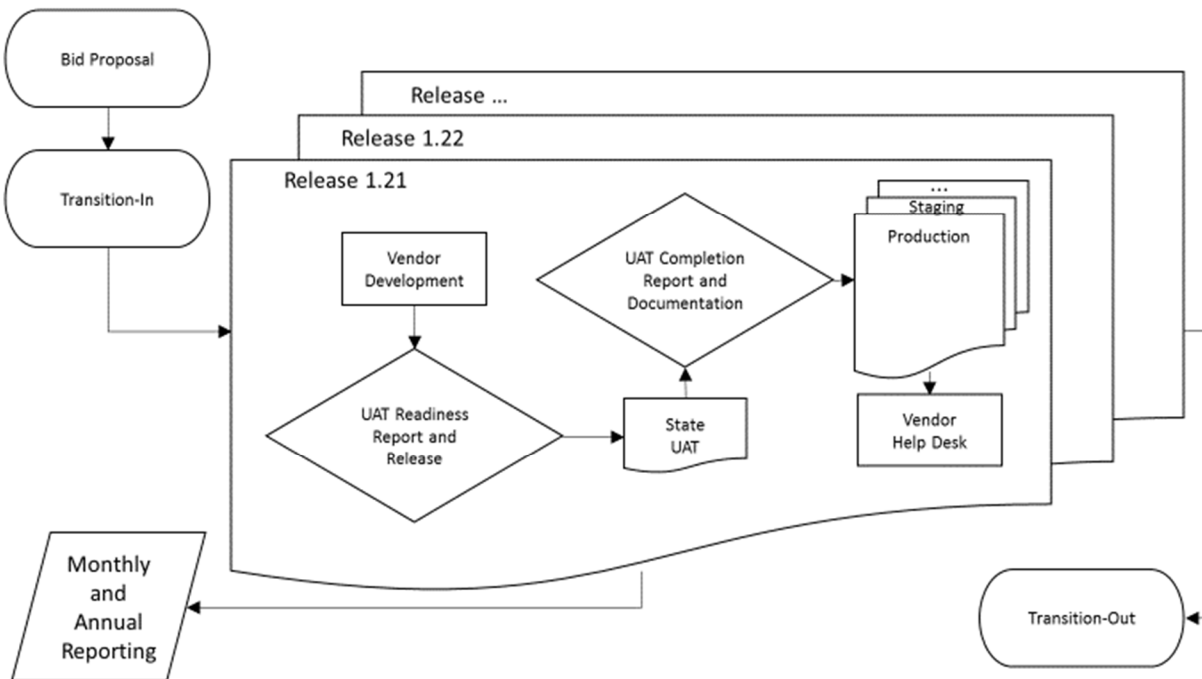
Using the parameters below, describe Vendor's approach to implement the transition-in phase:

1. Expected Phase Timeframe: eight (8) months in duration after Contract Execution
2. The Transition-In Phase is expected to begin immediately after Contract award) and last until either the Maintenance and Enhancement Phase begins or until the existing contract with the incumbent vendor ends. ("Transition-In Phase End Event"), whichever Transition-In Phase End Event occurs first.
3. At the initiation of the Transition-In Phase, the Vendor and the State should meet during the Kick-Off Meeting to discuss and prepare for the completion of Transition-In Phase tasks.
4. Vendor should include a Monthly Transition-In Phase Fee for performing the Transition-In Phase tasks outlined in this RFP.

## b) Phase II: Maintenance and Enhancement Phase

Following the Transition-In period, the core concept of the Contract is for the Vendor to provide development, UAT, deployment, and ongoing Help Desk support of multiple iterative releases of the Crossroads system over the life of the Contract as shown below.

Figure 1 - Contract Production Concept



During the Maintenance and Enhancement Phase, the Vendor is expected to provide full Maintenance and Enhancement Services support for Crossroads, independent of the incumbent vendor.

The Maintenance and Enhancement Phase is expected to start on the first Calendar Day after the Transition-In Phase End Event occurs. The Vendor will be expected to perform tasks and deliverables included under Scope of Work, Technical Specifications, and Attachment K.

1. Explain the Vendor's process, either an agile/waterfall hybrid for the State to receive a minimum of three (3) major releases per year, or an agile continuous delivery approach that aligns with the States' business needs and resources.
2. Describe the Vendor's approach in providing a minimum number Change Requests and defect corrections, as provided by the State in each quarter. This approach will ensure that the business needs of the State across the clinic, retail vendor, financial, and related components of Crossroads are being addressed per quarter.

3. Explain how the Vendor maintains and trains appropriate development and test staff to address the breadth of clinic, retail vendor, financial, and related components potentially affected in each major release.
4. Describe Vendor's Rehosting Implementation and Rollout Plan.(Note: If preferred, you may attach a Plan instead. An attached plan is the agency's preference, but not a requirement.) Include in this description, the Vendor's approach in rehosting the State hosted Crossroads solution to a Vendor managed cloud infrastructure prior to the start of the Maintenance and Enhancement phase and address details on the proposed 3rd party cloud computing provider, and the service model proposed between the Vendor and the cloud provider (IaaS, PaaS, etc). Describe and explain the Vendor's approach to preserving and transferring control of the 3rd party cloud infrastructure to the State or its designee during Transition-Out.

**c) Transition-Out Period**

Using the parameters below, describe Vendor's approach to implement the transition-out phase:

1. Expected Phase Timeframe: No more than four (4) months in duration, unless the Maintenance and Enhancement Phase is extended.
2. The State will initiate the Transition-Out Period during the Maintenance and Enhancement Phase by notifying the Vendor in writing to begin performing Transition-Out Period tasks.
3. The Transition-Out Period will end when the Vendor's Transition-Out Completion Report has been accepted by the State, or when the end date of the Contract has been reached.

**3.5.2 OBJECTIVES**

- a) Describe how Vendor will provide "Transition-in" services, including
  1. The rehosting (or "lift and shift") of the WIC Crossroads applications and all data (including file system contents) to a Vendor managed cloud infrastructure
  2. Maintaining or substituting any non-State software components required to support WIC Electronic Benefits Transfer (EBT) processing
- b) Describe how Vendor will perform all maintenance to the WIC Crossroads application. Maintenance includes the following items:
  1. Defect correction
  2. Change order implementation
  3. Production help desk support
- c) Describe how Vendor will perform enhancements to the WIC Crossroads application in accordance with the Change Request process Section 3.5 Business and Technical Specifications, Sub-Section 3.5.11 .
- d) Describe how Vendor will provide "Transition-out" services. (A description of a detailed Transition-Out plan is requested in Section 3.5 Business and Technical Specifications, Sub-Section 3.5.14.)
- e) Describe how Vendor proposes to conduct all necessary Crossroads related consultation and training of the WIC EBT Provider and EBT FMNP staff at no additional cost to the State. (A description of Vendor's specific training approach is requested in Section 3.5 Business and Technical Specifications, Sub-Section 3.5.4 and 3.5.5).

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### 3.5.3 PRODUCT MANAGEMENT

#### a) Product Staffing

Describe your staffing plan for this contract. (After contract execution, pursuant to the DIT Terms and Conditions, the Vendor will request prior written State approval for changes to personnel who fill the role of any of the Personnel described in this RFP prior to personnel changes occurring. The State also reserves the right to reject any replacement and reserves the right to request a replacement should the State deem it necessary.)

The State envisions a product team that includes the following Personnel, or Vendor's equivalent position/title in 1-4 below:

1. M&E Vendor Product Manager – Describe how this position leads the Vendor's team and is responsible for the overall management of the Contract and the completion of all required tasks and activities during the Contract. Please include the name and describe the relevant experience and qualifications of the proposed person. In lieu of the description, Vendor may provide a Curriculum Vitae (CV) for the resource proposed for this position.
2. M&E Vendor Development Manager – Describe how this position leads the Vendor's technical team during both the Transition-In Phase and M&E Phase (including transition-out) of the Contract and assists the State in ongoing technical management. Please include the name, and describe the relevant experience and qualifications of the proposed person. In lieu of the description, Vendor may provide a Curriculum Vitae (CV) for the resource proposed for this position.

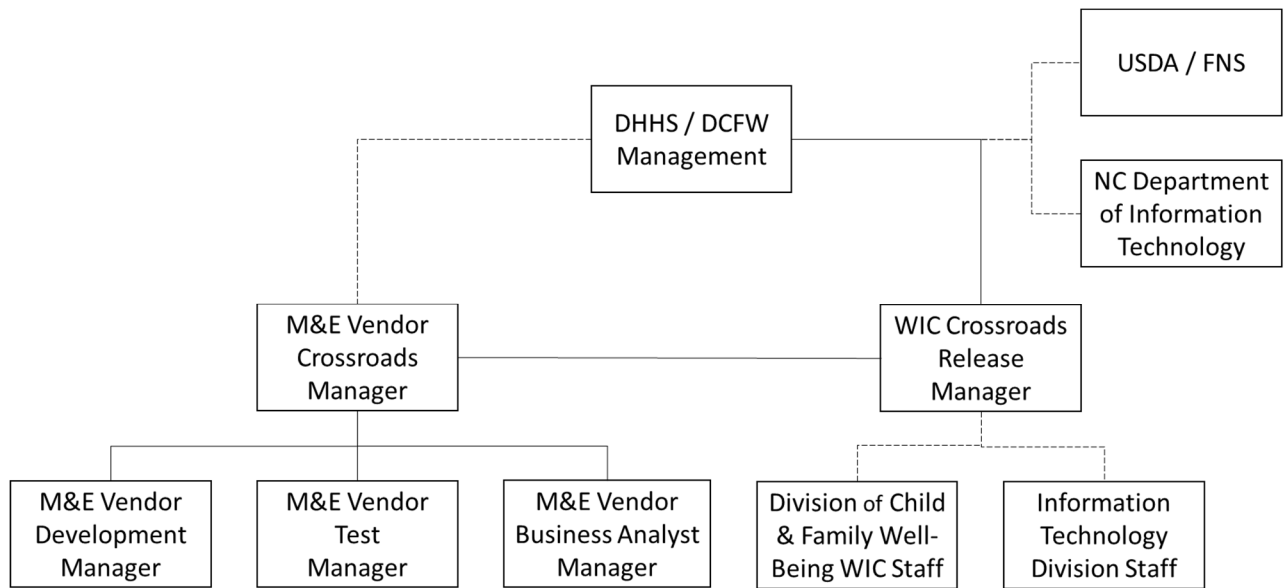
Describe the responsibilities of this position for:

- a. Generating System designs;
  - b. Coordination and execution of the system interface between Crossroads and the EBT system;
  - c. Coordination and execution of the Crossroads system configuration and architecture changes.
3. M&E Vendor Test Manager – Describe how this position leads the Vendor's testing team during the Contract. Please include the name and describe the relevant experience and qualifications of the proposed person. In lieu of the description, Vendor may provide a Curriculum Vitae (CV) for the resource proposed for this position. Describe the responsibilities of this position for:
    - a. Functional, End-to-End, System life cycle, and performance testing oversight during maintenance and enhancement phases;
    - b. UAT testing oversight and support;
    - c. Test script or other artifact development;
    - d. Test reports
  4. M&E Vendor Business Analyst Manager – Describe how this position leads the Vendor's Business Analyst team during the Contract. Please include the name and describe the relevant experience and qualifications of the proposed person. In lieu of the description,

Vendor may provide a Curriculum Vitae (CV) for the resource proposed for this position. Describe the responsibilities of this position for:

- a. Creating Change Requests Responses and Estimates;
  - b. Supporting Help Desk assistance requests, including data correction;
  - c. Ensuring test scripts and other artifacts to satisfy State business needs
5. Describe and diagram the organization of the proposed product team, including identification of the key Personnel noted above by name, position title, and responsibilities, lines of authority among and between the various Personnel and any subcontractors that may be used on this product, and whether any Personnel will be hired upon Contract award. Include available letter(s) of intent to accept employment from any such Personnel that are to be hired after Contract award.
6. Describe how Vendor will ensure that the Personnel resources are readily available to the State and how those resources will be able to fully support the Crossroads product.
7. Describe how the State will be able to contact Vendor Position resources, and the escalation path that would be followed to ensure that the State can establish contact with the personnel who fill the role of any of the Personnel when critical needs arise and during critical product periods between the hours of 7:00 am and 7:00 pm Eastern Time, seven (7) Calendar days a week.
8. Describe the staffing approach to include any subcontractor staff.
9. Describe specific steps the Vendor will take to ensure retention of applicable staff during transition-out, to remain compliant with all Contract requirements and SLA until the Contract expires or is terminated.
10. The following are the current roles and responsibilities for the North Carolina DHHS WIC solution, for the Vendor to consider in its proposed organization. Figure 2 illustrates the Organization Structure:

**Figure 2 - North Carolina Crossroads Organizational Structure**



**Figure 2: Position Descriptions:**

**1. DHHS Crossroads Release Manager tasks:**

- a. Serve as the Agency Project Manager referenced under Section 7.11 Project Management
- b. Ensure all Contract instruments are appropriately executed.
- c. Provide validation of deliverable acceptance and performance measurements.
- d. Schedule and validate that Contract milestones, timelines, and deliverables are provided pursuant to the Contract performance measurements.
- e. Facilitate Contract review by the DHHS Information Technology Division, Department of Information Technology (DIT), Office of Purchase and Contract Services, and the Attorney General's Office.
- f. Provide Contract and Vendor oversight.
- g. Assure deliverables are of high quality and meet the business requirements.
- h. Monitor the product and Contract to ensure delivery of complete, accepted deliverables on schedule.
- i. Designate signatories for deliverables and recommend approval of payments.
- j. Prioritize, review and approve cost estimates, timelines, formats, outlines and product deliverables.
- k. Ensure proper technical stakeholder involvement.
- l. Initiate and participate in Product Team meetings.
- m. Review and provide input on draft documents.
- n. Determine risk.
- o. Participate in work sessions for the development of specifications

## **2. DHHS Crossroads DCFW/WIC and ITD Staff tasks:**

- a. Participate in work sessions for the development of specifications.
- b. Review and provide input on draft documents.
- c. Collaborate with the Vendor on technical issues, Vendor and UAT test plans, schedules, and specifications.
- d. Perform UAT.
- e. Review deliverables and participate in JAD, code and test walk-through sessions.

## **3. M&E Vendor Product Manager tasks**

- a. Serve as the Vendor's Contract Administrator, and the Vendor Project Manager as referenced under Section 7.11 Project Management
- b. Have full authority to commit the Vendor on matters concerning the Contract, including but not limited to: invoices, negotiating and approving change requests, and taking all actions necessary to ensure Contract compliance and proper performance for all tasks within the milestones.
- c. Deliver Contract performance measurements, reporting and tracking documents and all other documentation as scheduled and/or required by the Contract.
- d. Serve as the primary contact to interface with the DHHS Release Manager, the DHHS Information Technology Division, the DHHS Office of Purchase and Contract Services, Third Party Vendors, and DIT as it pertains to any Contract obligations.
- e. Notify the DHHS Release Manager, verbally within one (1) Business Hour and in writing within one (1) Business Day, when the Vendor discovers any problem(s) that may jeopardize the successful or timely completion of the Vendor's Contract obligations.
- f. Ensure that the Vendor Team fulfills its duties and responsibilities under the Contract.
- g. Escalate issues to the DHHS Release Manager or designee.
- h. Have the responsibility over the Vendor Team to ensure compliance with the Contract and tasks with the approved work plan.
- i. Develop and submit all deliverables as required by this Contract.
- j. Ensure that the Vendor meets the Product Schedule and milestones as defined in the Work Plan and the Contract.
- k. Provide sufficient copies of materials for meetings.
- l. Attend, participate, facilitate, prepare materials for and document executive status briefings and other meetings as needed and requested by DHHS.
- m. Provide support for troubleshooting any known technical problems and issues as reported by the DHHS Crossroads WIC and ITD staff. If a problem is known and reported by DHHS, the Vendor Product Manager will coordinate having the problem fixed/resolved, in accordance with the Risks/Issues Management Plan and the ongoing Contract.
- n. Provide maintenance support as outlined in the Contract.

### **b) Product Management Plan**

Describe Vendor's Product Management Plan (PMP) that outlines the Vendor's proposed product management approach for this product. The Product Management Plan is the overarching "umbrella" Plan that defines how the contract is executed, monitored, controlled, and closed. Vendor may provide the plan description within the body of the text of the Vendor's

proposal, or provide a separate section or attachment. Describe (at a high level) the Vendor's approach to at least the following topics:

Scope Management	Schedule Management	Quality Management	Staffing Management
Database Queries and Scripting	Risk and Issues Management	System Design and Development Management	Capacity Management
Status Reporting	Change Management	Product Governance	Training Management
Test Management	Security and Vulnerability Management	Disaster Recovery	Help Desk Support
Action Item Tracking Tool	Release Management	Documents, Deliverables, and Records Management	Collaboration Web Site
Transition-In Management	NC Technical Architecture System Design (TASD)	Software Build Tools	Transition-Out Management

Describe the following:

1. The points of contact between the Vendor and the State and the level of decision-making authority these positions will have.
2. The proposed levels of staffing, including technical staff, to ensure all deployment, ongoing, and transition-out operational tasks and responsibilities are completed in a timely and accurate manner. At a minimum, Vendor's proposed levels of staffing will be such that the following specifications can be met:
  - a. Notifying designated State staff within one (1) hour in the event a situation occurs that might adversely affect system deployment, ongoing system operations, or 3<sup>rd</sup> party system such as EBT.
  - b. Providing a Change Request (CR) Response as outlined in the Change Request Process.
  - c. Providing CR Draft Estimates as outlined in the Change Request Process.
  - d. Providing appropriate technical staff so that approved CR Estimates are developed, tested, and delivered for UAT as outlined in Change Request Process.
  - e. Providing appropriate technical staff for the timely and accurate correction of all system defects in accordance with all SLA requirements. A temporary workaround for production down or critical system defects with the core business processes that prevent the certification of WIC participants, the issuance of WIC benefits, reconciliation of redeemed benefits, generation of rebates, and transmission/reception of EBT files will be developed and implemented as stipulated in **Table 3 - Service Level Agreement**.
3. The industry best practice development methodology to be used by the Vendor, adhere to best practices for development coding standards, and include detailed comments

within the source code, using only the English language, explaining system modifications and issues resolved.

4. How Vendor will provide staffing for the Help Desk so that all incoming calls, emails, or issues in the reporting system are answered within the period defined in the SLA.
5. The Vendor's product management approach to ensure that the above SLA requirements are met.
6. Vendor's experiences with meeting time-sensitive special needs of a state agency. For example, describe any experiences with implementing MIS functionality changes as part of a states' response to COVID-19.
7. Other aspects, if any, of Vendor's proposed product management approach.

**c) Transition-In Phase Plan**

The purpose of the Transition-In Phase is to facilitate the transition of full responsibility for supporting Crossroads from the incumbent vendor to cloud environments managed by the awarded Vendor.

1. Describe Vendor's proposed Transition-In Plan to address how Vendor will perform the tasks needed to successfully transition Maintenance and Enhancement Services from the previous Vendor.
2. Describe in your Transition-In Plan, in detail, Vendor's approach to each of the following Transition-In Phase specifications:
  - a. Coordinate an onsite Kickoff Meeting within four (4) weeks of the Contract effective start date, with appropriate State staff and the incumbent Crossroads vendor, to be held at State facilities in Raleigh, North Carolina.
  - b. Attend any additional training sessions with the incumbent vendor, either virtual or onsite, as requested by the State, at a location within or outside of North Carolina, to be determined by the State.
  - c. Transition-in the Crossroads source code and system documentation from the incumbent vendor, to compile and produce the Vendor's first installable internal system test build of Crossroads within ninety (90) Calendar Days of Contract Execution.
  - d. Request any needed State-owned hardware for consideration by the State for approval.
  - e. Submit applicable Document Deliverables listed in Table 1 – List of Product Deliverables
  - f. Import DFDD and Risk Code documentation, User Manuals, DTS and White Papers, Data Dictionary, ICD, ECD, RDD, Installation and Configuration Instructions, and the CPS Operations Manual.
  - g. Import regression and performance test artifacts.
  - h. Begin Change Request and Release planning and execution for M&E Phase.
  - i. Deploy issue reporting system and secure FTP site.

- j. Deploy action item tracking tool.
- k. Deploy collaboration web site.
- l. Deploy Help Desk contact infrastructure.
- m. Request all needed access and NCID credentials for State environment support.
- n. Obtain and submit signed Non-Disclosure Agreements within fifteen (15) Calendar days of Contract Award for all Vendor staff who will have access to Crossroads Confidential Information.
- o. Deploy the Vendor's internal development and test environments needed to compile and install changes to the source code.
- p. Deploy functioning solutions of the WIC Crossroads solutions (applications and data including file systems) into the Vendor managed cloud environments for State production, State UAT, and State Staging within one hundred twenty (120) Calendar Days of Contract Execution. Any changes to the Crossroads systems needed to successfully integrate them into the cloud platform will be performed at no additional cost.
- q. Provide State personnel (to be determined at the sole discretion of the State) with all necessary access credentials, database permissions, training, and client software requirements needed to execute read-only (R/O) queries and other scripting against all production and non-production Vendor-managed databases
- r. At no additional cost, the Vendor will obtain all necessary third party software/IaaS/PaaS/SaaS licenses for Vendor's Services for the Crossroads solution in the Vendor-managed Production and non-Prod environments, including but not limited to cloud computing platforms, networking services, operating systems, database software, software deployment solutions, and storage.

**d) Joint Application Design (JAD) Sessions for Change Requests**

Describe the approach and types of JAD sessions the Vendor would facilitate to develop specific requirements to implement Change Requests. The Vendor will have designated staff, that is not facilitating the meeting, present and available to document decisions and action items. All JAD sessions will be conducted either virtual or in Raleigh, North Carolina, to be determined by the State. Onsite sessions in Raleigh may be required only for significant new functionality.

**e) Transition-In and Transition-Out Communications**

1. Describe the Vendor's process, frequency and format for meetings, conference calls and onsite visits during transition-in and transition-out phases, as well as status reports.
2. Explain how the Vendor will provide a written summary, including but not limited to, the status of the Vendor's activities (completed since last update, new since last update, scheduled since last update, etc.), accomplishments, action items (those to be completed by the Vendor and by the State), and any new or changed risks or issues. Transition-In and Transition-Out communications will include such topics as:

- a. Tasks accomplished this period
- b. Deliverables submitted this period
- c. Outstanding tasks/deliverables
- d. Risk tracking log
- e. Outstanding problems, issues, and changes
- f. Function and architecture training agendas and action item lists for the application, batch, reporting, and portal areas.
- g. Minutes from source code and documentation walkthrough sessions
- h. Minutes from known defect walkthrough sessions
- i. Minutes from tool, hardware, and configuration walkthrough sessions that produce and install executable builds

**f) Maintenance and Enhancement Communications**

Explain the Vendor's process, frequency, format, and timeline for Maintenance meetings, conference calls and onsite visits during Maintenance, as well as status reports. Explain the process for providing a written summary, including but not limited to, the status of the Vendor's activities (completed since last update, new since last update, scheduled since last update, etc.), accomplishments, action items (those to be completed by the Vendor and by the State), and any new or changed risks or issues. Maintenance status reports will be monthly no-cost deliverables submitted alongside the monthly M&E invoices, will be in addition to transition-in and transition-out communications, and will include such topics as:

- 1. Defects and defect resolution
- 2. Risk tracking log
- 3. Service Level Agreement (SLA) attainment
- 4. Change Request status

**g) Product Work Plan**

Describe the Vendor's process, frequency, and format for providing and maintaining a Product Work Plan, that includes the following information:

- 1. Detailed product schedule including tasks required for Transition-In, the modification and deployment of Crossroads Change Requests and System Releases, and Transition-Out. Once the product schedule is approved by the State, any changes to dates and milestones will be approved by the State.
- 2. The product scheduling software to be used by the Vendor to generate the product schedule. Any proposed software will produce files in Microsoft Project Plan (MPP) data file format editable by Microsoft Project 365.
- 3. Work Breakdown Structure (WBS) with a graphic depiction that defines the tasks associated with the objectives for the entire scope of the contract. The WBS will be a decomposition of the work to be executed by the entire product team and indicate task dependencies along with start and end dates. The WBS will include all product deliverables, milestones, and activities at a level that allows the State to track progress towards completion.
- 4. Product tasks and deliverables that describe what is required to accomplish the work detailed in the WBS.

5. Note: Vendor may describe the Product Work Plan within the text of Vendor's proposal or provide a separate appendix. A final Product Work Plan will be due after Contract execution for the State's review and approval. The Product Work Plan will be updated with actual completion dates when final deliverables are accepted by the State.

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6. The following is a tentative schedule of major milestones for an agile/waterfall hybrid approach.

**Table 2 - Crossroads Release Schedule**

<b>Activity / Milestone Event</b>	<b>Tentative Dates</b>
Contract Execution Start Date	August 1, 2025
Contract Kickoff Complete	August 31, 2025
Contract Transition-In (non-incumbents)	August 1, 2025 - March 31, 2026
Lift and shift Test and Production systems to cloud	August 1, 2025 - March 31, 2026
Release 1.40 Development	April 1, 2026 - May 31, 2026
Release 1.40 UAT and Deployment	June 1, 2026 - September 30, 2026
Release 1.41 Development, UAT, Deployment	June 1, 2026 - January 31, 2027
Release 1.42 Development, UAT, Deployment	October 1, 2026 - May 31, 2027
Release 1.43 Development, UAT, Deployment	February 1, 2027 - September 30, 2027
Release 1.44 Development, UAT, Deployment	June 1, 2027 - January 31, 2028
Release 1.45 Development, UAT, Deployment	October 1, 2027 - May 31, 2028
Release 1.46 Development, UAT, Deployment	February 1, 2028 - September 30, 2028
Release 1.47 Development, UAT, Deployment	June 1, 2028 - January 31, 2029
Release 1.48 Development, UAT, Deployment	October 1, 2028 - May 31, 2029
Release 1.49 Development, UAT, Deployment	February 1, 2029 - September 30, 2029
Release 1.50 Development, UAT, Deployment	June 1, 2029 - January 31, 2030
Release 1.51 Development, UAT, Deployment	October 1, 2029 - May 31, 2030
Release 1.52 Development, UAT, Deployment	February 1, 2030 - September 30, 2030
Release 1.53 Development, UAT, Deployment	June 1, 2030 - January 31, 2031
Release 1.54 Development, UAT, Deployment	October 1, 2030 - May 31, 2031
Release 1.55 Development, UAT, Deployment	February 1, 2031 - September 30, 2031
Release 1.56 Development, UAT, Deployment	June 1, 2031 - January 31, 2032
Release 1.57 Development, UAT, Deployment	October 1, 2031 - May 31, 2032
Transition-Out Period Tasks	April 1, 2032 - July 31, 2032
Contract Closeout Complete	July 31, 2032
<b>Optional Contract Year 8</b>	
Release 1.58 Development, UAT, Deployment	February 1, 2032 - September 30, 2032
Release 1.59 Development, UAT, Deployment	June 1, 2032 - January 31, 2033
Release 1.60 Development, UAT, Deployment	October 1, 2032 - May 31, 2033
Transition-Out Period Tasks	April 1, 2033 - July 31, 2033
Contract Closeout Complete	July 31, 2033
<b>Optional Contract Year 9</b>	
Release 1.61 Development, UAT, Deployment	February 1, 2033 - September 30, 2033
Release 1.62 Development, UAT, Deployment	June 1, 2033 - January 31, 2034
Release 1.63 Development, UAT, Deployment	October 1, 2033 - May 31, 2034
Transition-Out Period Tasks	April 1, 2034 - July 31, 2034
Contract Closeout Complete	July 31, 2034
<b>Optional Contract Year 10</b>	
Release 1.64 Development, UAT, Deployment	February 1, 2034 - September 30, 2034
Release 1.65 Development, UAT, Deployment	June 1, 2034 - January 31, 2035
Release 1.66 Development, UAT, Deployment	October 1, 2034 - May 31, 2035
Transition-Out Period Tasks	April 1, 2035 - July 31, 2035
Contract Closeout Complete	July 31, 2035

The above release nomenclature and release schedule is tentative and subject to change.

## **h) Communication and Coordination Plan**

1. Describe Vendor's Communication and Coordination Plan including the following information.
  - a. Vendor's communication approach, including events such as status reports, conference calls with various levels of State staff, webinars, onsite visits, etc.
  - b. All stakeholders involved with the product, including the State, the WIC EBT Provider, the Vendor and its subcontractors, and other major related parties.
  - c. How communications among and between stakeholders will be delivered and managed. This will include coordination among the units of the Vendor's product team, including product management, development, testing, and help desk.
2. Describe an overview of the communications approach that will be used with this product. The Communication and Coordination Plan description should include the following tasks:
  - a. Vendor will attend an annual onsite meeting to be held in Raleigh, NC.
  - b. Describe the Vendor's approach to hosting a weekly conference call or webinar as needed by the State of the Release Manager and State Subject Matter Experts to discuss topics requested by both the State and the Vendor.
  - c. Describe an action item tracking tool, compatible with Microsoft Edge , to be hosted by the Vendor and utilized by State staff.
  - d. Describe the Vendor's approach to hosting a collaboration web site, compatible with Microsoft Edge, to facilitate the sharing of documentation and other communication with various State staff.
  - e. Describe the software available to the Vendor to host webinars or other web conferencing. Vendor webinar software will not impose any licensing or location restrictions on the State.
  - f. Describe how communication will be coordinated with the WIC EBT Provider, and EBT FMNP Provider, for any activities related to these EBT interfaces.

## **i) Quality Assurance Plan**

Describe Vendor's Quality Assurance (QA) Management Plan that includes the following information:

1. Describe the Vendor's quality assurance procedures as to how the Vendor will ensure that the Crossroads Product deliverables are of acceptable quality before they are delivered to the State. This includes describing the ability to advance the system clock of test environments as needed for life cycle testing.
2. Describe the Vendor's approach to the various testing levels (i.e. development, Integration, and User Acceptance), in both for maintenance and enhancements, to ensure that the Crossroads system meets the State's expectations and requirements.
3. Describe how quality of the QA Plan is measured, when quality checks occur and how corrective actions are determined and implemented.
4. Both the State and USDA/FNS reserve the option to have a Quality Assurance (QA) Vendor or an Independent Verification and Validation (IV&V) Vendor provide third-party services for the Crossroads Product. Describe in the QA Plan the process for the Vendor to work with the third-party vendor, including hosting onsite visits to the Vendor's facilities, on recommendations and findings provided by the third-party.

5. Describe the Vendor's approach in maintaining a repository of Regression Test artifacts, for use by the Vendor during the various testing levels and to meet the SLA under **Table 3 - Service Level Agreement**. This repository will be exported to the State upon request.

**j) Risk and Issues Management Plan**

Describe a Risk and Issues Management Plan that includes the following:

1. Describe the Vendor's procedures for how the Vendor will identify, report, monitor, and recommend mitigation strategies for Risks and Issues.
2. Identify who on the Vendor's Product Team is responsible for these activities.
3. Describe a Risks and Issues Management Plan (that consists of a high-level overview of the Vendor's Risk Management processes).
4. Describe the Vendor's approach in providing a Risk Matrix and Issues Log as product control deliverables throughout the term of the contract.
5. Describe the Vendor's approach to perform a risk assessment and security assessment as defined by DHHS Privacy & Security Policy either through third-party or self-assessment on a three-year cycle (with a third-party assessment mandated every third year at the sole discretion of the State).
6. Describe the Vendor's approach to document in the above assessments any Vendor (including subcontractors) intention to utilize offshore resources as stipulated in Attachment F.

**k) Configuration Management / Release Management Plan**

Describe a Configuration Management / Release Management Plan that includes the following information:

1. Describe Vendor's procedures for how the Vendor manages configurable items and maintains version control over deliverables, source code, installation tools, test scripts, etc.
2. Describe the Vendor's Release Management processes, describing the Vendor's library system for managing North Carolina specific code and releases for defect remediation, including hotfixes.
3. Describe how the Vendor will coordinate releases with the WIC EBT Provider.
4. Describe the Vendor's process to adhere to the incumbent Release "x.x.x.x" nomenclature unless otherwise directed by the State.
5. Describe how the Vendor will support up to three (3) different major releases of Crossroads installed in separate state environments, for example 1.42 in production, 1.43 in UAT, and 1.41 in a secondary test environment.

**l) Service Level Agreement**

1. Describe Vendor's approach to comply with the following Service Level Agreement (SLA) provisions shown in **Table 3 - Service Level Agreement**, indicating agreement to the liquidated damages for each specific item for which a Service Level is established.
2. Define the process for monthly invoice reductions for not maintaining the minimum threshold of acceptable service level, with carry over to subsequent months should cumulative liquidated damages exceed a single monthly invoice, or problems with service extend beyond a single month.

3. The Vendor's approach should include a description of the format and frequency for reporting compliance.

**Table 3 - Service Level Agreement**

**Liquidated Damages.** The State and the Vendor agree to the specific standards set forth in this Contract. Vendor shall maintain and follow the Service Level Agreement below. It is agreed between the Vendor and the State that the failure to meet the Service/Performance Levels identified in the Service Level Agreement below would cause damages to the State that would be difficult or impossible to determine with accuracy. The Vendor agrees that its failure to meet the Service/Performance Level may or will affect the delivery of (goods/services, etc.), either directly or indirectly and may or will result, directly or proximately, in monetary damages to the State; therefore, the actual amount of such injury and damage will be impossible or extremely difficult to calculate. The State and the Vendor therefore agree that the liquidated damages set out in the table below shall be a reasonable approximation of the damages that shall be suffered by the State.

- 1) Vendor agrees that the Vendor shall pay liquidated damages to the State in the instances and in the amounts set forth in the below table. The Parties also agree that the stated liquidated damage amounts are reasonable and not punitive. Accordingly, in the event of such damages, at the written direction of the State, the Vendor shall pay the State the indicated amount as liquidated damages, and not as a penalty.
- 2) Amounts due the State as liquidated damages, if not paid by the Vendor within fifteen (15) days of notification of assessment, may be deducted by the State from any money payable to the Vendor pursuant to this Contract. The State will notify the Vendor in writing of any claim for liquidated damages pursuant to this paragraph on or before the date the State deducts such sums from money payable to the Vendor. No delay by the State in assessing or collecting liquidated damages shall be construed as a waiver of such rights. The imposition and payment of liquidated damages shall not affect or waive any other rights of the State to enforce or terminate this Contract. In cases where actual damages can be determined, liquidated damages shall not apply.
- 3) If the State elects not to impose liquidated damages in a particular instance, this decision shall not be construed as a waiver of the State's right to pursue future assessment of performance standards and associated liquidated damages; nor construed to limit any additional remedies available to the State.
- 4) The Vendor shall not be liable for liquidated damages when, in the opinion of the State, incidents or delays result directly from causes beyond the control and without the fault or negligence of the Vendor. Such causes may include, but are not restricted to, acts of God, fires, floods, epidemics, labor unrest, and third-party carrier matters outside the control of Vendor; but in every case the delays must be beyond the control and without the fault or negligence of the Vendor.

The Service performance Levels and liquidated damage for each are as follows:

Criteria	Liquidated Damages	
(1) Statewide production down or other critical statewide issue due to software Defect, or incorrect installation/configuration by Vendor, not circumvented (defined as the core business processes under the PMP) by Vendor in six (6) Business Hours from initial report and continuing every following Business Day.	Liquidated Damage rate starting at six (6) Business Hours, plus additional penalty rate for each Business Day.	

(2) Any production Defect, that the State specifies severely affects statewide operations or reporting, that is not corrected in production by Vendor within two (2) calendar weeks of initial report.	Liquidated Damage rate times whole number of delayed Calendar Weeks from the initial report.	<b>Liquidated Damage Rate is 25% x Monthly Maintenance and Enhancement Phase Cost (Table 3)</b>
(3) Each Defect due to inaccurate or unavailable participation counting, that escaped Vendor regression testing and is discovered in production. This is in addition to Criteria (2).	Liquidated Damage rate times fixed factor of one-half (1/2), per each Defect.	
(4) One or more Defects created or reopened by the State during UAT, unresolved and causing two or more calendar week production Deploy delay of a major release. Liquidated Damage accrual stops if Deployment cancelled at sole discretion of the State.	1/2 of the Liquidated Damage rate times the whole number of delayed Calendar Weeks from the stipulated Deployment date.	
(5) Two or more Calendar Week delay in release delivery for any agreed UAT start.	1/2 of the Liquidated Damage rate times the whole number of delayed Calendar Weeks from initial due date.	
(6) For each CR, initial or revised CR pricing or draft content not delivered within two Calendar Weeks after each stipulated date, continuing every two Calendar Weeks.	1/8 of the Liquidated Damage rate starting at two (2) Calendar Weeks, plus 1/8 of the liquidated damage rate for each additional two (2) Calendar Week delay until CR delivery is completed. This is cumulative across all CRs requested.	
(7) Less than 80% of stipulated Defect fix count or CR hours delivered in each UAT release cycle.	Liquidated Damage rate times fixed factor of two (2).	
(8) Four calendar week delay in delivery of revised system documentation as stipulated, continuing every two Calendar Weeks.	Liquidated Damage rate starting at four Calendar Weeks, plus a penalty rate for each additional two Calendar Week delay until documentation delivery is completed.	

The illustration below shows fictitious examples of how monthly payments may be reduced to the Crossroads Vendor due to failure to meet SLA criteria, based on an imaginary M&E Cost:

Monthly M&E Invoices before Liquidated Damages		Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Liquidated Damage Rate is 25% of Monthly Phase Cost		\$32,000	\$32,000	\$32,000	\$32,000	\$32,000	\$32,000	\$32,000	\$32,000	\$32,000	\$32,000	\$32,000	\$32,000
		\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000
Liquidated Damage Criteria	Example of Damage Trigger	Liquidated Damages Cost											
(6) For each CR, initial or revised CR pricing or draft content not delivered within two Calendar Weeks after each stipulated date, continuing every two Calendar Weeks.	Two of five requested CR draft revisions were delivered 42 calendar days after stipulated March date.			(\$4,000)	(\$2,000)								
(7) Less than 80% of stipulated Defect fix count or CR hours delivered in each UAT major release cycle.	Agreed defect fixes delivered, but only 150 hours of agreed 200 CR hours delivered for June UAT.					(\$16,000)							
(5) Two or more Calendar Week delay in release delivery for any agreed UAT start.	20 calendar day delay in June UAT delivery.					(\$8,000)							
(2) Any production Defect, that the State specifies severely affects statewide operations or reporting, that is not corrected in production by Vendor within two (2) calendar weeks of initial report.	Inaccurate Formula Rebate Invoice corrected 14 calendar days after issue reported					(\$16,000)							
(1) Statewide production down or other critical statewide issue due to software Defect, or incorrect installation/configuration by Vendor, not circumvented (defined as the core business processes under the PMP) by Vendor in six (6) Business Hours from initial report and continuing every following Business Day.	Production was down due to Vendor defect reported at 10AM Eastern the Wednesday before Thanksgiving holiday, production restored the following Tuesday at 5PM Eastern										(\$16,000)		
Monthly Invoices after Liquidated Damages		\$32,000	\$32,000	\$28,000	\$30,000	\$0	\$24,000	\$32,000	\$32,000	\$32,000	\$16,000	\$32,000	\$32,000

#### **m) Partnerships and Contractual Relationships**

Describe Vendor's partnerships and contractual relationships when Vendor uses subcontractor(s) to fulfill the requirements of this RFP. Describe the types of service(s), contractual relationship and the term of the contract between Vendor and its subcontractor(s).

### **3.5.4 COORDINATION WITH WIC EBT PROVIDER / INTERFACE WITH THE EBT SYSTEM**

The State has awarded a separate Contract for WIC EBT in North Carolina whom the State refers to as the "WIC EBT Provider". The Vendor and the WIC EBT Provider will fully cooperate and coordinate activities throughout the life of the current or future WIC EBT contract, including participating in any Transition-Out or Transition-In activities related to any change in WIC EBT contract, at no additional cost to ensure smooth operations and maintenance between the Crossroads and EBT systems.

#### **a) Coordinate Interface with EBT**

Describe and explain the Vendor's process to coordinate with the current or any future WIC EBT Provider at no additional cost to the State to ensure that the two systems interface correctly (including providing diagnostic data to assist the WIC EBT Provider in resolving interface problems introduced by either party), and to make such Crossroads modifications as may be necessary to maintain a seamless interface on an ongoing basis for any future WIC EBT modifications that may be required. Describe how the Vendor will maintain an Interface Control Document (ICD) to document and provide the specifications for the interface points between the WIC EBT and Crossroads system.

#### **b) Coordinate Schedules and Testing with EBT**

Describe and explain the Vendor's process to coordinate schedules and timelines to ensure that both systems maintain a seamless interface and the process to resolve any scheduling conflicts that might arise. Describe how this process will include internal testing between the Crossroads and WIC EBT systems prior to a Crossroads UAT to certify readiness for UAT.

#### **c) Coordinate Training with EBT**

Describe and explain the Vendor's process to coordinate training activities for UAT and deployment, as requested by the State due to a future modification of the interface.

The Vendor will be required to conduct all necessary Crossroads related consultation and training of the WIC EBT Provider staff at no additional cost to the State, in accordance with Section 3.4.2 e). Describe how Vendor will accomplish the foregoing.

### **3.5.5 COORDINATION WITH EBT FMNP PROVIDER**

NC has moved FMNP to an EBT solution. Describe the Vendor's understanding and agreement that the awarded Vendor and the EBT FMNP Provider will fully cooperate and coordinate activities and training throughout the term of any EBT FMNP contract.

### **3.5.6 PRODUCTION AND NON-PRODUCTION DATA CENTERS**

#### **a) Future Expansion**

1. The North Carolina WIC Program has the potential to increase caseload quantities. Describe the Vendor's ability and methods to monitor State and Vendor system operations to make specific recommendations if additional processing resources and capacity is required to maintain acceptable processing requirements and timeframes.

2. Describe the approach the Vendor will take to procure additional Vendor system resources or capacity, and the time required to do so, should the need be identified.

**b) System Performance**

1. Performance testing activities will be described in the QA Plan. Describe the Vendor's approach to performance testing the system after modifications for maintenance and enhancements in their internal test environments.
2. Describe Vendor's approach to monitoring system operations daily, and making necessary mutually agreeable adjustments to maintain peak operation efficiency so that system users are not adversely affected. Describe the type of automated and manual systems that will be used by the Vendor if requested.
3. Describe Vendor's approach to performing mutually agreeable timely database tuning to keep the databases running as efficiently and effectively as possible. Describe the type of automated and manual systems that will be used.
4. Describe Vendor's approach to adhering to the following expected page load and/or response times:
  - a. An average response time of 1-3 seconds for basic transactions such as insert, update, delete, and queries from a single table.
  - b. 5-25 seconds for "complex transactions" – Complex transactions are defined as those that require:
    - i. Data requests from the application database or data store;
    - ii. Dependencies on application work flows or back end processing;
    - iii. Interfaces with external applications or web site.
  - c. 5-200 seconds for generation of ad-hoc reports, depending on complexity and size of each individual report. These reports are generally created using predefined data queries which are optimized for performance. These reports are also generally collecting smaller sub sets of data versus more complex analytical reports.
  - d. 5-30 minutes for generation of complex analytical reports. These types of reports generally require back end processing or complex data queries. Analytical reports are generally built in real time based on queries created by the end user, where the queries are not optimized for performance. These reports also tend to require larger sub sets of data than ad-hoc reports.
5. Describe Vendor's approach to execute Performance testing activities annually (by a mutually agreed upon date) in the Vendor's technical environment, testing Crossroads under full-load and no-load conditions during normal and peak performance periods.
  - a. Describe Vendor's proposal for providing an annual draft Performance Test Plan to the State for approval prior to start of each annual performance test that addresses the criteria listed above.
  - b. Describe the Vendor's approach to evaluating the need for performance testing Crossroads in its internal test environments after the completion of maintenance and Change Request modifications.
  - c. Describe how Vendor will advise State staff on Vendor Performance Test Scripts to perform automated tests on Crossroads as specified by a Test Case.

- d. Describe a Performance Test Results Report that outlines an executive summary and the detailed documented output of the execution of every Test Case for performance testing, which the State will review and approve. For every Test Case, actual test results will be documented, including any necessary re-testing required by the State prior to the delivery of the applicable release for UAT.

**c) System Security at Vendor Facilities**

The Vendor will be responsible for providing a comprehensive security and vulnerability program that meets applicable State and Federal requirements to protect the integrity and confidentiality of program data. This program will include administrative, physical, technical, and system controls.

1. Describe Vendor's Security and Vulnerability Plan for the following:

- a. The location and description of the controls at each of the physical Vendor facilities where contract-related activities occur to protect data from unauthorized use and access, such as entrance security, use of access cards, restricted access areas, Closed Circuit Television (CCTV), fire protection, etc.
- b. The types of controls, for both Vendor local and cloud based solutions, over the development and testing environment hardware and software to protect data from unauthorized use and access, such as communication access controls, user identification and authentication, system access and audit controls, transaction communication controls, discretionary access controls, separation of duties, data destruction procedures, etc.
- c. The virus and malware controls to protect data from unauthorized use, access, contamination or corruption.
- d. Vendor's plan for the event of a suspected or confirmed Breach, Cybersecurity Incident, or Significant Cybersecurity Incident involving Crossroads or the State's Confidential Information, at the Vendor's own expense:
  - i. immediately report such Breach or incident to the DHHS Privacy and Security Office at <http://www.ncdhhs.gov/about/administrative-divisions-offices/office-privacy-security> (or, if website is unavailable, fax to 919-733-1524) within twenty-four (24) hours after first discovery, as well as to the Contract Administrator and DHHS Release Manager;
  - ii. investigate such suspected or confirmed Breach or incident;
  - iii. provide a remediation plan, acceptable to the State, to address the Breach/incident to prevent any further Breaches/incidents;
  - iv. conduct a forensic investigation to determine what systems, data and information have been affected by such event;
  - v. cooperate with the State, and any law enforcement or regulatory officials, credit reporting companies, and credit card associations investigating such Breach/incident.
- e. The Vendor will update the plan throughout the life of the Contract as industry standards change, new State and/or Federal requirements are issued, or new security or vulnerability concerns are discovered .

2. Describe the process that will be used by the Vendor to notify individual(s) or parties affected by a security incident(s). If any applicable federal, state, or local law, regulation, or rule requires the State's or the Vendor to give affected persons written notice of a Breach arising out of the Vendor's performance under this Contract, the Vendor will bear the cost of the notice ("Notification Related Costs"). Providing notice to affected parties will include the following:
  - a. The date of the notice.
  - b. The reporting entity's name and contact information so that affected individuals can obtain additional assistance or information.
  - c. A brief description of the data breach incident in general terms.
  - d. The date of the breach, if unknown, the approximate date or date range of the breach.
  - e. The categories of personal information at issue.
  - f. A brief description of the actions taken by the Vendor to contain the breach and protect data from further unauthorized access or use.
  - g. Advice on actions affected individuals should take.
  - h. Contact information for national consumer reporting agencies.
  - i. Recommendations for affected individuals to protect themselves. For example, reviewing account statements, monitoring free credit reports, or subscribing to credit reporting services as stipulated in Attachment B.
3. Describe an overview of the security protocol that will be used with this product, including a statement that the protocol complies with all standards and specifications as listed in this RFP. Describe any security issues that may have occurred at the facility that will be used for North Carolina development and testing processing in the past three (3) years and how they were mitigated.
4. Describe approach for Vendor to continue to comply with data retention and notification about a breach of data until the data retention period has expired and the data has been destroyed or purged and the Vendor has provided written certification of such destruction or purge to the State.
5. Describe the Vendor's process for conducting vulnerability scanning and testing against the Crossroads system installed in internal Vendor environments and Vendor-managed State production and test environments, including all web portals, with a minimum of publishing vulnerability results to the State as part of the Security Assessments stipulated in Table 1 – List of Product Deliverables.
6. The State and Vendor may perform vulnerability scans against all Vendor-managed cloud servers. Describe how any vulnerabilities identified by the State or by the Vendor, that are specific to the design of Crossroads, will be corrected by the Vendor in a timely manner at no additional cost to the State.
7. During the execution of the resulting Contract, the Vendor will notify the Contract Administrator and DHHS Crossroads Release Manager within twenty-four (24) hours of any contact by the federal Office for Civil Rights (OCR) received by the Vendor.
8. Describe process and timelines for the Vendor to comply with any State requests for information related to a breach, including but not limited to: root cause analysis, impact, mitigation strategy, technology involved, and timing.

**d) Disaster Recovery at Vendor Facilities**

The Vendor will be responsible for providing disaster recovery services and staff facilities with this product that minimizes production system downtime to no more than one (1) continuous hour of total service disruption in the event of a disaster. Describe Vendor's Disaster Recovery and Contingency Plan. The Vendor will update the Plan throughout the life of the Contract as necessary. Describe Vendor's Disaster Recovery and Contingency Plan for the following:

1. A description of an evaluation of the types of disasters that may affect the ability of the Crossroads development, testing, or Help Desk staff facilities to operate;
2. A description of the plan to mitigate the effect of such disasters;
3. A description of the disaster recovery facilities that will be used in the event of a disaster;
4. A description of the criteria for determining when the Plan will be invoked, the staff that will be involved, and the timelines for providing notification to the State;
5. A description of how the environments will be restored once the disaster situation has been resolved;
6. A description of how and when the Disaster Recovery Plan will be tested.
7. A description of an overview of the disaster recovery facilities and procedures that will be used with this product.

**e) System Requirements for User Hardware and Software**

Describe how the Vendor will maintain descriptions in the existing System Documentation of the minimum hardware configurations, including operating systems and web browsers, required to access / operate the System from the computers being used at the State Office level and the clinic level, so that the State can verify that existing hardware / software used by staff is sufficient or whether an update is needed prior to release deployment.

**3.5.7 HELP DESK SERVICES**

**a) General Help Desk Specifications**

Describe the Vendor's process for providing system support services to State WIC Office staff (via an unlimited toll-free telephone number, email, and issue reporting system). Customer service will be provided by a facility with staff physically located in the continental United States, as specified in Attachment K. Federal and Other State Specifications .

Describe Vendor's Help Desk Plan that details how the Vendor will provide customer support services and describe the the below elements.

1. Describe the Vendor virtual capabilities that will allow State staff to share workstation images real-time with Help Desk staff.
2. Describe how the Vendor will log and will develop a library of common debugging steps to assist with the resolution of issues (including hardware issues) or the documentation of more complicated issues that get referred to development staff for further research.
3. Describe the Vendor's escalation protocol for handling all calls to ensure that critical calls are handled in a timely and appropriate manner. Include in the explanation a process and a timeline for notifying the State when the determination is made that an issue (critical or non-critical) appears to be system-wide that affects multiple users.

4. Describe the process and frequency of training provided as new help desk staff are hired and/or as additional modification are made to the System prior to the release deployment of such modifications so that staff are fully knowledgeable of the changes.
5. Describe the process of how the Help Desk staff will have access to management and/or technical resources so that issues can be handled in a timely and appropriate manner.
6. Describe the process of how the Help Desk staff will request and maintain access to the production and test/training environments so that the Vendor can research server and application issues on a real-time basis.
7. Describe the process for tracking calls and Help Desk activities that enable the Vendor to monitor and track the volume of calls so that staffing levels may be adjusted accordingly as call volumes dictate.
8. Describe the process to capture and determine common issues that might indicate a system-wide defect, an area where a System modification may be needed to enhance System use, or the need for additional user training.
9. Describe the types of reports that are available that summarize various Help Desk activities and statistics for internal use and for State use. Include sample reports with the response.
10. Describe and explain how the following performance standards for call handling will be met:
  - a. Calls will be answered by live staff within one (1) minute.
  - b. For a critical statewide production down issue reported by any State staff, the Vendor will provide written acknowledgement to the reporting State staff, the Contract Administrator, and the DHHS Release Manager within fifteen (15) minutes that appropriate Vendor staff are working the issue.

**b) Help Desk Support for State Users**

The Vendor will provide the State WIC Office with technical assistance for Crossroads related issues during normal clinic business hours.

Describe how the Vendor will provide the following services and tasks under this category in 1 through 4 below. For each item, explain how each service and task will be fulfilled.

1. This assistance will be with live staff via telephone, email, and issue reporting system.
2. Normal business hours are defined under Attachment B. Federal or Vendor holidays not observed by the State are considered normal business hours. The State observed holiday schedule is available at the NC Office of State Human Resources website.
3. Providing email support to use for non-essential issues. All emails will be responded to within one (1) Business Day of receipt. If the issue cannot be resolved within that time frame, a reply email is still required within that time frame to acknowledge receipt and to provide a timeline for resolution.
4. Providing an adequate number of qualified staff thoroughly trained in customer service, general technical skills, and specific knowledge about the Crossroads System to handle a minimum of twenty-five (25) issues per quarter.

### **3.5.8 ISSUE IDENTIFICATION AND CORRECTION FROM USER ACCEPTANCE TESTING OR PRODUCTION**

The Vendor will be responsible for providing the following services and tasks under this category after contract execution. Describe Vendor's proposal for providing a draft UAT Readiness Report prior to the start of each UAT release and describe how Vendor will address the elements below.

#### **a) Comprehensive Testing**

The UAT Readiness Report will describe how the Vendor provided and supported end-to-end testing of the Crossroads System functionality with comprehensive financial testing until the State was satisfied the System is working properly in accordance with requirements. Testing will involve issuing benefits, redeeming benefits, running reports (such as participation, FNS-798, Not-To-Exceed (NTE), and rebate invoicing), and any other functions requested by the State.

While EBCI is a separate state agency, Crossroads supports EBCI as a local agency within NC. The ability to separate out EBCI redemptions will be maintained in the QA Management Plan and demonstrated in testing for the UAT Readiness Report until the State is satisfied the System is working properly in accordance with requirements. Testing will involve issuing benefits, redeeming benefits, running reports (such as the rebate report), and any other functions requested by the State.

The draft UAT Readiness Report generated after contract execution will include these elements from the QA Management Plan:

1. The types of testing to be performed;
2. The organization of the test team and associated responsibilities;
3. Test database generation;
4. Test case development;
5. Test schedule;
6. Documentation of test results

Describe Vendor's process for creating a Test Plan for use in satisfying UAT Readiness.

#### **b) Testing Process**

Describe Vendor's process of providing the results of the Vendor's internal testing (unit, integration, performance, end-to-end, life cycle, regression testing, connectivity testing, etc.) A walkthrough of the System to demonstrate that the System is functional and ready for each release UAT will be provided to the State if requested.

1. Describe how the Test process will contribute to the thorough quality assurance testing of all software releases, reference database table updates, defect fixes and other Change Requests, are implemented without issue, in accordance with the SLA.
2. Describe how Vendor will provide a written report of release testing results, which the State will review and approve before a release is delivered for UAT.
3. Describe Vendor's process for additional testing that may be required by the State prior to delivery of a release for UAT.

**c) Testing Environment**

Describe how the Vendor test environment will be seeded with applicable hardware and data like what will be used for UAT, with all necessary tables populated, etc., so that the System may be fully tested prior to release deployment and as any change requests are developed.

**d) Coordinate with Outside Entities**

Describe and explain how the Vendor will coordinate with outside entities (for example, WIC EBT Provider, other third-party interfaces) to ensure that all interfaces and connectivity can be tested.

**e) Test Cases / Test Scenarios / Test Scripts and Results**

The Vendor will provide test cases / test scenarios / test scripts after contract execution to be used by UAT staff, if requested by the State. Describe in Vendor's proposal the tool and format which Vendor proposes to use to deliver these test artifacts to the State. The test case scenarios will include scenarios that test the System overall, including end of day, end of month, reporting, and disaster recovery activities. The Vendor will work with the State to identify those common scenarios. Test scenarios that need to be re-run due to defects/testing errors will have an identifier in the Test Case Number.

1. The test cases will include the following:

- a. Test Case Number;
- b. Date created;
- c. Author;
- d. Description of Case;
- e. Type of Test;
- f. Required Inputs;
- g. Steps;
- h. Required Set-Up (Preconditions);
- i. Expected Results;

2. Provide Test Results

- a. Actual results;
- b. Run date;
- c. Tester;
- d. Pass / Pass with Exception / Fail;
- e. Failure or Exception reason;
- f. Defects Identified

**f) Virtual Training for the UAT Testing Staff**

Describe instructor-led virtual training for the UAT testing staff for topics, if requested by the State and at no additional cost to the State.

**g) Describe Onsite Testing Support**

Describe a plan for onsite staff to support UAT, if requested by the State.

## **h) Issue Reporting from Test or Production**

Describe the issue reporting system that the Vendor will provide for UAT testers and State Production users to log issues. The Vendor may also propose to use this issue reporting system as the action item tracking tool. The State currently uses Azure DevOps hosted by the incumbent vendor.

1. Describe how the issue reporting system will be hosted by the Vendor, will be browser based and compatible with Microsoft Edge, and not require the licensing or installation of any third-party software on State workstations.
2. Describe how the issue reporting system has the capability to allow users to upload file attachments.
3. Describe the Vendor process to meet WIC confidentiality requirements (7 CFR Part 246.26), such as providing a secure FTP site where sensitive data that cannot be redacted in the issue reporting system can be uploaded by the State to the secure FTP site.
4. Describe how the issue reporting system will have a mechanism for all users to label or tag individual issues in the reporting system with custom labels or tags designed by each user, allowing custom report queries to be executed against the issue database by any user.
5. Describe how the issue reporting system will preserve the date an issue is created, and the date an issue is closed.
6. Describe how the issue reporting system can provide an indicator to distinguish between questions or issues identified by the State in test, identified by the State in production, and identified by the Vendor during their internal efforts.
7. Describe how the Vendor's issue reporting system can be used by the State to log defects that require correction or explanation, requests for additional education and training in functional areas that are working as designed (including any third-party interfaces such as the EBT Provider), and requests for data correction.
8. Describe how the issue reporting system will provide a mechanism for users to create custom queries to identify which issues are in process with the Vendor, and which issues have been returned to the State for retest and closure.
9. Describe how the issue reporting system will have a mechanism for users to subscribe to issue(s) in the reporting system, receiving an email notification of updates to the issues(s).
10. Describe how the Vendor will not close any issues in the issue reporting system without the written permission of the DHHS Release Manager.
11. Describe how, or if, the State may elect to not close an issue until the correction has been monitored by the State and accepted in the production environment.
12. Describe how the Vendor will have a mechanism for mass export of all reported issues and file attachments contained in the issue reporting system, with Vendor performing such mass export upon request of the State.

13. Describe the Vendor's process for granting access credentials to the issue reporting system to third parties upon the request of the State.
14. Describe the Vendor's process for partitioning the issue track system, such that access credentials for each stakeholder can be granted or revoked for each partition.

**i) Describe the Defect / Issue Fix Process**

Describe and explain the process and timeline to fix defects or issues, identified in test or production, in a timely fashion to allow retesting to verify that the identified defects or issues have been corrected. Defects found will be classified by the State using a scale of one (1) to five (5) using a system with similar criteria.

Table 4 - Defect / Issue Classification Criteria

Priority Level	Criteria
1	<b>Critical Component Failure:</b> Does not allow testing to continue Major malfunction in the System
2	<b>Major Component Failure:</b> Does not allow testing to continue Defect or malfunction in certain areas of the System Problem must be resolved
3	<b>Medium Functional Problem:</b> Testing can continue Functions in certain components do not work properly Components can still work with other components of the System
4	<b>Minor Issue:</b> Testing can continue Minor editing error found in a System component
5	<b>Trivial Issue:</b> Testing can continue Design Clarification issue Future enhancement to the System Cosmetic change needed

Vendors may propose an alternative Priority / Criteria scheme, that aligns with the issue reporting system.

**j) Time and Cost to Correct Defects**

Describe how all defects will be corrected within the time provided in the SLA, at no additional cost to the State. All identified defects will be corrected before the System can be certified as ready for release deployment. Exceptions may be granted by the State if the State determines that there are sufficient alternative processes in place to mitigate the effects of the defect.

1. For reported defects that require software code fixes, describe Vendor's the development and test capacity to correct a minimum of thirty (30) defects per quarter, aggregated from defects reported in both UAT and production.
2. Historically, North Carolina reports approximately sixty (60) non-production and production issues per quarter. These issues include defects that require software code

fixes, require non-code fixes to system configuration or system data, or require additional training of State staff.

**k) UAT Completion Report**

Describe the Vendor's comprehensive checklist of items that will be included in each UAT Completion Report, to demonstrate the successful completion of each release UAT and the readiness of the System to move to deployment. The Vendor will provide a formal presentation to the State if requested, including a written certification report that the System is ready to proceed to deployment.

**l) IV&V / QA**

The State or FNS may utilize outside Vendors to perform third-party Quality Assurance or Independent Verification and Validation activities throughout the course of this contract. The Crossroads Vendor will be responsible for coordinating / cooperating with these QA / IV&V Vendors.

Describe Vendor's experiences in working with IV&V / QA Contractors on WIC MIS, WIC EBT, or other similar projects.

**m) Data Correction**

Describe the Vendor's approach to perform test or production data correction, upon request of the State and with written permission from the State, as needed for data issues where it is not possible or practical for the State to correct, such as correcting corrupted/non-editable fields, correcting inaccurate data caused by software problems, etc.

1. Describe how this data correction, for issues both due to actions of the State and actions of the Vendor, can be performed by the Vendor at no additional cost to the State.
2. Describe how results of testing of the data correction will be provided to the State upon request and accepted by the State prior to execution of the data correction in a production environment.

**3.5.9 INSTALLATION SUPPORT FOR NEW BUILDS OF THE CROSSROADS SYSTEM**

Describe Vendor's approach to provide installation support, as listed below, for the Crossroads system for a maximum of six (6) Vendor-managed cloud environments, such as UAT, various secondary testing, production, etc. These environments will be determined by the State and be itemized in a matrix to be maintained by the Vendor.

- a) Describe how the Vendor will coordinate scheduling and installation procedures with technical staff in North Carolina and how the Vendor will request and maintain access credentials to applicable servers that have been granted to the Vendor.
- b) Describe how the Vendor will upload the Crossroads system to the appropriate cloud server(s) to support a statewide deployment and will perform necessary backups of the application and databases as a contingency.
- c) Describe how the Vendor will unpack and install the products into the rehosted servers (web application server, database server, report server, and batch server) as required for the cloud deployment, including how Vendor will execute all necessary database scripts. And how Vendor will not embed or execute any script against an environment's database without prior written approval from the State.

- d) Describe how the Vendor will stop and start Crossroads services as required during the deployment, including the Vendor coordinating with State staff depending on access privileges granted to the Vendor.
- e) Describe how the Vendor will maintain a deployment checklist to capture lessons learned, to be shared with State staff.
- f) Describe how the Vendor will perform an initial “smoke test” of the Crossroads system, including the batch and report cloud servers, prior to informing the State that the deployment is complete. Describe how the Vendor will obtain prior written approval from the State regarding restoring the backups of the application and databases should there be a critical system failure identified during smoke testing.
- g) Describe how the Vendor will provide for each build via secure FTP:
  - 1. An ISO image of the complete, cumulative source code, including instructions and prerequisites required to compile and produce executable code;
  - 2. A ZIP file (compatible with the pkware standard) of the executable code and installation scripts used by the Vendor during the install, database scripts applicable to the database server, and reports for the report server that was implemented. Describe the process for how this code and scripts can be utilized on any of the supported State environments.
- h) Describe how the Vendor will provide release notes and a refreshed environment summary matrix showing the level of Crossroads installed in each environment. Describe how the release notes will contain at a minimum:
  - 1. The Build Number.
  - 2. A detailed description of new Change Requests delivered in the build.
  - 3. A detailed description of any new Reports delivered in the build.
  - 4. A complete description of all defect corrections, including the defect reporting number(s), delivered in the build. This list will be separated by defects reported in Production, defects reported in Test, defects identified by the Vendor, and any permanent fix of any hotfixes previously applied to an environment.
  - 5. A complete list and description of any system tables added, changed or removed.
  - 6. A detailed description, including illustrations of affected system screens, of any corrective, adaptive, or perfective changes made by the Vendor to address issues found during QA efforts.
  - 7. All details needed for the State to accurately update automated performance testing scripts and other tools.
  - 8. Comments and additional information; and
  - 9. The audience for Release Notes is both State WIC staff and State IT. Notes will be written using non-technical IT language that can be understood by State WIC staff.
- i) Describe how the Vendor will email State staff at the start, as needed during installation, and at completion of each deployment.
- j) Describe how the The Environment Summary Matrix will be updated, listing the applicable defect reporting number(s), and provided to the State after any hotfix is applied to an environment.

- k) Describe how the Vendor will provide and maintain a complete installation and configuration guide, detailing how to perform fresh ground-up installs of the system on cloud servers and workstations.
- l) Describe in detail on how production installation services will be performed after Business hours, including all State, Federal, and Vendor holidays and weekends, as requested by the State. Production upgrades typically begin on Saturdays between 8:00 AM and 6:00 PM Eastern Time to minimize disruption to the NC local agencies, with day and time subject to change at the discretion of the State.

### **3.5.10 DEPLOYMENT OF RELEASES FOR STATEWIDE PRODUCTION**

Describe Vendor's approach to providing the following services and tasks under this category.

- a) The Awarded Vendor will complete migration from the State-hosted production environment to the Vendor-managed cloud production environment before the end of the Transition-In Phase. This includes migration of all applications (WPF and portals), databases, and file system contents.
- b) How Vendor will provide a detailed Production Deployment Plan after contract execution that describes the procedures, detailed schedules, and resources needed to implement and immediately support each release of Crossroads statewide. The Plan will be submitted as stipulated in Table 1 – List of Product Deliverables.

A minimum of two hundred (200) hours of Change Requests and a minimum of twenty (20) defect corrections (or smaller minimums at the sole discretion of the State), will be developed, tested, and delivered for UAT along with its final UAT Readiness Report no later than ninety (90) Calendar Days from the start of the Maintenance and Enhancement Phase.

- c) Describe how the results of UAT and a walkthrough of the System will demonstrate that the System is functional and ready for statewide deployment in a production environment.
- d) Describe how the production environment will be seeded with necessary data that will be used for statewide deployment and populating all necessary tables, etc., so that the System may be fully operational as sites encounter the new release in production.
- e) Describe and explain how the Vendor will coordinate with outside entities (WIC EBT Provider, etc.) to ensure that all interfaces and connectivity will be operational.
- f) Describe how the Vendor will participate with State staff to determine the deployment schedule.
- g) Describe how the Vendor will provide to the State updates to the following System documentation in a timely manner prior to deployment of each major system release to reflect all software Change Requests and defect corrections:
  1. Detailed Functional Design Documents (DFDD), including a detailed Risk Code Summary Matrix and Trigger Summary;
  2. User Manuals;
  3. Detailed Technical Specifications (DTS), including Data Dictionary (currently available in Compiled HTML (CHM) format) and a detailed listing of all System Tables;
  4. Interface Control Document (ICD) for the WIC Universal MIS-EBT Interface (WUMEI);
  5. External Communication Documentation (ECD);

6. Report Definition Documentation (RDD);
  7. Installation and Configuration Instructions, including hardware and software prerequisites;
  8. Central Processing Site Operations Manual;
  9. White Papers to provide written guidance to assist the State with understanding or solving an issue.
  10. The above System documentation will be maintained in Microsoft Office 365 format, that is editable by State staff, and provide all ancillary files used for the creation of embedded figures, diagrams, tables, or other non-editable components of the documentation.
- h) Describe how the Vendor will assist, at no additional cost, with the development of business rules and other guidance with North Carolina WIC to govern program operations.
  - i) Detail how the Vendor will support statewide deployment of release including the following:
    1. Monitoring end of day processing to ensure successful completion by the start of the next Business Day, taking corrective action as needed, and reporting the status to North Carolina WIC.
    2. Verifying that System housekeeping functions have been completed, taking corrective action as needed, and reporting the status to North Carolina WIC.
    3. Verifying that appropriate files have been sent to / received from the WIC EBT Provider and others, processed, taking corrective action as needed, and reporting the status to North Carolina WIC.
    4. Providing Help Desk support to State Office staff.
  - j) Describe and detail the error logging system that the Vendor will provide or monitor for implemented sites to log errors.
  - k) Describe and explain the process and timeline to fix all errors in a timely fashion to allow rapid retesting to verify that the errors have been corrected. Describe how all Critical Component Failure and Major Component Failure severity errors will be corrected within the time provided in the SLA. Describe how all identified defects will be corrected before the System can be certified as ready for Statewide Deployment. Exceptions may be granted if the State determines that there are sufficient alternative processes in place to mitigate the effects of the defect.
  - l) Describe how the Vendor will provide in the Deployment Plan the procedures for application and database rollback in the event of a significant release failure in the production environment. Describe the procedures for preserving new production data that would otherwise be lost following a database rollback.

### **3.5.11 SYSTEM TRAINING**

Describe Vendor's approach for training all State staff that will participate in a release UAT onsite in North Carolina, if requested by the State.

### 3.5.12 SYSTEM CHANGE REQUEST PROCESS

Describe Vendor's approach for completing System enhancements and modifications to improve the operation or functionality of the System, to comply with new Federal regulations or requirements, to comply with changes in State policy and procedure, or to meet other corrective, adaptive, or perfective needs via work authorization / supplemental hours. This process applies only to enhancements and modifications to the Crossroads system.

- a) The following services and tasks are required under this category at no additional cost to the State. **These specifications do not constitute or imply any promise or intention for the State to fund or approve Change Requests.** Adhering to the prescribed Change Request process as follows:
1. Explain how the Vendor can review the CR Concept, ask for clarifications when needed, identify associated risks with the CR Concept when appropriate and then prepare a CR Response fifteen (15) Calendar Days of receipt of the CR Concept for State review and approval within. The CR Response will include the Vendor's understanding of the original CR Concept with high-level detail like content provided in the original CR Concept, and a high-level non-binding system design outlining what Crossroads functions and screens are affected and conceptual estimate of hours and cost.
  2. Explain how the State can review, modify and approve the CR Response as appropriate and notify the Vendor. The Vendor will then prepare a detailed system design document and binding hour and cost estimates (CR Draft Estimate) within fifteen (15) Calendar Days of receipt of the State approval of the CR Response, or within thirty (30) Calendar Days of the State's approval of a CR Response which the Vendor estimates will require three hundred (300) hours or more to complete (Major CR).
  3. Explain how the State can review the CR Draft Estimate and notify the Vendor within thirty (30) Calendar Days, or longer if USDA/FNS approval of the CR Draft Estimate is required, that is approved, requires further rework, put on hold, or withdrawn. Approved CR Draft Estimates will be signed by the State and returned to the Vendor. The Vendor will then sign and return the CR Draft Estimate to the State.
  4. Explain how the Vendor can offer and coordinate cost sharing of common code changes among any other WIC States where the Vendor maintains and enhances any version of Crossroads or similar functionality that can be used across the Vendor's MIS offerings.
  5. Explain how the Vendor can obtain mutual agreement with the State on a deployment schedule for approved CR Estimates that considers the urgency of the change and the need to meet Federal deployment deadlines as appropriate.
    - i. Explain how approved changes requiring less than three hundred (300) hours can be developed, tested and delivered for UAT within sixty (60) Calendar Days of State approval of the CR Draft Estimate, and how approved changes requiring three hundred (300) hours or more can be developed, tested and delivered for UAT within ninety (90) Calendar Days of State approval of the CR Draft Estimate.
    - ii. Explain how the Vendor has the staff, equipment, and all other resources to develop and test approximately one hundred fifty (150) hours of approved Change Requests per quarter, if requested by the State. Explain how the Vendor will address situations where more hours are required.

- b) Changes to reference tables are not billable changes but are normal system maintenance activities covered at no additional cost. Reference table changes will still be initiated by a CR from the State and a corresponding CR Response from the Vendor but will not require the detailed system design document unless the CR affects existing System Documentation.

The Vendor will be responsible for making all reference table changes within five (5) Calendar Days of State approval of the CR Response.

- c) Changes to the System that are outside of the scope of this RFP, the Vendor's proposal, and the existing Crossroads Detailed Functional Design Documentation will be considered for additional cost and will go through the full change request process described above.
- d) Changes to the EBT interface, including FMNP, will be implemented by the Vendor at no additional cost to the State. Such changes will be initiated by a CR Concept from the State and a corresponding CR Response and CR Draft Estimate from the Vendor, provided however that such CR Draft Estimate will be at no cost to the State.
- e) Describe at least three (3) change request items, from the Vendor's experience, that the Vendor has implemented. Describe creative opportunities and best practices that will minimize or mitigate change requests and potential costs associated with change requests, such as cost sharing with other State WIC Programs that may be contracted with the Vendor.
- f) Corrections / defect fixes to correct deficiencies based on the most recently updated published System design documentation (or implemented CRs/estimates where documentation has not yet been updated) are subject to the change request process but at no additional cost.
- g) The Vendor will provide to the State timely updates to appropriate System documentation.
- h) Describe the Vendor's process to ensure that appropriate documentation is updated in a timely manner as software changes occur.
- i) Describe the Vendor's process to log and track the status of pending CRs including:
  - 1. The State and Vendor will mutually agree on an assigned sequence number;
  - 2. A short description of the requested change;
  - 3. Whether the change is a table change, code change, or other;
  - 4. The date of the original CR from the State;
  - 5. The date the CR Response was sent to the State;
  - 6. The date the CR Response was approved/not approved by the State;
  - 7. The date the CR Estimate was submitted to the State;
  - 8. The date the CR Estimate was approved/not approved/put on hold by the State;
  - 9. The binding hours and cost of the change;
  - 10. The proposed delivery date for UAT of the completed Change Request;
  - 11. Comments section;
  - 12. Current version of any associated documents;
- j) For those Change Requests that are at additional cost to be paid by the State, the Vendor's invoice will be processed for payment upon completion and delivery of the Change Request and acceptance of the delivered Change Request by the State. The amount paid for Change

Requests will be based on the amount contained in the CR Draft Estimate, signed by the State and the Vendor.

The State will have the option to defer acceptance of a Change Request until the change has been implemented in production, and all required defect corrections found against the Change Request in production have been subsequently implemented into production.

### **3.5.13 TECHNICAL UPGRADES AND ENVIRONMENT VALIDATION**

Describe the Vendor's approach to recommending technology upgrades and providing environment compatibility / validation services. The services will include, but not be limited to upgrades to hardware infrastructure, operating systems including web browser, database management systems, and other cloud server or workstation software and hardware to maintain supportable non-production and production environments as third parties release new versions of products, or as current Crossroads components approach end-of-life. Describe how the Vendor will schedule third-party software patches and upgrades to all non-production and production environments through the DHHS Release Manager.

Describe how the Vendor will:

1. Provide annual written recommendations for upgrades to maintain the Crossroads system and third-party software components, at a version supported by the software vendor and in conformance with North Carolina security and architectural standards. This recommendation will be presented onsite by the Vendor in Raleigh, NC if requested by the State.
2. Proactively test and validate the Crossroads system for use with the latest release of relevant hardware and software technologies. The testing results and inventory of validated hardware and software will be maintained in the existing System Documentation. Examples of hardware and software to consider include, but are not limited to:
  1. Hardware
    - a. Scanners;
    - b. Workstation Printers;
    - c. Signature Pads;
    - d. Bar Code Scanners;
    - e. Label Writers;
    - f. EBT Card Readers;
    - g. Lab Equipment such as weight scales, etc.;
    - h. RAM memory requirements, for workstations;
    - i. Disk space requirements for workstations;
    - j. Graphics card requirements
  2. Software
    - a. Operating Systems, such as Windows;
    - b. Web Browsers, such as Microsoft Edge;
    - c. Database Management Systems, such as SQL Server;
    - d. .NET Framework and other middleware;

- e. Web server components;
- f. Adobe products;
- g. Microsoft Office products;
- h. Software Drivers for above Hardware;
- i. Telehealth frameworks for WIC participant experience

### 3.5.14 CONTRACT TRANSITION-OUT PROCEDURES

In the event of Contract termination for any reason, non-renewal by the State, or at the expiration of the Contract, the Vendor will be required to provide transition assistance.

Describe a detailed Transition-Out Plan for State review and acceptance, that describes the procedures, detailed schedules, and resources needed to successfully transition services to a new MIS Vendor. Specifications are listed below, in addition to Attachment B: Department of Information Technology Terms and Conditions.

Describe Vendor's Transition-Out Completion Report addressing:

- a) Providing an export of all regression and performance test artifacts, including but not limited to test scripts, test cases, test scenarios, etc.
- b) Providing a final copy of all source code software, compilation instructions and tools and final updated documentation.
- c) Providing an export of all issues and file attachments contained in the issue reporting system.
- d) Providing an export of all action items contained in the action item tracking tool.
- e) Providing an export of all finalized CR documents, including sample documents and templates that the Vendor has used for the Change Request Process.
- f) Returning all hardware and software that may be owned by the State upon request by the State. This includes system peripherals and other hardware.
- g) Maintaining the collaboration web site to allow State staff (or designee) to download artifacts until the Contract expires or is terminated.
- h) Ensuring that appropriate Vendor development, test, business analyst and other help desk staff are retained until expiration or termination of the Contract.
- i) Providing technical training to the State (and/or its designee) for eighty (80) hours to include a thorough overview of the system design, including a detailed walkthrough of the source code if requested, at a location to be determined by the State including the incumbent Vendor's facilities. Any unused Supplemental Service Hours may be utilized to provide additional training above these eighty (80) hours if requested by the State. These eighty (80) hours will not include preparation time by the Vendor, or travel time for Vendor staff.
- j) Describe how the Vendor will assure and confirm that any data or system design provided by or for the State remains the property of the State and may not be marketed or sold by the Vendor without the express written consent of the State.
- k) Until the Vendor has certified the completion of the data destruction or purge, describe how the Vendor will continue to comply with all data security sections within this RFP, even after the Contract has terminated or expired.

- l) Describe how Vendor will export or migrate (at the sole discretion of the State) all data (including file systems) from all production and non-prod environments into new environments to be determined by the State.
- m) Describe Vendor's approach to preserving the State's data in the Crossroads 3rd party cloud infrastructure and transferring the Vendor's PaaS or similar service model to the State or its designee, (which the State may request in its sole discretion).

### 3.5.15 NORTH CAROLINA WIC PROGRAM AND FMNP PROGRAM DATA

Describe how the Vendor's proposal can accommodate the following volumes of data:

- a) The information in the table below provides a high-level overview of WIC Program demographics.

**Table 5 - North Carolina WIC General Program Statistics**

<b>State Specific Workload Data</b>	<b>Estimated Values as of April 2024</b>
Approximate number of participants per year	235,000
Approximate number of households per year	144,000
Approximate number of Local Agencies including EBCI	86
Approximate number of individual sites	170
Approximate number of State level users	40
Approximate number of local agency/clinic level users	1400
Average number of concurrent users, to be used for performance testing estimates	1000
Approximate number of active Authorized WIC Retail Vendor locations	1600

- b) The information in the table below provides an overview of the peer group breakdown for North Carolina vendors.

**Table 6 - North Carolina WIC Retailer Peer Groups**

Store Type	Location	Store Class Description	Approximately Number of Vendors in Peer Group as of March 2024
Pharmacy	Statewide	Free-standing pharmacy that sells a limited variety of foods	283
Convenience Store	Statewide	Retailer with a limited assortment of grocery items	31
Mass Merchandiser  and  Commissary	Statewide	Retailer that sells a wide variety of merchandise but also carries groceries and has store locations in most or all states.  Grocery store operated by US Defense Commissary on a military base	233
Independent Grocery	Urban	Retailer that primarily sells groceries with fewer than 11 store locations	112
Independent Grocery	Non-urban	Retailer that primarily sells groceries with fewer than 11 store locations	70
Regional Grocery Chain	Urban	Retailer that primarily sells groceries with at least 11 store locations and operates in 2 or more states	680
Regional Grocery Chain	Non-urban	Retailer that primarily sells groceries with at least 11 store locations and operates in 2 or more states	224

- c) The information in the table below provides a high-level overview of the FMNP process that was used for the 2024 season. NC moved to an electronic-based process for the 2024 season. .

**Table 7 - North Carolina FMNP General Program Statistics**

<b>State Specific Workload Data</b>	<b>Estimated Values as of September 2024</b>
Approximate number of participants per season	8200
Approximate number of cards issued per season	8200
Approximate number of counties in program	18
Approximate number of authorized farmers	100
Approximate number of farmers' markets	25

### **3.5.16 SUPPLEMENTAL SERVICES**

Provide pricing for Supplemental Service Hours using Attachment D: Cost Form, Cost Table 7: Supplemental Hours, which will be used to document work authorizations via Change Requests to the Crossroads system that are for the account of the State.

The State will allocate up to thirty-five hundred (3500) Supplemental Service Hours Contract Years 1-7 (plus up to an additional five hundred (500) hours for each optional year, if applicable and at the State's discretion) until the end of the Contract term. Unused hours will carry forward to the next year, including optional years that become part of the contract term. Any Change Requests that require more than the Contract's remaining Supplemental Service Hours to complete will be made effective through the Parties' execution of a Contract amendment, implemented in compliance with the rules and practices of DIT Statewide Procurement.

1. Supplemental Service Hours: The aggregate of total Supplemental Service Hours for the entire Contract term will be available to the State beginning in Year 1.
2. Describe the process the Vendor would use for tracking Supplemental Service Hours allocated and expended.
3. Hours for Change Requests required to be performed at no additional cost to the State will not be expended from the Supplemental Services Hours.

## **4.0 COST OF VENDOR'S OFFER**

### **4.1 OFFER COSTS**

The Vendor must list, itemize, and describe any applicable offer costs in ATTACHMENT D: COST FORM.

### **4.2 PAYMENT SCHEDULE**

- a) Signed invoices will be submitted electronically to this email address:  
[NSBContracts@dhhs.nc.gov](mailto:NSBContracts@dhhs.nc.gov)
- b) Invoices for delivered change requests should only be submitted once the State has approved a deliverable as acceptable.  
Invoices for ongoing maintenance and hosting will be submitted monthly and will bear the correct purchase order number to ensure prompt payment. The Vendor's failure to include the correct purchase order number may cause delay in payment.

To ensure that the Crossroads Vendor provides uninterrupted services to the State, WIC Participants, and WIC Retailers and meets the performance standards set forth in USDA FNS regulations, in this RFP and the SLA, North Carolina will establish a set of Crossroads system and service performance standards. It is the intent of the State that in the event of the Crossroads Vendor's failure to perform as provided in the USDA FNS regulations, in this RFP and the SLA, including during the Transition-Out period, the payment due the Crossroads Vendor may be reduced as documented in the SLA.

- c) Invoices will itemize the work for which payment is sought, and will include the deliverable # and agreed upon cost. Invoices can contain multiple deliverables, with an aggregated total cost.
- d) The State will make monthly payments to the Vendor for services rendered during the previous calendar month. The Vendor will provide an electronic copy of the monthly invoice signed by designated authorities.

## 5.0 EVALUATION

N.C.G.S §143B-1350(h): All offers are subject to evaluation of the most advantageous offer to the State. Evaluation shall include best value, as the term is defined in N.C.G.S. 143-135.9(a)(1), compliance with information technology project management policies, compliance with information technology security standards and policies, substantial conformity with the specifications, and other conditions set forth in the solicitation.

### 5.1 SOURCE SELECTION

A one step trade-off method of source selection will be utilized in this procurement to allow the State to award this RFP to the Vendor providing the Best Value and recognizing that Best Value may result in award other than the lowest price or highest technically qualified offer. By using this method, the overall ranking may be adjusted up or down when considered with or traded-off against other non-price factors.

- a) Evaluation Process Explanation. State Agency employees will review all offers. All offers will be initially classified as being responsive or non-responsive. If an offer is found non-responsive, it will not be considered further. All responsive offers will be evaluated based on stated evaluation criteria. Any references in an answer to another location in the RFP materials or Offer shall have specific page numbers and sections stated in the reference.
- b) To be eligible for consideration, Vendor's offer must substantially conform to the intent of all specifications. Compliance with the intent of all specifications will be determined by the State. Offers that do not meet the full intent of all specifications listed in this RFP may be deemed deficient. Further, a serious deficiency in the offer to any one (1) factor may be grounds for rejection regardless of overall evaluation.
- c) The evaluation committee may request clarifications, an interview with or presentation from any or all Vendors as allowed by 9 NCAC 06B.0307. However, the State may refuse to accept, in full or partially, the response to a clarification request given by any Vendor. Vendors are cautioned that the evaluators are not required to request clarifications; therefore, all offers should be complete and reflect the most favorable terms. Vendors should be prepared to send qualified personnel to Raleigh, North Carolina, to discuss technical and contractual aspects of the offer, if requested.
- d) Vendors are advised that the State is not obligated to ask for or accept, after the closing date for receipt of offer, data that is essential for a complete and thorough evaluation of the offer.

## **5.2 EVALUATION CRITERIA**

Evaluation shall include best value, as the term is defined in N.C.G.S. § 143-135.9(a)(1), compliance with information technology project management policies as defined by N.C.G.S. §143B-1340, compliance with information technology security standards and policies, substantial conformity with the specifications, and other conditions set forth in the solicitation. The following Evaluation Criteria are listed in Order of Importance.

- 1) How well the Vendor's offer conforms with the specifications
- 2) How each Vendor's offer compares with other Vendors' offers
- 3) Total Cost of Ownership
- 4) Vendor Schedule / Timeline for completing work
- 5) Strength of references relevant or material to technology area(s) or Specifications and Vendor Past Performance (The Vendor may be disqualified from any evaluation or award if the Vendor or any key personnel proposed, has previously failed to perform satisfactorily during the performance of any contract with the State, or violated rules or statutes applicable to public bidding in the State)
- 6) Risks associated with Vendor's offer which include Vendor errata and exceptions.

## **5.3 BEST AND FINAL OFFERS (BAFO)**

The State may establish a competitive range based upon evaluations of offers, and request BAFOs from the Vendor(s) within this range; e.g. "Finalist Vendor(s)". If negotiations or subsequent offers are solicited, the Vendor(s) shall provide BAFO(s) in response. Failure to deliver a BAFO when requested shall disqualify the non-responsive Vendor from further consideration. The State will evaluate BAFO(s), oral presentations, and product demonstrations as part of the Vendors' respective offers to determine the final rankings.

## **5.4 POSSESSION AND REVIEW**

During the evaluation period and prior to award, possession of the bids and accompanying information is limited to personnel of the issuing agency, and to the committee responsible for participating in the evaluation. Vendors who attempt to gain this privileged information, or to influence the evaluation process (i.e. assist in evaluation) will be in violation of purchasing rules and their offer will not be further evaluated or considered.

After award of contract the complete bid file will be available to any interested persons with the exception of trade secrets, test information or similar proprietary information as provided by statute and rule. Any proprietary or confidential information, which conforms to exclusions from public records as provided by N.C.G.S. §132-1.2 must be clearly marked as such in the offer when submitted.

## **6.0 VENDOR INFORMATION AND INSTRUCTIONS**

### **6.1 GENERAL CONDITIONS OF OFFER**

#### **6.1.1 VENDOR RESPONSIBILITY**

It shall be the Vendor's responsibility to read this entire document, review all enclosures and attachments, and comply with all specifications, requirements and the State's intent as specified herein. If a Vendor discovers an inconsistency, error or omission in this solicitation, the Vendor should request a clarification from the State's contact person.

The Vendor will be responsible for investigating and recommending the most effective and efficient solution. Consideration shall be given to the stability of the proposed configuration and the future direction of technology, confirming to the best of its ability that the recommended approach is not short lived. Several approaches may exist for hardware configurations, other products and any

software. The Vendor must provide a justification for their proposed hardware, product and software solution(s) along with costs thereof. Vendors are encouraged to present explanations of benefits and merits of their proposed solutions together with any accompanying Services, maintenance, warranties, value added Services or other criteria identified herein.

#### **6.1.2 RIGHTS RESERVED**

While the State has every intention to award a contract as a result of this RFP, issuance of the RFP in no way constitutes a commitment by the State of North Carolina, or the procuring Agency, to award a contract. Upon determining that any of the following would be in its best interests, the State may:

- a) waive any formality;
- b) amend the solicitation;
- c) cancel or terminate this RFP;
- d) reject any or all offers received in response to this RFP;
- e) waive any undesirable, inconsequential, or inconsistent provisions of this RFP;
- f) if the response to this solicitation demonstrate a lack of competition, negotiate directly with one or more Vendors;
- g) not award, or if awarded, terminate any contract if the State determines adequate State funds are not available; or
- h) if all offers are found non-responsive, determine whether Waiver of Competition criteria may be satisfied, and if so, negotiate with one or more known sources of supply.

#### **6.1.3 SOLICITATION AMENDMENTS OR REVISIONS**

Any and all amendments or revisions to this document shall be made by written addendum from the Agency Procurement Office. If either a unit price or extended price is obviously in error and the other is obviously correct, the incorrect price will be disregarded.

#### **6.1.4 ORAL EXPLANATIONS**

The State will not be bound by oral explanations or instructions given at any time during the bidding process or after award. Vendor contact regarding this RFP with anyone other than the State's contact person may be grounds for rejection of said Vendor's offer. Agency contact regarding this RFP with any Vendor may be grounds for cancellation of this RFP.

#### **6.1.5 E-PROCUREMENT**

This is an E-Procurement solicitation. See ATTACHMENT B, paragraph #38 of the attached North Carolina Department of Information Technology Terms and Conditions.

The Terms and Conditions made part of this solicitation contain language necessary for the implementation of North Carolina's statewide E-Procurement initiative. It is the Vendor's responsibility to read these terms and conditions carefully and to consider them in preparing the offer. By signature, the Vendor acknowledges acceptance of all terms and conditions including those related to E-Procurement.

- a) General information on the E-Procurement service can be found at <http://eprocurement.nc.gov/>
- b) Within two days after notification of award of a contract, the Vendor must register in NC E-Procurement @ Your Service at the following website: <http://eprocurement.nc.gov/Vendor.html>

- c) As of the RFP submittal date, the Vendor must be current on all E-Procurement fees. If the Vendor is not current on all E-Procurement fees, the State may disqualify the Vendor from participation in this RFP.

#### **6.1.6 ELECTRONIC VENDOR PORTAL (EVP)**

The State has implemented the electronic Vendor Portal (eVP) that allow the public to retrieve award notices and information on the Internet at <https://evp.nc.gov>. Results may be found by searching by Solicitation Number or agency name. This information may not be available for several weeks dependent upon the complexity of the acquisition and the length of time to complete the evaluation process.

#### **6.1.7 PROTEST PROCEDURES**

Protests of awards exceeding \$25,000 in value must be submitted to the issuing Agency at the address given on the first page of this document. Protests must be received in the purchasing agency's office within fifteen (15) calendar days from the date of this RFP award and provide specific reasons and any supporting documentation for the protest. **All protests are governed by Title 9, Department of Information Technology (formerly Office of Information Technology Services), Subchapter 06B Sections .1101 - .1121.**

### **6.2 GENERAL INSTRUCTIONS FOR VENDOR**

#### **6.2.1 SITE OR PRE-OFFER CONFERENCE (RESERVED)**

#### **6.2.2 QUESTIONS CONCERNING THE RFP**

All inquiries regarding the solicitation specifications or requirements are to be addressed to the contact person listed on Page One of this solicitation via the Ariba Sourcing Tool's message board. Vendor contact regarding this Solicitation with anyone other than the contact person listed on Page One of this Solicitation may be grounds for rejection of said Vendor's offer.

Written questions concerning this Solicitation will be received until **January 6, 2025 at 2:00 pm** Eastern Time.

They must be submitted to the contact person listed on Page One of this Solicitation via the Ariba Sourcing Tool's message board. Please enter "Questions Solicitation 30-25002-DCFW" as the subject for the message.

REFERENCE	VENDOR QUESTION
RFP Section, Page Number	

#### **6.2.3 ADDENDUM TO RFP**

If a pre-offer conference is held or written questions are received prior to the submission date, an addendum comprising questions submitted and responses to such questions, or any additional terms deemed necessary by the State shall become an Addendum to this RFP and provided via the State's Ariba Sourcing Tool. Vendors' questions posed orally at any pre-offer conference must be reduced to writing by the Vendor and provided to the Purchasing Officer as directed by said Officer. Oral answers are not binding on the State.

Critical updated information may be included in these Addenda. It is important that all Vendors bidding on this RFP periodically check the State's Sourcing Tool for all Addenda that may be issued prior to the offer opening date.

#### **6.2.4 COSTS RELATED TO OFFER SUBMISSION**

Crossroads WIC MIS 30-25002-DCFW

Costs for developing and delivering responses to this RFP and any subsequent presentations of the offer as requested by the State are entirely the responsibility of the Vendor. The State is not liable for any expense incurred by the Vendors in the preparation and presentation of their offers.

All materials submitted in response to this RFP become the property of the State and are to be appended to any formal documentation, which would further define or expand any contractual relationship between the State and the Vendor resulting from this RFP process.

#### **6.2.5 VENDOR ERRATA AND EXCEPTIONS**

Any errata or exceptions to the State's requirements and specifications may be presented on a separate page labeled "Exceptions to Requirements and Specifications". Include references to the corresponding requirements and specifications of the Solicitation. Any deviations shall be explained in detail. **The Vendor shall not construe this paragraph as inviting deviation or implying that any deviation will be acceptable. Offers of alternative or non-equivalent goods or services may be rejected if not found substantially conforming; and if offered, must be supported by independent documentary verification that the offer substantially conforms to the specified goods or services specification.** If a vendor materially deviates from RFP requirements or specifications, its offer may be determined to be non-responsive by the State.

Offers conditioned upon acceptance of Vendor Errata or Exceptions may be determined to be non-responsive by the State.

#### **6.2.6 ALTERNATE OFFERS**

The Vendor may submit alternate offers for various levels of service(s) or products meeting specifications. Alternate offers must specifically identify the RFP specifications and advantage(s) addressed by the alternate offer. Any alternate offers must be clearly marked with the legend as shown herein. Each offer must be for a specific set of Services or products and offer at specific pricing. If a Vendor chooses to respond with various service or product offerings, each must be an offer with a different price and a separate RFP offer. Vendors may also provide multiple offers for software or systems coupled with support and maintenance options, provided, however, all offers must satisfy the specifications.

Alternate offers must be submitted in a separate document and clearly marked "Alternate Offer for 'name of Vendor'" and numbered sequentially with the first offer if separate offers are submitted.

#### **6.2.7 MODIFICATIONS TO OFFER**

An offer may not be unilaterally modified by the Vendor.

#### **6.2.8 BASIS FOR REJECTION**

Pursuant to 9 NCAC 06B.0401, the State reserves the right to reject any and all offers, in whole or in part; by deeming the offer unsatisfactory as to quality or quantity, delivery, price or service offered; non-compliance with the specifications or intent of this solicitation; lack of competitiveness; error(s) in specifications or indications that revision would be advantageous to the State; cancellation or other changes in the intended project, or other determination that the proposed specification is no longer needed; limitation or lack of available funds; circumstances that prevent determination of the best offer; or any other determination that rejection would be in the best interest of the State.

#### **6.2.9 NON-RESPONSIVE OFFERS**

Vendor offers will be deemed non-responsive by the State and will be rejected without further consideration or evaluation if statements such as the following are included:

- "This offer does not constitute a binding offer",
- "This offer will be valid only if this offer is selected as a finalist or in the competitive range",
- "The Vendor does not commit or bind itself to any terms and conditions by this submission",

- “This document and all associated documents are non-binding and shall be used for discussion purposes only”,
- “This offer will not be binding on either party until incorporated in a definitive agreement signed by authorized representatives of both parties”, or
- A statement of similar intent

#### **6.2.10 VENDOR REGISTRATION WITH THE SECRETARY OF STATE**

Vendors do not have to be registered with the NC Secretary of State to submit an offer; however, in order to receive an award/contract with the State, they must be registered. Registration can be completed at the following website: [https://www.sosnc.gov/Guides/launching\\_a\\_business](https://www.sosnc.gov/Guides/launching_a_business)

#### **6.2.11 VENDOR REGISTRATION AND SOLICITATION NOTIFICATION SYSTEM**

The NC electronic Vendor Portal (eVP) allows Vendors to electronically register with the State to receive electronic notification of current procurement opportunities for goods and Services available at the following website: <https://evp.nc.gov>.

This RFP is available electronically on the electronic Vendor Portal (eVP) at the following website: <https://evp.nc.gov>.

### **6.3 INSTRUCTIONS FOR OFFER SUBMISSION**

#### **6.3.1 GENERAL INSTRUCTIONS FOR OFFER**

Vendors are strongly encouraged to adhere to the following general instructions in order to bring clarity and order to the offer and subsequent evaluation process:

- Organize the offer in the exact order in which the specifications are presented in the RFP. The Execution page of this RFP must be placed at the front of the Proposal. Each page should be numbered. The offer should contain a table of contents, which cross-references the RFP specification and the specific page of the response in the Vendor's offer.
- Provide complete and comprehensive responses with a corresponding emphasis on being concise and clear. Elaborate offers in the form of brochures or other presentations beyond that necessary to present a complete and effective offer are not desired.
- Clearly state your understanding of the problem(s) presented by this RFP including your proposed solution's ability to meet the specifications, including capabilities, features, and limitations, as described herein, and provide a cost offer.
- Supply all relevant and material information relating to the Vendor's organization, personnel, and experience that substantiates its qualifications and capabilities to perform the Services and/or provide the goods described in this RFP. If relevant and material information is not provided, the offer may be rejected from consideration and evaluation.
- Furnish all information requested; and if response spaces are provided in this document, the Vendor shall furnish said information in the spaces provided. Further, if required elsewhere in this RFP, each Vendor must submit with its offer sketches, descriptive literature and/or complete specifications covering the products offered. References to literature submitted with a previous offer will not satisfy this provision. Proposals that do not comply with these instructions may be rejected.
- Any offer that does not adhere to these instructions may be deemed non-responsive and rejected on that basis.
- Only information that is received in response to this RFP will be evaluated.** Reference to information previously submitted or Internet Website Addresses (URLs) will not suffice as a response to this solicitation.

### 6.3.2 OFFER ORGANIZATION

Within each section of its offer, Vendor should address the items in the order in which they appear in this RFP. Forms, attachments or exhibits, if any provided in the RFP, must be completed and included in the appropriate section of the offer. All discussion of offered costs, rates, or expenses must be presented in Section 4.0. Cost of Vendor's Offer.

The offer should be organized and indexed in the following format and should contain, at a minimum, all listed items below.

- a) Signed Execution Page AND all pages of this solicitation document in ONE (1) PDF. This includes:
  1. Attachments A and B
  2. Completed Description of Vendor Submitting Offer Form (Attachment C)
  3. Completed Cost Form of Vendor's Offer (Attachment D)
  4. Completed and Signed Vendor Certification Form (Attachment E)
  5. Completed Location of Workers Utilized by Vendor Form (Attachment F)
  6. Completed References (Attachment G)
  7. Completed Financial Statements (Attachment H)
  8. Attachment K
- b) Vendor Response to Specifications and Requirements
- c) Security Vendor Readiness Assessment Report (VRAR)
- d) Architecture Diagrams
- e) Detailed Project Timeline
- f) Errata and Exceptions if any
- g) Vendor's License and Maintenance Agreements if any
- h) Vendor may attach other supporting materials that it feels may improve the quality of its response. These materials should be included as items in a separate appendix.

### 6.3.3 OFFER SUBMITTAL

Due Date: **March 6, 2025**

Time: **2:00 pm** Eastern Time

**IMPORTANT NOTE:** It is the Vendor's sole responsibility to upload their offer to the Ariba Sourcing Module by the specified time and date of opening. Vendor shall bear the risk for late electronic submission due to unintended or unanticipated delay, including but not limited to internet issues, network issues, local power outages, or application issues. Vendor must include all the pages of this solicitation in their response.

**Sealed offers**, subject to the conditions made a part hereof, will be received until **2:00pm** Eastern Time on the day of opening and then opened, for furnishing and delivering the commodity as described herein. Offers must be submitted via the Ariba Sourcing Module with the Execution page signed and dated by an official authorized to bind the Vendor's firm. Failure to return a signed offer shall result in disqualification.

**Attempts to submit a proposal via facsimile (FAX) machine, telephone, email, email attachments, or in any hardcopy format in response to this Bid SHALL NOT be accepted and will automatically be deemed Non-Responsive.**

- a) Submit **one (1) signed, original electronic offer** through the Ariba Sourcing Module.
- b) The Ariba Sourcing Module document number is: WS1181143716
- c) All File names should start with the Vendor name first, in order to easily determine all the files to be included as part of the vendor's response. For example, files should be named as follows: Vendor Name-your file name.
- d) File contents **SHALL NOT** be password protected, the file formats must be in .PDF, .JPEG, .DOC or .XLS format, and shall be capable of being copied to other sources. Inability by the State to open the Vendor's files may result in the Vendor's offer(s) being rejected as Non-Responsive.
- e) **If the vendor's proposal contains any confidential information (as defined in Attachment B, then the vendor must provide one (1) signed, original electronic offer and one (1) redacted electronic copy.**

For Vendor training on how to use the Ariba Sourcing Tool to view solicitations, submit questions, develop responses, upload documents, and submit offers to the State, Vendors should go to the following site: <https://eprocurement.nc.gov/training/vendor-training>

Questions or issues related to using the Ariba Sourcing Tool itself can be directed to the North Carolina eProcurement Help Desk at 888-211-7440, Option 2. Help Desk representatives are available Monday through Friday from 7:30 AM Eastern to 5:00 PM Eastern

## **7.0 OTHER REQUIREMENTS AND SPECIAL TERMS**

### **7.1 VENDOR UTILIZATION OF WORKERS OUTSIDE OF U.S.**

In accordance with N.C.G.S. §143B-1361(b), the Vendor must detail the manner in which it intends to utilize resources or workers in the RFP response. The State of North Carolina will evaluate the additional risks, costs, and other factors associated with such utilization prior to making an award for any such Vendor's offer.

**Complete ATTACHMENT F** - Location of Workers Utilized by Vendor and submit with your offer.

### **7.2 FINANCIAL STATEMENTS**

The Vendor shall provide evidence of financial stability by returning with its offer 1) completed Financial Review Form (Attachment I), and 2) copies of Financial Statements as further described hereinbelow. As used herein, Financial Statements shall exclude tax returns and compiled statements.

- a) For a publicly traded company, Financial Statements for the past three (3) fiscal years, including at a minimum, income statements, balance sheets, and statement of changes in financial position or cash flows. If three (3) years of financial statements are not available, this information shall be provided to the fullest extent possible, but not less than one year. If less than 3 years, the Vendor must explain the reason why they are not available.
- b) For a privately held company, when certified audited financial statements are not prepared: a written statement from the company's certified public accountant stating the financial condition, debt-to-asset ratio for the past three (3) years and any pending actions that may affect the company's financial condition.

- c) The State may, in its sole discretion, accept evidence of financial stability other than Financial Statements for the purpose of evaluating Vendors' responses to this RFP. The State reserves the right to determine whether the substitute information meets the requirements for Financial Information sufficiently to allow the State to evaluate the sufficiency of financial resources and the ability of the business to sustain performance of this RFP award. Scope Statements issued may require the submission of Financial Statements and specify the number of years to be provided, the information to be provided, and the most recent date required.

### **7.3 FINANCIAL RESOURCES ASSESSMENT, QUALITY ASSURANCE, PERFORMANCE AND RELIABILITY**

- a) Contract Performance Security. The State reserves the right to require performance guaranties pursuant to N.C.G.S. §143B-1340(f) and 09 NCAC 06B.1207 from the Vendor without expense to the State.
- b) Project Assurance, Performance and Reliability Evaluation – Pursuant to N.C.G.S. §143B-1340, the State CIO may require quality assurance reviews of Projects as necessary.

### **7.4 VENDOR'S LICENSE OR SUPPORT AGREEMENTS**

Vendor should present its license or support agreements for review and evaluation. Terms offered for licensing and support of Vendors' proprietary assets will be considered.

The terms and conditions of the Vendor's standard services, license, maintenance or other agreement(s) applicable to Services, Software and other Products acquired under this RFP may apply to the extent such terms and conditions do not materially change the terms and conditions of this RFP. In the event of any conflict between the terms and conditions of this RFP and the Vendor's standard agreement(s), the terms and conditions of this RFP relating to audit and records, jurisdiction, choice of law, the State's electronic procurement application of law or administrative rules, the remedy for intellectual property infringement and the exclusive remedies and limitation of liability in the DIT Terms and Conditions herein shall apply in all cases and supersede any provisions contained in the Vendor's relevant standard agreement or any other agreement. The State shall not be obligated under any standard license and/or maintenance or other Vendor agreement(s) to indemnify or hold harmless the Vendor, its licensors, successors or assigns, nor arbitrate any dispute, nor pay late fees, penalties, legal fees or other similar costs.

### **7.5 RESELLERS (RESERVED)**

### **7.6 DISCLOSURE OF LITIGATION**

The Vendor's failure to fully and timely comply with the terms of this section, including providing reasonable assurances satisfactory to the State, may constitute a material breach of the Agreement.

- a) The Vendor shall notify the State in its offer, if it, or any of its subcontractors, or their officers, directors, or key personnel who may provide Services under any contract awarded pursuant to this solicitation, have ever been convicted of a felony, or any crime involving moral turpitude, including, but not limited to fraud, misappropriation or deception. The Vendor shall promptly notify the State of any criminal litigation, investigations or proceeding involving the Vendor or any subcontractor, or any of the foregoing entities' then current officers or directors during the term of the Agreement or any Scope Statement awarded to the Vendor.
- b) The Vendor shall notify the State in its offer, and promptly thereafter as otherwise applicable, of any civil litigation, arbitration, proceeding, or judgments against it or its subcontractors during the three (3) years preceding its offer, or which may occur during the term of any awarded to the Vendor pursuant to this solicitation, that involve (1) Services or related goods similar to those provided pursuant to any contract and that involve a claim that may affect the viability or financial stability of the Vendor, or (2) a claim or written allegation of fraud by the Vendor or any subcontractor hereunder,

arising out of their business activities, or (3) a claim or written allegation that the Vendor or any subcontractor hereunder violated any federal, state or local statute, regulation or ordinance. Multiple lawsuits and or judgments against the Vendor or subcontractor shall be disclosed to the State to the extent they affect the financial solvency and integrity of the Vendor or subcontractor.

- c) All notices under subsection A and B herein shall be provided in writing to the State within thirty (30) calendar days after the Vendor learns about any such criminal or civil matters; unless such matters are governed by the DIT Terms and Conditions annexed to the solicitation. Details of settlements which are prevented from disclosure by the terms of the settlement shall be annotated as such. Vendor may rely on good faith certifications of its subcontractors addressing the foregoing, which certifications shall be available for inspection at the option of the State.

## **7.7 CRIMINAL CONVICTION**

In the event the Vendor, an officer of the Vendor, or an owner of a 25% or greater share of the Vendor, is convicted of a criminal offense incident to the application for or performance of a State, public or private Contract or subcontract; or convicted of a criminal offense including but not limited to any of the following: embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, attempting to influence a public employee to breach the ethical conduct standards for State of North Carolina employees; convicted under State or federal antitrust statutes; or convicted of any other criminal offense which in the sole discretion of the State, reflects upon the Vendor's business integrity and such vendor shall be prohibited from entering into a contract for goods or Services with any department, institution or agency of the State.

## **7.8 SECURITY AND BACKGROUND CHECKS**

The Agency reserves the right to conduct a security background check or otherwise approve any employee or agent provided by the Vendor, and to refuse access to or require replacement of any such personnel for cause, including, but not limited to, technical or training qualifications, quality of work or change in security status or non-compliance with the Agency's security or other similar requirements.

All State and Vendor personnel that have access to data restricted by the State Security Manual and Policies must have a security background check performed. The Vendors are responsible for performing all background checks of their workforce and subcontractors. The State reserves the right to check for non-compliance.

## **7.9 ASSURANCES**

In the event that criminal or civil investigation, litigation, arbitration or other proceedings disclosed to the State pursuant to this Section, or of which the State otherwise becomes aware, during the term of the Agreement, causes the State to be reasonably concerned about:

- a) the ability of the Vendor or its subcontractor to continue to perform the Agreement in accordance with its terms and conditions, or
- b) whether the Vendor or its subcontractor in performing Services is engaged in conduct which is similar in nature to conduct alleged in such investigation, litigation, arbitration or other proceedings, which conduct would constitute a breach of the Agreement or violation of law, regulation or public policy, then the Vendor shall be required to provide the State all reasonable assurances requested by the State to demonstrate that: the Vendor or its subcontractors hereunder will be able to continue to perform the Agreement in accordance with its terms and conditions, and the Vendor or its subcontractors will not engage in conduct in performing Services under the Agreement which is similar in nature to the conduct alleged in any such litigation, arbitration or other proceedings.

## **7.10 CONFIDENTIALITY OF OFFERS**

All offers and any other RFP responses shall be made public as required by the NC Public Records Act and GS 143B-1350. Vendors may mark portions of offers as confidential or proprietary, after determining

that such information is excepted from the NC Public Records Act, provided that such marking is clear and unambiguous and preferably at the top and bottom of each page containing confidential information. Standard restrictive legends appearing on every page of an offer are not sufficient and shall not be binding upon the State.

Certain State information is not public under the NC Public Records Act and other laws. Any such information which the State designates as confidential and makes available to the Vendor in order to respond to the RFP or carry out the Agreement, or which becomes available to the Vendor in carrying out the Agreement, shall be protected by the Vendor from unauthorized use and disclosure. The Vendor shall not be required under the provisions of this section to keep confidential, (1) information generally available to the public, (2) information released by the State generally, or to the Vendor without restriction, (3) information independently developed or acquired by the Vendor or its personnel without reliance in any way on otherwise protected information of the State. Notwithstanding the foregoing restrictions, the Vendor and its personnel may use and disclose any information which it is otherwise required by law to disclose, but in each case only after the State has been so notified, and has had the opportunity, if possible, to obtain reasonable protection for such information in connection with such disclosure.

## **7.11 PROJECT MANAGEMENT**

All project management and coordination on behalf of the Agency shall be through a single point of contact designated as the Agency Project Manager. The Vendor shall designate a Vendor Project Manager who will provide a single point of contact for management and coordination of the Vendor's work. All work performed pursuant to the Agreement shall be coordinated between the Agency Project Manager and the Vendor Project Manager.

## **7.12 MEETINGS**

The Vendor is required to meet with Agency personnel, or designated representatives, to resolve technical or contractual problems that may occur during the term of the Agreement. Meetings will occur as problems arise and will be coordinated by Agency. The Vendor will be given reasonable and sufficient notice of meeting dates, times, and locations. Face to face meetings are desired. However, at the State's option and Vendor's expense, a conference call meeting or other virtual means may be substituted.

## **7.13 RECYCLING AND SOURCE REDUCTION**

It is the policy of this State to encourage and promote the purchase of products with recycled content to the extent economically practicable, and to purchase items which are reusable, refillable, repairable, more durable, and less toxic to the extent that the purchase or use is practicable and cost-effective. We also encourage and promote using minimal packaging and the use of recycled/recyclable products in the packaging of goods purchased. However, no sacrifice in quality of packaging will be acceptable. The Vendor remains responsible for providing packaging that will protect the commodity and contain it for its intended use. Vendors are strongly urged to bring to the attention of the purchasers at the NCDIT Statewide IT Procurement Office those products or packaging they offer which have recycled content and that are recyclable.

## **7.14 SPECIAL TERMS AND CONDITIONS**

- a) Should any of the Transition-Out Period tasks or the Transition-Out Completion Report not be completed and accepted by the State by the Contract end date, the Vendor will be assessed a one-time 5.00% liquidated damages of the Total Ten-Year Cost ("Liquidated Damages Assessment Amount") included in Cost Table 1. This Liquidated Damages Assessment Amount will be applied against any payments due to the Vendor. If all Vendor invoices have been paid at the time this Liquidated Damages Assessment Amount has been assessed, the Vendor will be required to pay the State this Liquidated Damages Assessment Amount within thirty (30) Calendar Days after receiving written notification of such assessment.

b) Paragraph #9 in Section 1 of the DIT Terms and Conditions is supplemented as follows: The Agency reserves the right to perform post-delivery and post-training acceptance testing for a period beginning at the start of the M&E Phase and lasting eight (8) weeks. The Agency also reserves the right to have an independent Vendor conduct testing pertaining to the functions, auditability, and related matters. At any time before the end of the test and assurance period the Agency may require any or all of the following:

- i) Have the Vendor modify the installed software to eliminate the deficiency to the Agency's satisfaction.
- ii) Have the Vendor re-install a new copy of the software product(s).
- iii) Extend the acceptance testing period for a period of \_\_\_\_30\_\_\_\_ days to allow time for Vendor to remedy the problems.
- iv) Remove the application software, cancel this Agreement, and recover payments extended from Agency funds.

## **7.15 AGENCY TERMS AND CONDITIONS (RESERVED)**

## ATTACHMENT A: DEFINITIONS

- 1) **24x7:** A statement of availability of systems, communications, and/or supporting resources every hour (24) of each day (7 days weekly) throughout every year for periods specified herein. Where reasonable downtime is accepted, it will be stated herein. Otherwise, 24x7 implies NO loss of availability of systems, communications, and/or supporting resources.
- 2) **Cybersecurity Incident (GS 143B-1320):** An occurrence that:
  - a. Actually or imminently jeopardizes, without lawful authority, the integrity, confidentiality, or availability of information or an information system; or
  - b. Constitutes a violation or imminent threat of violation of law, security policies, privacy policies, security procedures, or acceptable use policies.
- 3) **Deliverables:** Deliverables, as used herein, shall comprise all Hardware, Vendor Services, professional Services, Software and provided modifications to any Software, and incidental materials, including any goods, Software or Services access license, data, reports and documentation provided or created during the performance or provision of Services hereunder. Deliverables include "Work Product" and means any expression of Licensor's findings, analyses, conclusions, opinions, recommendations, ideas, techniques, know-how, designs, programs, enhancements, and other technical information; but not source and object code or software.
- 4) **Goods:** Includes intangibles such as computer software; provided, however that this definition does not modify the definition of "goods" in the context of N.C.G.S. §25-2-105 (UCC definition of goods).
- 5) **NCDIT or DIT:** The NC Department of Information Technology.
- 6) **Open Market Contract:** A contract for the purchase of goods or Services not covered by a term, technical, or convenience contract.
- 7) **Reasonable, Necessary or Proper:** as used herein shall be interpreted solely by the State of North Carolina.
- 8) **Request for Proposal (RFP):** The RFP is a formal, written solicitation document typically used for seeking competition and obtaining offers for more complex services or a combination of goods and services. The RFP is used when the value is over \$10,000. This document contains specifications of the RFP, instructions to bidders and the standard IT Terms and Conditions for Goods and Related Services. User should add Supplemental Terms and Conditions for Software and Services, when applicable.
- 9) **Security Breach:** As defined in N.C.G.S. §75-61.
- 10) **Significant Security Incident (GS 143B-1320):** A cybersecurity incident that is likely to result in demonstrable harm to the State's security interests, economy, critical infrastructure, or to the public confidence, civil liberties, or public health and safety of the residents of North Carolina. A significant cybersecurity incident is determined by the following factors:
  - a. Incidents that meet thresholds identified by the Department jointly with the Department of Public Safety that involve information:
    - i. That is not releasable to the public and that is restricted or highly restricted according to Statewide Data Classification and Handling Policy; or
    - ii. That involves the exfiltration, modification, deletion, or unauthorized access, or lack of availability to information or systems within certain parameters to include (i) a specific threshold of number of records or users affected as defined in G.S. 75-65 or (ii) any additional data types with required security controls.

- b. Incidents that involve information that is not recoverable or cannot be recovered within defined time lines required to meet operational commitments defined jointly by the State agency and the Department or can be recovered only through additional measures and has a high or medium functional impact to the mission of an agency.

**11) Vendor:** Company, firm, corporation, partnership, individual, etc., submitting an offer in response to a solicitation.

**12) Additional Defined Terms:**

- a. **.NET Framework:** A Microsoft proprietary platform for building desktop, web, and mobile applications.
- b. **ASP.NET:** A server-side web-application framework designed for web development to produce dynamic web pages.
- c. **BFPC:** Breastfeeding Peer Counseling Program, a component of the Crossroads MIS system.
- d. **Central Processing Site:** The data center that hosts Crossroads environments.
- e. **ClickOnce technology:** A deployment technology that enables you to create self-updating Windows-based applications that can be installed and run with minimal user interaction.
- f. **CNSS:** Community Nutrition Services Section, an organization within NC DCFW.
- g. **CR:** Change Request, also known as a Change Order. A design document that describes desired enhancements to the Crossroads MIS system.
- h. **DFDD:** Detailed Functional Design Documents, documentation that defines the detailed business requirements for the Crossroads system.
- i. **DHHS:** The North Carolina Department of Health and Human Services.
- j. **Data Dictionary:** A component of the Detailed Technical Specifications, providing detailed information for each data element in the system.
- k. **Defect:** An error in coding or logic that causes the product to malfunction or to produce incorrect or unexpected results, as required by the DFDD or other regulations and agreements.
- l. **DTS:** Detailed Technical Specifications, documentation that describes various aspects of the system architecture.
- m. **Deployment:** Unless otherwise stipulated, this refers to the phase following completion of UAT, where the Vendor installs the accepted Crossroads release into production.
- n. **Development:** Unless otherwise stipulated, this refers to the phase before UAT, where the Vendor modifies and tests a Crossroads release with agreed maintenance and enhancements.
- o. **Documentation:** Unless otherwise stipulated, this refers to all Crossroads MIS documentation, including but not limited to Detailed Functional Design Documents (DFDD), User Manuals, Detailed Technical Specifications (DTS), Interface Control Documents (ICD), External Communication Documentation (ECD), Report Definition Documentation (RDD), Installation and Configuration Instructions, Central Processing Site Operations Manual, Environment Summary Matrix, Release Notes.
- p. **DCFW:** The Division of Child and Family Well-Being, an organization within NC DHHS.
- q. **EBCI:** Eastern Band of Cherokee Indians, a separate WIC State Agency that utilizes data processing services under the North Carolina Crossroads MIS system.
- r. **EBT:** Electronic Benefit Transfer. This technology allows WIC benefits to be issued and redeemed via magnetically encoded payment cards.
- s. **ECD:** External Communication Documentation, which describes system interfaces to third party systems.
- t. **Environment:** System components, such as servers and databases, on which an instance of the Crossroads software is installed.
- u. **Environment Summary Matrix:** Documentation that summarizes the various versions of software installed on each of the environments.
- v. **FMNP:** Farmers' Market Nutrition Program, a component of the Crossroads MIS system.

- w. **FNS:** Food and Nutrition Service, an agency within the United States Department of Agriculture.
- x. **Handbook 901:** FNS reference and guide for State Agencies that administer WIC programs.
- y. **Hotfix:** A software error correction applied to test or production environments, made quickly and outside of normal development and testing processes. Characterized as a patch, not a release.
- z. **ICD:** Interface Control Document, which describes the system interface to the WIC EBT Provider. Contains far greater detail than an ECD.
- aa. **ISO:** A single software file that contains an exact copy of an optical disk, such as a CD-ROM or DVD.
- bb. **IV&V:** Independent Verification and Validation
- cc. **JAD:** Joint Application Design, a process to collect business requirements.
- dd. **M&E:** Maintenance and Enhancement, the process for ongoing modifications of the Crossroads system after the completion of the initial design, development, and implementation contract.
- ee. **MIS:** Management Information System. The complete Crossroads solution serving WIC state and local offices, WIC retail vendors, WIC participants, and other external stakeholders.
- ff. **Microsoft SQL Server:** A relational database management system (RDBMS) that stores and retrieves data for other software applications
- gg. **Onsite:** All staff are physically present in the subject facilities. No stakeholder is participating via webinar, conference calls, or any other virtual method.
- hh. **RDD:** Report Definition Documentation, which defines data elements and report layouts.
- ii. **Release Notes:** Documentation that describes the details of all software changes, both enhancements and defect corrections, included in a software release.
- jj. **Service Model:** Various levels of computing outsourced to a cloud computing provider, such as Infrastructure as a Service (IaaS), Platform as a Service (PaaS), or Software as a Service (SaaS).
- kk. **SSL connection:** Secure Sockets Layer Connection. A communication protocol that creates a secure connection between two devices or applications on a network.
- ll. **Site and System Environment:** The Central Processing Site, and associated infrastructure and platform within the NC Department of Information Technology that hosts the Crossroads system, and the vendor-hosted cloud infrastructure.
- mm. **The State:** Is the State of North Carolina, and its Agencies.
- nn. **Storage Area Network (SAN):** A high-speed network that connects storage devices so that multiple servers and computers can access a shared pool of storage space.
- oo. **Transition-In:** Startup contract activities where the Vendor works with the current incumbent vendor to assume all M&E roles and responsibilities.
- pp. **Transition-Out:** Closeout contract activities where the Vendor transitions its incumbent M&E roles and responsibilities to a new vendor.
- qq. **UAT:** User Acceptance Testing, the phase after Development where the State evaluates the delivered Crossroads release, to determine if it is ready for Deployment.
- rr. **User Manual:** Documentation that describes system operation to end users.
- ss. **Vendor:** Company, firm, corporation, partnership, individual, etc., submitting an offer in response to a solicitation.
- tt. **WBS:** Work Breakdown Structure, a decomposition of the contract into phases, deliverables, and work packages.
- uu. **WIC:** The Supplemental Nutrition Program for Women, Infants, and Children, a federal assistance program provided by FNS.

- vv. **WPF:** The Microsoft technology that runs the Crossroads application on a Windows workstation
- ww. **WUMEI:** WIC Universal MIS-EBT Interface. The design documentation that describes the interface between Crossroads and the EBT Provider.
- xx. **XML-based Web Services:** An industry standard message format used in interfaces between applications.

# ATTACHMENT B: DEPARTMENT OF INFORMATION TECHNOLOGY TERMS AND CONDITIONS FOR VENDOR HOSTED SOLUTIONS

## Section 1. General Terms and Conditions Applicable to All Purchases

1) **DEFINITIONS:** As used herein;

Agreement means the contract awarded pursuant to this RFP.

Deliverable/Product Warranties shall mean and include the warranties provided for products or deliverables licensed to the State unless superseded by a Vendor's Warranties pursuant to Vendor's License or Support Agreements.

Purchasing State Agency or Agency shall mean the Agency purchasing the goods or Services.

Services shall mean the duties and tasks undertaken by the Vendor to fulfill the requirements and specifications of this solicitation.. Services include, without limitation, providing web browser access by authorized users to Vendor hosted Computer storage, databases, Support, documentation, and other functionalities, all as a Platform as a Service ("PaaS") .

State shall mean the State of North Carolina, the Department of Information Technology (DIT), or the Purchasing State Agency in its capacity as the Contracting Agency, as appropriate.

- 2) **STANDARDS:** Any Deliverables shall meet all applicable State and federal requirements, such as State or Federal Regulation, and NC State Chief Information Officer's (CIO) policy or regulation. Vendor will provide and maintain a quality assurance system or program that includes any Deliverables and will tender or provide to the State only those Deliverables that have been inspected and found to conform to the RFP specifications. All Deliverables are subject to operation, certification, testing and inspection, and any accessibility specifications.
- 3) **WARRANTIES:** Unless otherwise expressly provided, any goods Deliverables provided by the Vendor shall be warranted for a period of 90 days after acceptance.
- 4) **SUBCONTRACTING:** The Vendor may subcontract the performance of required Services with Resources under the Agreement only with the prior written consent of the State contracting authority. Vendor shall provide the State with complete copies of any agreements made by and between Vendor and all subcontractors. The selected Vendor remains solely responsible for the performance of its subcontractors. Subcontractors, if any, shall adhere to the same standards required of the selected Vendor and the Agreement. Any contracts made by the Vendor with a subcontractor shall include an affirmative statement that the State is an intended third party beneficiary of the Agreement; that the subcontractor has no agreement with the State; and that the State shall be indemnified by the Vendor for any claim presented by the subcontractor. Notwithstanding any other term herein, Vendor shall timely exercise its contractual remedies against any non-performing subcontractor and, when appropriate, substitute another subcontractor.
- 5) **TRAVEL EXPENSES:** All travel expenses should be included in the Vendor's proposed costs. Separately stated travel expenses will not be reimbursed. In the event that the Vendor, upon specific request in writing by the State, is deemed eligible to be reimbursed for travel expenses arising under the performance of the Agreement, reimbursement will be at the out-of-state rates set forth in N.C.G.S. §138-6; as amended from time to time. Vendor agrees to use the lowest available airfare not requiring a weekend stay and to use the lowest available rate for rental vehicles. All Vendor incurred travel expenses shall be billed on a monthly basis, shall be supported by receipt and shall be paid by the State within thirty (30) days after invoice approval. Travel expenses exceeding the foregoing rates shall not be paid by the State. The State will reimburse travel allowances only for days on which the Vendor is required to be in North Carolina performing Services under the Agreement.
- 6) **GOVERNMENTAL RESTRICTIONS:** In the event any restrictions are imposed by governmental requirements that necessitate alteration of the material, quality, workmanship, or performance of the Deliverables offered prior to delivery thereof, the Vendor shall provide written notification of the necessary alteration(s) to the Agency Contract Administrator. The State reserves the right to accept any such

alterations, including any price adjustments occasioned thereby, or to cancel the Agreement. The State may advise Vendor of any restrictions or changes in specifications required by North Carolina legislation, rule or regulatory authority that require compliance by the State. In such event, Vendor shall use its best efforts to comply with the required restrictions or changes. If compliance cannot be achieved by the date specified by the State, the State may terminate the Agreement and compensate Vendor for sums then due under the Agreement.

- 7) **PROHIBITION AGAINST CONTINGENT FEES AND GRATUITIES:** Vendor warrants that it has not paid, and agrees not to pay, any bonus, commission, fee, or gratuity to any employee or official of the State for the purpose of obtaining any Contract or award issued by the State. Vendor further warrants that no commission or other payment has been or will be received from or paid to any third party contingent on the award of any Contract by the State, except as shall have been expressly communicated to the State Purchasing Agent in writing prior to acceptance of the Agreement or award in question. Each individual signing below warrants that he or she is duly authorized by their respective Party to sign the Agreement and bind the Party to the terms and conditions of this RFP. Vendor and their authorized signatory further warrant that no officer or employee of the State has any direct or indirect financial or personal beneficial interest, in the subject matter of the Agreement; obligation or Contract for future award of compensation as an inducement or consideration for making the Agreement. Subsequent discovery by the State of non-compliance with these provisions shall constitute sufficient cause for immediate termination of all outstanding contracts. Violations of this provision may result in debarment of the Vendor(s) as permitted by 9 NCAC 06B..1206, or other provision of law.
- 8) **AVAILABILITY OF FUNDS:** Any and all payments to Vendor are expressly contingent upon and subject to the appropriation, allocation and availability of funds to the Agency for the purposes set forth in the Agreement. If the Agreement or any Purchase Order issued hereunder is funded in whole or in part by federal funds, the Agency's performance and payment shall be subject to and contingent upon the continuing availability of said federal funds for the purposes of the Agreement or Purchase Order. If the term of the Agreement extends into fiscal years subsequent to that in which it is approved, such continuation of the Agreement is expressly contingent upon the appropriation, allocation and availability of funds by the N.C. Legislature for the purposes set forth in this RFP. If funds to effect payment are not available, the Agency will provide written notification to Vendor. If the Agreement is terminated under this paragraph, Vendor agrees to take back any affected Deliverables and software not yet delivered under the Agreement, terminate any Services supplied to the Agency under the Agreement, and relieve the Agency of any further obligation thereof. The State shall remit payment for Deliverables and Services accepted prior to the date of the aforesaid notice in conformance with the payment terms.
- 9) **ACCEPTANCE PROCESS:**
- a) The State shall have the obligation to notify Vendor, in writing ten calendar days following provision, performance (under a provided milestone or otherwise as agreed) or delivery of any Services or other Deliverables described in the Agreement that are not acceptable.
  - b) Acceptance testing is required for all Vendor supplied software and software or platform services unless provided otherwise in the solicitation documents or a Statement of Work. The State may define such processes and procedures as may be necessary or proper, in its opinion and discretion, to ensure compliance with the State's specifications, and Vendor's Product Warranties and technical representations. The State shall have the obligation to notify Vendor, in writing and within thirty (30) days following installation of any software deliverable if it is not acceptable.
  - c) Acceptance of Services or other Deliverables including software or platform services may be controlled by an amendment hereto, or additional terms as agreed by the Parties consistent with IT Project management under GS §143B-1340.
  - d) The notice of non-acceptance shall specify in reasonable detail the reason(s) a Service or given Deliverable is unacceptable. Acceptance by the State shall not be unreasonably withheld; but may be conditioned or delayed as required for installation and/or testing of Deliverables. Final acceptance is expressly conditioned upon completion of any applicable inspection and testing procedures. Should a Service or Deliverable fail to meet any specifications or acceptance criteria, the State may exercise any and all rights hereunder. Services or Deliverables discovered to be defective or failing to conform

to the specifications may be rejected upon initial inspection or at any later time if the defects or errors contained in the Services or Deliverables or non-compliance with the specifications were not reasonably ascertainable upon initial inspection. If the Vendor fails to promptly cure or correct the defect or replace or re-perform the Services or Deliverables, the State reserves the right to cancel the Purchase Order, contract with a different Vendor, and to invoice the original Vendor for any differential in price over the original Contract price.

- 10) PAYMENT TERMS:** Monthly Payment terms are Net 30 days after receipt of correct invoice and acceptance of one or more of the Deliverables, under milestones or otherwise as may be provided in Paragraph 9 (Acceptance), or elsewhere in this solicitation, unless a period of more than thirty (30) days is required by the Agency. The Purchasing State Agency is responsible for all payments under the Agreement. No additional charges to the Agency will be permitted based upon, or arising from, the Agency's use of a Business Procurement Card. The State may exercise any and all rights of Set Off as permitted in Chapter 105A-1 *et. seq.* of the N.C. General Statutes and applicable Administrative Rules. Upon Vendor's written request of not less than thirty (30) days and approval by the State or Agency, the Agency may:
- a) Forward the Vendor's payment check(s) directly to any person or entity designated by the Vendor, or
  - b) Include any person or entity designated in writing by Vendor as a joint payee on the Vendor's payment check(s), however
  - c) In no event shall such approval and action obligate the State to anyone other than the Vendor and the Vendor shall remain responsible for fulfillment of all Contract obligations.
- 11) EQUAL EMPLOYMENT OPPORTUNITY:** Vendor shall comply with all Federal and State requirements concerning fair employment and employment of the disabled, and concerning the treatment of all employees without regard to discrimination by reason of race, color, religion, sex, national origin or physical disability.
- 12) ADVERTISING/PRESS RELEASE:** The Vendor absolutely shall not publicly disseminate any information concerning the Agreement without prior written approval from the State or its Agent. For the purpose of this provision of the Agreement, the Agent is the Purchasing Agency Contract Administrator unless otherwise named in the solicitation documents.
- 13) LATE DELIVERY:** Vendor shall advise the Agency contact person or office immediately upon determining that any Deliverable will not, or may not, be delivered or performed at the time or place specified. Together with such notice, Vendor shall state the projected delivery time and date. In the event the delay projected by Vendor is unsatisfactory, the Agency shall so advise Vendor and may proceed to procure the particular substitute Services or other Deliverables.
- 14) ACCESS TO PERSONS AND RECORDS:** Pursuant to N.C.G.S. §147-64.7, the Agency, the State Auditor, appropriate federal officials, and their respective authorized employees or agents are authorized to examine all books, records, and accounts of the Vendor insofar as they relate to transactions with any department, board, officer, commission, institution, or other agency of the State of North Carolina pursuant to the performance of the Agreement or to costs charged to the Agreement. The Vendor shall retain any such books, records, and accounts for a minimum of three (3) years after the completion of the Agreement. Additional audit or reporting requirements may be required by any Agency, if in the Agency's opinion, such requirement is imposed by federal or state law or regulation.
- 15) ASSIGNMENT:** Vendor may not assign the Agreement or its obligations hereunder except as permitted by 09 NCAC 06B.1003 and this Paragraph. Vendor shall provide reasonable notice of not less than thirty (30) days prior to any consolidation, acquisition, or merger. Any assignee shall affirm the Agreement attorning and agreeing to the terms and conditions agreed, and that Vendor shall affirm that the assignee is fully capable of performing all obligations of Vendor under the Agreement. An assignment may be made, if at all, in writing by the Vendor, Assignee and the State setting forth the foregoing obligation of Vendor and Assignee.
- 16) INSURANCE COVERAGE:** During the term of the Agreement, the Vendor at its sole cost and expense shall provide commercial insurance of such type and with such terms and limits as may be reasonably associated with the Agreement. As a minimum, the Vendor shall provide and maintain the following coverage and limits:

- a) **Worker's Compensation** - The Vendor shall provide and maintain Worker's Compensation Insurance, as required by the laws of North Carolina, as well as employer's liability coverage with minimum limits of \$100,000.00, covering all of Vendor's employees who are engaged in any work under the Agreement. If any work is sublet, the Vendor shall require the subcontractor to provide the same coverage for any of his employees engaged in any work under the Agreement; and
- b) **Commercial General Liability** - General Liability Coverage on a Comprehensive Broad Form on an occurrence basis in the minimum amount of \$2,000,000.00 Combined Single Limit (Defense cost shall be in excess of the limit of liability); and
- c) **Automobile** - Automobile Liability Insurance, to include liability coverage, covering all owned, hired and non-owned vehicles, used in connection with the Agreement. The minimum combined single limit shall be \$500,000.00 bodily injury and property damage; \$500,000.00 uninsured/under insured motorist; and \$5,000.00 medical payment; and
- d) Providing and maintaining adequate insurance coverage described herein is a material obligation of the Vendor and is of the essence of the Agreement. All such insurance shall meet all laws of the State of North Carolina. Such insurance coverage shall be obtained from companies that are authorized to provide such coverage and that are authorized by the Commissioner of Insurance to do business in North Carolina. The Vendor shall at all times comply with the terms of such insurance policies, and all requirements of the insurer under any such insurance policies, except as they may conflict with existing North Carolina laws or the Agreement. The limits of coverage under each insurance policy maintained by the Vendor shall not be interpreted as limiting the Vendor's liability and obligations under the Agreement.

**17) DISPUTE RESOLUTION:** The parties agree that it is in their mutual interest to resolve disputes informally. A claim by the Vendor shall be submitted in writing to the Agency Contract Administrator for decision. A claim by the State shall be submitted in writing to the Vendor's Contract Administrator for decision. The Parties shall negotiate in good faith and use all reasonable efforts to resolve such dispute(s). During the time the Parties are attempting to resolve any dispute, each shall proceed diligently to perform their respective duties and responsibilities under the Agreement. If a dispute cannot be resolved between the Parties within thirty (30) days after delivery of notice, either Party may elect to exercise any other remedies available under the Agreement, or at law. This term shall not constitute an agreement by either party to mediate or arbitrate any dispute.

**18) CONFIDENTIALITY:** In accordance with N.C.G.S. §143B-1350(e) and 143B-1375, and 09 NCAC 06B.0103 and 06B.1001, the State may maintain the confidentiality of certain types of information described in N.C.G.S. §132-1 *et seq.* Such information may include trade secrets defined by N.C.G.S. §66-152 and other information exempted from the Public Records Act pursuant to N.C.G.S. §132-1.2. Vendor may designate appropriate portions of its response as confidential, consistent with and to the extent permitted under the Statutes and Rules set forth above, by marking the top and bottom of pages containing confidential information with a legend in boldface type "**CONFIDENTIAL**". By so marking any page, the Vendor warrants that it has formed a good faith opinion, having received such necessary or proper review by counsel and other knowledgeable advisors that the portions marked confidential meet the requirements of the Rules and Statutes set forth above. ***However, under no circumstances shall price information be designated as confidential.*** The State may serve as custodian of Vendor's confidential information and not as an arbiter of claims against Vendor's assertion of confidentiality. If an action is brought pursuant to N.C.G.S. §132-9 to compel the State to disclose information marked confidential, the Vendor agrees that it will intervene in the action through its counsel and participate in defending the State, including any public official(s) or public employee(s). The Vendor agrees that it shall hold the State and any official(s) and individual(s) harmless from any and all damages, costs, and attorneys' fees awarded against the State in the action. The State agrees to promptly notify the Vendor in writing of any action seeking to compel the disclosure of Vendor's confidential information. The State shall have the right, at its option and expense, to participate in the defense of the action through its counsel. The State shall have no liability to Vendor with respect to the disclosure of Vendor's confidential information ordered by a court of competent jurisdiction pursuant to N.C.G.S. §132-9 or other applicable law.

- a) Care of Information: Vendor agrees to use commercial best efforts to safeguard and protect any data, documents, files, and other materials received from the State or the Agency during performance of any contractual obligation from loss, destruction or erasure. Vendor agrees to abide by all facilities and security requirements and policies of the agency where work is to be performed. Any Vendor personnel shall abide by such facilities and security requirements and shall agree to be bound by the terms and conditions of the Agreement.
- b) Vendor warrants that all its employees and any approved third party Vendors or subcontractors are subject to a non-disclosure and confidentiality agreement enforceable in North Carolina. Vendor will, upon request of the State, verify and produce true copies of any such agreements. Production of such agreements by Vendor may be made subject to applicable confidentiality, non-disclosure or privacy laws; provided that Vendor produces satisfactory evidence supporting exclusion of such agreements from disclosure under the N.C. Public Records laws in N.C.G.S. §132-1 *et seq.* The State may, in its sole discretion, provide a non-disclosure and confidentiality agreement satisfactory to the State for Vendor's execution. The State may exercise its rights under this subparagraph as necessary or proper, in its discretion, to comply with applicable security regulations or statutes including, but not limited to 26 USC 6103 and IRS Publication 1075, (Tax Information Security Guidelines for Federal, State, and Local Agencies), HIPAA, 42 USC 1320(d) (Health Insurance Portability and Accountability Act), any implementing regulations in the Code of Federal Regulations, and any future regulations imposed upon the Department of Information Technology or the N.C. Department of Revenue pursuant to future statutory or regulatory requirements.
- c) Nondisclosure: Vendor agrees and specifically warrants that it, its officers, directors, principals and employees, and any subcontractors, shall hold all information received during performance of the Agreement in the strictest confidence and shall not disclose the same to any third party without the express written approval of the State.
- d) The Vendor shall protect the confidentiality of all information, data, instruments, studies, reports, records and other materials provided to it by the Agency or maintained or created in accordance with this Agreement. No such information, data, instruments, studies, reports, records and other materials in the possession of Vendor shall be disclosed in any form without the prior written consent of the State Agency. The Vendor will have written policies governing access to and duplication and dissemination of all such information, data, instruments, studies, reports, records and other materials.
- e) All project materials, including software, data, and documentation created during the performance or provision of Services hereunder that are not licensed to the State or are not proprietary to the Vendor are the property of the State of North Carolina and must be kept confidential or returned to the State, or destroyed. Proprietary Vendor materials shall be identified to the State by Vendor prior to use or provision of Services hereunder and shall remain the property of the Vendor. Derivative works of any Vendor proprietary materials prepared or created during the performance of provision of Services hereunder shall be subject to a perpetual, royalty free, nonexclusive license to the State.

**19) DEFAULT:** In the event Services or other Deliverable furnished or performed by the Vendor during performance of any Contract term fail to conform to any material requirement(s) of the Contract specifications, notice of the failure is provided by the State and if the failure is not cured within ten (10) days, or Vendor fails to meet the requirements of Paragraph 9) herein, the State may cancel the contract. Default may be cause for debarment as provided in 09 NCAC 06B.1206. The rights and remedies of the State provided above shall not be exclusive and are in addition to any other rights and remedies provided by law or under the Contract.

- a) If Vendor fails to deliver or provide correct Services or other Deliverables within the time required by the Agreement, the State shall provide written notice of said failure to Vendor, and by such notice require performance assurance measures pursuant to N.C.G.S. 143B-1340(f). Vendor is responsible for the delays resulting from its failure to deliver or provide services or other Deliverables.
- b) Should the State fail to perform any of its obligations upon which Vendor's performance is conditioned, Vendor shall not be in default for any delay, cost increase or other consequences resulting from the State's failure. Vendor will use reasonable efforts to mitigate delays, costs or expenses arising from assumptions in the Vendor's offer documents that prove erroneous or are

otherwise invalid. Any deadline that is affected by any such failure in assumptions or performance by the State shall be extended by an amount of time reasonably necessary to compensate for the effect of such failure.

- c) Vendor shall provide a plan to cure any delay or default if requested by the State. The plan shall state the nature of the delay or default, the time required for cure, any mitigating factors causing or tending to cause the delay or default, and such other information as the Vendor may deem necessary or proper to provide.
- d) If the prescribed acceptance testing stated in the Solicitation Documents or performed pursuant to Paragraph 9) of the DIT Terms and Conditions is not completed successfully, the State may request substitute Software, cancel the portion of the Contract that relates to the unaccepted Software, or continue the acceptance testing with or without the assistance of Vendor. These options shall remain in effect until such time as the testing is successful or the expiration of any time specified for completion of the testing. If the testing is not completed after exercise of any of the State's options, the State may cancel any portion of the contract related to the failed Software and take action to procure substitute software. If the failed software (or the substituted software) is an integral and critical part of the proper completion of the work for which the Deliverables identified in the solicitation documents or statement of work were acquired, the State may terminate the entire contract.

**20) WAIVER OF DEFAULT:** Waiver by either party of any default or breach by the other Party shall not be deemed a waiver of any subsequent default or breach and shall not be construed to be a modification or novation of the terms of the Agreement, unless so stated in writing and signed by authorized representatives of the Agency and the Vendor, and made as an amendment to the Agreement pursuant to Paragraph 40) herein below.

**21) TERMINATION:** Any notice or termination made under the Agreement shall be transmitted via US Mail, Certified Return Receipt Requested. The period of notice for termination shall begin on the day the return receipt is signed and dated.

- a) The parties may mutually terminate the Agreement by written agreement at any time.
- b) The State may terminate the Agreement, in whole or in part, pursuant to Paragraph 19), or pursuant to the Special Terms and Conditions in the Solicitation Documents, if any, or for any of the following:
  - i) Termination for Cause: In the event any goods, software, or service furnished by the Vendor during performance of any Contract term fails to conform to any material requirement of the Contract, and the failure is not cured within the specified time after providing written notice thereof to Vendor, the State may cancel and procure the articles or Services from other sources; holding Vendor liable for any excess costs occasioned thereby, subject only to the limitations provided in Paragraphs 22) and 23) herein. The rights and remedies of the State provided above shall not be exclusive and are in addition to any other rights and remedies provided by law or under the Contract. Vendor shall not be relieved of liability to the State for damages sustained by the State arising from Vendor's breach of the Agreement; and the State may, in its discretion, withhold any payment due as a setoff until such time as the damages are finally determined or as agreed by the parties. Voluntary or involuntary Bankruptcy or receivership by Vendor shall be cause for termination.
  - ii) Termination For Convenience Without Cause: The State may terminate service and indefinite quantity contracts, in whole or in part by giving thirty (30) days prior notice in writing to the Vendor. Vendor shall be entitled to sums due as compensation for Deliverables provided and Services performed in conformance with the Contract. In the event the Contract is terminated for the convenience of the State the Agency will pay for all work performed and products delivered in conformance with the Contract up to the date of termination.
  - iii) Consistent failure to participate in problem resolution meetings, two (2) consecutive missed or rescheduled meetings, or failure to make a good faith effort to resolve problems, may result in termination of the Agreement.

**22) LIMITATION OF VENDOR'S LIABILITY:**

- a) Where Deliverables are under the State's exclusive management and control, the Vendor shall not be liable for direct damages caused by the State's failure to fulfill any State responsibilities of assuring the

proper use, management and supervision of the Deliverables and programs, audit controls, operating methods, office procedures, or for establishing all proper checkpoints necessary for the State's intended use of the Deliverables. Vendor shall not be responsible for any damages that arise from (i) misuse or modification of Vendor's Software by or on behalf of the State, (ii) the State's failure to use corrections or enhancements made available by Vendor, (iii) the quality or integrity of data from other automated or manual systems with which the Vendor's Software interfaces, (iv) errors in or changes to third party software or hardware implemented by the State or a third party (including the vendors of such software or hardware) that is not a subcontractor of Vendor or that is not supported by the Deliverables, or (vi) the operation or use of the Vendor's Software not in accordance with the operating procedures developed for the Vendor's Software or otherwise in a manner not contemplated by this Agreement.

- b) The Vendor's liability for damages to the State arising under the contract shall be limited to two times the value of the Contract.
- c) The foregoing limitation of liability shall not apply to claims covered by other specific provisions including but not limited to Service Level Agreement or Deliverable/Product Warranties pursuant to Section II, 2) of these Terms and Conditions, or to claims for injury to persons or damage to tangible personal property, gross negligence or willful or wanton conduct. This limitation of liability does not apply to contributions among joint tortfeasors under N.C.G.S. 1B-1 *et seq.*, the receipt of court costs or attorney's fees that might be awarded by a court in addition to damages after litigation based on the Agreement. For avoidance of doubt, the Parties agree that the Service Level Agreement and Deliverable/Product Warranty Terms in the Contract are intended to provide the sole and exclusive remedies available to the State under the Contract for the Vendor's failure to comply with the requirements stated therein.

**23) VENDOR'S LIABILITY FOR INJURY TO PERSONS OR DAMAGE TO PROPERTY:**

- a) The Vendor shall be liable for damages arising out of personal injuries and/or damage to real or tangible personal property of the State, employees of the State, persons designated by the State for training, or person(s) other than agents or employees of the Vendor, designated by the State for any purpose, prior to, during, or subsequent to delivery, installation, acceptance, and use of the Deliverables either at the Vendor's site or at the State's place of business, provided that the injury or damage was caused by the fault or negligence of the Vendor.
- b) The Vendor agrees to indemnify, defend and hold the Agency and the State and its Officers, employees, agents and assigns harmless from any liability relating to personal injury or injury to real or personal property of any kind, accruing or resulting to any other person, firm or corporation furnishing or supplying work, Services, materials or supplies in connection with the performance of the Agreement, whether tangible or intangible, arising out of the ordinary negligence, wilful or wanton negligence, or intentional acts of the Vendor, its officers, employees, agents, assigns or subcontractors.
- c) Vendor shall not be liable for damages arising out of or caused by an alteration or an attachment not made or installed by the Vendor.

**24) TIME IS OF THE ESSENCE:** Time is of the essence in the performance of the Agreement.

**25) DATE AND TIME WARRANTY:** The Vendor warrants that any Deliverable, whether Services, hardware, firmware, middleware, custom or commercial software, or internal components, subroutines, and interface therein which performs, modifies or affects any date and/or time data recognition function, calculation, or sequencing, will still enable the modified function to perform accurate date/time data and leap year calculations. This warranty shall survive termination or expiration of the Contract.

**26) INDEPENDENT CONTRACTORS:** Vendor and its employees, officers and executives, and subcontractors, if any, shall be independent Vendors and not employees or agents of the State. The Agreement shall not operate as a joint venture, partnership, trust, agency or any other similar business relationship.

**27) TRANSPORTATION:** Transportation of any tangible Deliverables shall be FOB Destination; unless otherwise specified in the solicitation document or purchase order. Freight, handling, hazardous material charges, and distribution and installation charges shall be included in the total price of each item. Any

additional charges shall not be honored for payment unless authorized in writing by the Purchasing State Agency. In cases where parties, other than the Vendor ship materials against this order, the shipper must be instructed to show the purchase order number on all packages and shipping manifests to ensure proper identification and payment of invoices. A complete packing list must accompany each shipment.

**28) NOTICES:** Any notices required under the Agreement should be delivered to the Contract Administrator for each party. Unless otherwise specified in the Solicitation Documents, any notices shall be delivered in writing by U.S. Mail, Commercial Courier or by hand.

**29) TITLES AND HEADINGS:** Titles and Headings in the Agreement are used for convenience only and do not define, limit or proscribe the language of terms identified by such Titles and Headings.

**30) AMENDMENT:** The Agreement may not be amended orally or by performance. Any amendment must be made in written form and signed by duly authorized representatives of the State and Vendor in conformance with Paragraph 36) herein.

**31) TAXES:** The State of North Carolina is exempt from Federal excise taxes and no payment will be made for any personal property taxes levied on the Vendor or for any taxes levied on employee wages. Agencies of the State may have additional exemptions or exclusions for federal or state taxes. Evidence of such additional exemptions or exclusions may be provided to Vendor by Agencies, as applicable, during the term of the Agreement. Applicable State or local sales taxes shall be invoiced as a separate item.

**32) GOVERNING LAWS, JURISDICTION, AND VENUE:**

a) The Agreement is made under and shall be governed and construed in accordance with the laws of the State of North Carolina and applicable Administrative Rules. The place of the Agreement or purchase order, its situs and forum, shall be Wake County, North Carolina, where all matters, whether sounding in Contract or in tort, relating to its validity, construction, interpretation and enforcement shall be determined. Vendor agrees and submits, solely for matters relating to the Agreement, to the jurisdiction of the courts of the State of North Carolina, and stipulates that Wake County shall be the proper venue for all matters.

b) Except to the extent the provisions of the Contract are clearly inconsistent therewith, the applicable provisions of the Uniform Commercial Code as modified and adopted in North Carolina shall govern the Agreement. To the extent the Contract entails both the supply of "goods" and "Services," such shall be deemed "goods" within the meaning of the Uniform Commercial Code, except when deeming such Services as "goods" would result in a clearly unreasonable interpretation.

**33) FORCE MAJEURE:** Neither party shall be deemed to be in default of its obligations hereunder if and so long as it is prevented from performing such obligations as a result of events beyond its reasonable control, including without limitation, fire, power failures, any act of war, hostile foreign action, nuclear explosion, riot, strikes or failures or refusals to perform under subcontracts, civil insurrection, earthquake, hurricane, tornado, or other catastrophic natural event or act of God.

**34) COMPLIANCE WITH LAWS:** The Vendor shall comply with all laws, ordinances, codes, rules, regulations, and licensing requirements that are applicable to the conduct of its business, including those of federal, state, and local agencies having jurisdiction and/or authority.

**35) SEVERABILITY:** In the event that a court of competent jurisdiction holds that a provision or requirement of the Agreement violates any applicable law, each such provision or requirement shall be enforced only to the extent it is not in violation of law or is not otherwise unenforceable and all other provisions and requirements of the Agreement shall remain in full force and effect. All promises, requirement, terms, conditions, provisions, representations, guarantees and warranties contained herein shall survive the expiration or termination date unless specifically provided otherwise herein, or unless superseded by applicable federal or State statute, including statutes of repose or limitation.

**36) CHANGES:** The Agreement and subsequent purchase order(s) is awarded subject to the provision of the specified Services and the shipment or provision of other Deliverables as specified herein. Any changes made to the Agreement or purchase order proposed by the Vendor are hereby rejected unless accepted in writing by the Agency or State Award Authority. The State shall not be responsible for Services or other Deliverables delivered without a purchase order from the Agency or State Award Authority.

**37) FEDERAL INTELLECTUAL PROPERTY BANKRUPTCY PROTECTION ACT:** The Parties agree that the Agency shall be entitled to all rights and benefits of the Federal Intellectual Property Bankruptcy Protection Act, Public Law 100-506, codified at 11 U.S.C. 365(n), and any amendments thereto.

**38) ELECTRONIC PROCUREMENT (Applies to all contracts that include E-Procurement and are identified as such in the body of the solicitation document):** Purchasing shall be conducted through the Statewide E-Procurement Services. The State's third party agent shall serve as the Supplier Manager for this E-Procurement Services. The Vendor shall register for the Statewide E-Procurement Services within two (2) business days of notification of award in order to receive an electronic purchase order resulting from award of the Agreement.

- a) **The successful Vendor(s) shall pay a transaction fee of 1.75% (.0175) on the total dollar amount (excluding sales taxes) of each purchase order issued through the Statewide E-Procurement Service.** This applies to all purchase orders, regardless of the quantity or dollar amount of the purchase order. The transaction fee shall neither be charged to nor paid by the State, or by any State approved users of the contract. The transaction fee shall not be stated or included as a separate item in the proposed contract or invoice. There are no additional fees or charges to the Vendor for the Services rendered by the Supplier Manager under the Agreement. Vendor will receive a credit for transaction fees they paid for the purchase of any item(s) if an item(s) is returned through no fault of the Vendor. Transaction fees are non-refundable when an item is rejected and returned, or declined, due to the Vendor's failure to perform or comply with specifications or requirements of the contract.
- b) Vendor, or its authorized Reseller, as applicable, will be invoiced monthly for the State's transaction fee by the Supplier Manager. The transaction fee shall be based on purchase orders issued for the prior month. Unless Supplier Manager receives written notice from the Vendor identifying with specificity any errors in an invoice within thirty (30) days of the receipt of invoice, such invoice shall be deemed to be correct and Vendor shall have waived its right to later dispute the accuracy and completeness of the invoice. Payment of the transaction fee by the Vendor is due to the account designated by the State within thirty (30) days after receipt of the correct invoice for the transaction fee, which includes payment of all portions of an invoice not in dispute. Within thirty (30) days of the receipt of invoice, Vendor may request in writing an extension of the invoice payment due date for that portion of the transaction fee invoice for which payment of the related goods by the governmental purchasing entity has not been received by the Vendor. If payment of the transaction fee invoice is not received by the State within this payment period, it shall be considered a material breach of contract. The Supplier Manager shall provide, whenever reasonably requested by the Vendor in writing (including electronic documents), supporting documentation from the E-Procurement Service that accounts for the amount of the invoice.
- c) The Supplier Manager will capture the order from the State approved user, including the shipping and payment information, and submit the order in accordance with the E-Procurement Services. Subsequently, the Supplier Manager will send those orders to the appropriate Vendor on State Contract. The State or State approved user, not the Supplier Manager, shall be responsible for the solicitation, offers received, evaluation of offers received, award of Contract, and the payment for goods delivered.
- d) Vendor agrees at all times to maintain the confidentiality of its user name and password for the Statewide E-Procurement Services. If a Vendor is a corporation, partnership or other legal entity, then the Vendor may authorize its employees to use its password. Vendor shall be responsible for all activity and all charges for such employees. Vendor agrees not to permit a third party to use the Statewide E-Procurement Services through its account. If there is a breach of security through the Vendor's account, Vendor shall immediately change its password and notify the Supplier Manager of the security breach by e-mail. Vendor shall cooperate with the state and the Supplier Manager to mitigate and correct any security breach.
- e) The transaction fee applies only to commodities obtained under this contract, if any. The transaction fee does not apply to services obtained under this contract.

**39) PATENT, COPYRIGHT, AND TRADE SECRET PROTECTION:**

- a) Vendor has created, acquired or otherwise has rights in, and may, in connection with the performance of Services for the State, employ, provide, create, acquire or otherwise obtain rights in various concepts, ideas, methods, methodologies, procedures, processes, know-how, techniques, models, templates and general purpose consulting and software tools, utilities and routines (collectively, the "Vendor technology"). To the extent that any Vendor technology is contained in any of the Services or Deliverables including any derivative works, the Vendor hereby grants the State a royalty-free, fully paid, worldwide, perpetual, non-exclusive license to use such Vendor technology in connection with the Services or Deliverables for the State's purposes.
- b) Vendor shall not acquire any right, title and interest in and to the copyrights for goods, any and all software, technical information, specifications, drawings, records, documentation, data or derivative works thereof, or other work products provided by the State to Vendor. The State hereby grants Vendor a royalty-free, fully paid, worldwide, perpetual, non-exclusive license for Vendor's internal use to non-confidential deliverables first originated and prepared by the Vendor for delivery to the State.
- c) The Vendor, at its own expense, shall defend any action brought against the State to the extent that such action is based upon a claim that the Services or other Deliverables supplied by the Vendor, or the operation of such pursuant to a current version of vendor-supplied software, infringes a patent, or copyright or violates a trade secret in the United States. The Vendor shall pay those costs and damages finally awarded against the State in any such action; damages shall be limited as provided in N.C.G.S. 143B-1350(h1). Such defense and payment shall be conditioned on the following:
  - i. That the Vendor shall be notified within a reasonable time in writing by the State of any such claim; and,
  - ii. That the Vendor shall have the sole control of the defense of any action on such claim and all negotiations for its settlement or compromise, provided, however, that the State shall have the option to participate in such action at its own expense.
- d) Should any Services or other Deliverables supplied by Vendor, or the operation thereof become, or in the Vendor's opinion are likely to become, the subject of a claim of infringement of a patent, copyright, or a trade secret in the United States, the State shall permit the Vendor, at its option and expense, either to procure for the State the right to continue using the Services or Deliverables, or to replace or modify the same to become noninfringing and continue to meet procurement specifications in all material respects. If neither of these options can reasonably be taken, or if the use of such Services or Deliverables by the State shall be prevented by injunction, the Vendor agrees to take back any goods/hardware or software, and refund any sums the State has paid Vendor less any reasonable amount for use or damage and make every reasonable effort to assist the state in procuring substitute Services or Deliverables. If, in the sole opinion of the State, the return of such infringing Services or Deliverables makes the retention of other Services or Deliverables acquired from the Vendor under the agreement impractical, the State shall then have the option of terminating the contract, or applicable portions thereof, without penalty or termination charge. The Vendor agrees to take back Services or Deliverables and refund any sums the State has paid Vendor less any reasonable amount for use or damage.
- e) Vendor will not be required to defend or indemnify the State if any claim by a third party against the State for infringement or misappropriation (i) results from the State's alteration of any Vendor-branded Service or Deliverable, or (ii) results from the continued use of the good(s) or services and other Services or Deliverables after receiving notice they infringe a trade secret of a third party.
- f) Nothing stated herein, however, shall affect Vendor's ownership in or rights to its preexisting intellectual property and proprietary rights.

**40) UNANTICIPATED TASKS** In the event that additional work must be performed that was wholly unanticipated, and that is not specified in the Agreement, but which in the opinion of both parties is necessary to the successful accomplishment of the contracted scope of work, the procedures outlined in this article will be followed. For each item of unanticipated work, the Vendor shall prepare a work authorization in accordance with the State's practices and procedures.

- a) It is understood and agreed by both parties that all of the terms and conditions of the Agreement shall remain in force with the inclusion of any work authorization. A work authorization shall not constitute a contract separate from the Agreement, nor in any manner amend or supersede any of the other terms or provisions of the Agreement or any amendment hereto.
- b) Each work authorization shall comprise a detailed statement of the purpose, objective, or goals to be undertaken by the Vendor, the job classification or approximate skill level or sets of the personnel required, an identification of all significant material then known to be developed by the Vendor's personnel as a Deliverable, an identification of all significant materials to be delivered by the State to the Vendor's personnel, an estimated time schedule for the provision of the Services by the Vendor, completion criteria for the work to be performed, the name or identification of Vendor's personnel to be assigned, the Vendor's estimated work hours required to accomplish the purpose, objective or goals, the Vendor's billing rates and units billed, and the Vendor's total estimated cost of the work authorization.
- c) All work authorizations must be submitted for review and approval by the procurement office that approved the original Contract and procurement. This submission and approval must be completed prior to execution of any work authorization documentation or performance thereunder. All work authorizations must be written and signed by the Vendor and the State prior to beginning work.
- d) The State has the right to require the Vendor to stop or suspend performance under the "Stop Work" provision of the North Carolina Department of Information Technology Terms and Conditions.
- e) The Vendor shall not expend Personnel resources at any cost to the State in excess of the estimated work hours unless this procedure is followed: If, during performance of the work, the Vendor determines that a work authorization to be performed under the Agreement cannot be accomplished within the estimated work hours, the Vendor will be required to complete the work authorization in full. Upon receipt of such notification, the State may:
  - a. Authorize the Vendor to expend the estimated additional work hours or service in excess of the original estimate necessary to accomplish the work authorization, or
  - b. Terminate the work authorization, or
  - c. Alter the scope of the work authorization in order to define tasks that can be accomplished within the remaining estimated work hours.
  - d. The State will notify the Vendor in writing of its election within seven (7) calendar days after receipt of the Vendor's notification. If notice of the election is given to proceed, the Vendor may expend the estimated additional work hours or Services.

**41) STOP WORK ORDER** The State may issue a written Stop Work Order to Vendor for cause at any time requiring Vendor to suspend or stop all, or any part, of the performance due under the Agreement for a period up to ninety (90) days after the Stop Work Order is delivered to the Vendor. The ninety (90) day period may be extended for any further period for which the parties may agree.

- a) The Stop Work Order shall be specifically identified as such and shall indicate that it is issued under this term. Upon receipt of the Stop Work Order, the Vendor shall immediately comply with its terms and take all reasonable steps to minimize incurring costs allocable to the work covered by the Stop Work Order during the period of work suspension or stoppage. Within a period of ninety (90) days after a Stop Work Order is delivered to Vendor, or within any extension of that period to which the parties agree, the State shall either:
  - i) Cancel the Stop Work Order, or
  - ii) Terminate the work covered by the Stop Work Order as provided for in the termination for default or the termination for convenience clause of the Agreement.

- b) If a Stop Work Order issued under this clause is canceled or the period of the Stop Work Order or any extension thereof expires, the Vendor shall resume work. The State shall make an equitable adjustment in the delivery schedule, the Agreement price, or both, and the Agreement shall be modified, in writing, accordingly, if:
  - i) The Stop Work Order results in an increase in the time required for, or in the Vendor's cost properly allocable to the performance of any part of the Agreement, and
  - ii) The Vendor asserts its right to an equitable adjustment within thirty (30) days after the end of the period of work stoppage; provided that if the State decides the facts justify the action, the State may receive and act upon an offer submitted at any time before final payment under the Agreement.
- c) If a Stop Work Order is not canceled and the work covered by the Stop Work Order is terminated in accordance with the provision entitled Termination for Convenience of the State, the State shall allow reasonable direct costs resulting from the Stop Work Order in arriving at the termination settlement.
- d) The State shall not be liable to the Vendor for loss of profits because of a Stop Work Order issued under this term.

**41) TRANSITION ASSISTANCE** If the Agreement is not renewed at the end of the term, or is canceled prior to its expiration, for any reason, the Vendor must provide for up to six (6) months after the expiration or cancellation of the Agreement, all reasonable transition assistance requested by the State, to allow for the expired or canceled portion of the Services to continue without interruption or adverse effect, and to facilitate the orderly transfer of such Services to the State or its designees. Such transition assistance will be deemed by the parties to be governed by the terms and conditions of the Agreement, (notwithstanding this expiration or cancellation) except for those Contract terms or conditions that do not reasonably apply to such transition assistance. The State shall pay the Vendor for any resources utilized in performing such transition assistance at the most current rates provided by the Agreement for Contract performance. If the State cancels the Agreement for cause, then the State will be entitled to off set the cost of paying the Vendor for the additional resources the Vendor utilized in providing transition assistance with any damages the State may have otherwise accrued as a result of said cancellation.

**42) STATE PROPERTY AND INTANGIBLES RIGHTS:** The parties acknowledge and agree that the State shall own all right, title and interest in and to the copyright in any and all software, technical information, specifications, drawings, records, documentation, data and other work products first originated and prepared by the Vendor for delivery to the State (the "Deliverables"). To the extent that any Vendor Technology is contained in any of the Deliverables, the Vendor hereby grants the State a royalty-free, fully paid, worldwide, perpetual, non-exclusive license to use such Vendor Technology in connection with the Deliverables for the State's internal business purposes. Vendor shall not acquire any right, title and interest in and to the copyrights for goods, any and all software, technical information, specifications, drawings, records, documentation, data or derivative works thereof, or other work products provided by the State to Vendor. The State hereby grants Vendor a royalty-free, fully paid, worldwide, perpetual, non-exclusive license to non-confidential Deliverables first originated and prepared by the Vendor for delivery to the State.

## **Section 2: Terms and Conditions Applicable to Vendor Hosted Services (e.g., Platform as a Service ("PaaS"); Infrastructure as a Service ("IaaS"))**

### **1) DEFINITIONS:**

- a) "Data" includes all materials provided by the State to the Vendor, including but not limited to software, technical information, specifications, drawings, records, and documentation, as well as includes and means the information, formulae, algorithms, or other content that the State, the State's employees, agents and end users upload, create or modify using the Services pursuant to this Agreement. Data

also includes user identification information and metadata which may contain Data or from which the State's Data may be ascertainable.

- b) "Support" includes provision of ongoing updates and maintenance for the Vendor online software applications, and as may be specified herein, consulting, training and other support Services as provided by the Vendor to meet the requirements and specifications of this RFP and for Vendor's tenants receiving similar Services.

2) **ACCESS AND USE OF VENDOR HOSTED SERVICES:**

- a) The Vendor grants the State a personal non-transferable and non-exclusive right to use and access, all Services and other functionalities or services provided, furnished or accessible under this Agreement. The State is authorized to access the State's Data and any Vendor-provided data as specified herein and to transmit revisions, updates, deletions, enhancements, or modifications to the State Data. The State may use the Services with any computer, computer system, server, or desktop workstation owned or utilized by the State or other authorized users. User access to the Services shall be routinely provided by the Vendor. All Services and information designated by Vendor as "confidential" or "proprietary" shall be kept in confidence except as may be required by the North Carolina Public Records Act: N.C.G.S. § 132-1, *et. seq.*
- b) The State's access license for the Services and its associated services neither transfers, vests, nor infers any title or other ownership right in any intellectual property rights of the Vendor or any third party, nor does this license transfer, vest, or infer any title or other ownership right in any Vendor source code associated with the Services unless otherwise agreed to by the parties. The provisions of this paragraph will not be construed as a sale of any ownership rights in the Services. Any Services or technical and business information owned by Vendor or its suppliers or licensors made accessible or furnished to the State shall be and remain the property of the Vendor or such other party, respectively. Vendor has a limited, non-exclusive license to access and use the State Data as provided to Vendor, but solely for performing its obligations under this Agreement and in confidence as provided herein.
- c) The Vendor or its suppliers shall at minimum, and except as otherwise agreed, provide telephone assistance to the State for all Services procured hereunder during the State's normal business hours (unless different hours are specified herein). The Vendor warrants that its Support and customer service and assistance will be performed in accordance with generally accepted industry standards. The State has the right to receive the benefit of upgrades, updates, maintenance releases or other enhancements or modifications made generally available to the Vendor's tenants for similar Services.
- d) The Vendor will provide to the State Services for updating, maintaining and continuing optimal performance for the Services. Unless otherwise agreed in writing, Support will also be provided for any other (e.g., third party) software provided by the Vendor in connection with the Vendor's solution herein. The technical and professional activities required for establishing, managing, and maintaining the Services environment are the responsibilities of the Vendor. Any training specified herein will be provided by the Vendor to certain State users for the fees or costs as set forth herein or in an SLA.
- e) Services provided pursuant to this Solicitation may, in some circumstances, be accompanied by a user clickwrap agreement. The term clickwrap agreement refers to an agreement that requires the end user to manifest his or her assent to terms and conditions by clicking an "ok" or "agree" button on a dialog box or pop-up window as part of the process of access to the Services. All terms and conditions of any clickwrap agreement provided with any Services solicited herein shall have no force and effect and shall be non-binding on the State, its employees, agents, and other authorized users of the Services.
- f) The Vendor may utilize partners and/or subcontractors to assist in the provision of the Services, so long as the State Data is not removed from the United States unless the terms of storage of the State Data are clearly disclosed, the security provisions referenced herein can still be complied with, and such removal is done with the prior express written permission of the State. The Vendor shall identify all of its strategic business partners related to Services provided under this contract including, but not limited to, all subcontractors or other entities or individuals who may be a party to a joint venture or similar agreement with the Vendor, who will be involved in any application development and/or operations.
- g) The Vendor warrants that all Services will be performed with professional care and skill, in a workmanlike manner and in accordance with the Services documentation and this Agreement.

- h) Reserved..
  - i) Professional services provided by the Vendor at the request by the State in writing in addition to agreed Services shall be at the then-existing Vendor hourly rates when provided, unless otherwise agreed in writing by the parties.
- 3) **WARRANTY OF NON-INFRINGEMENT:**
- a) The Vendor warrants to the best of its knowledge that:
    - i) The Services do not infringe any intellectual property rights of any third party; and
    - ii) There are no actual or threatened actions arising from, or alleged under, any intellectual property rights of any third party.
- 4) **ACCESS AVAILABILITY; REMEDIES:**
- a) The Vendor warrants that the Services will be in good working order, and operating in conformance with Vendor's standard specifications and functions as well as any other specifications agreed to by the parties in writing, and shall remain accessible 24/7, with the exception of scheduled outages for maintenance and of other service level provisions agreed in writing, e.g., in an SLA..
  - b) The State shall notify the Vendor if the Services are not in good working order or inaccessible during the term of the Agreement. The Vendor shall, at its option, either repair, replace or reperform any Services reported or discovered as not being in good working order and accessible during the applicable contract term without cost to the State.
  - c) Support Services. Reserved..
- 5) **EXCLUSIONS:**
- a) Except as stated above in Paragraphs 3 and 4, Vendor and its parent, subsidiaries and affiliates, subcontractors and suppliers make no warranties, express or implied, as to the Services.
  - b) The warranties provided in Paragraphs 3 and 4 above do not cover repair for damages, malfunctions or service failures substantially caused by:
    - i) Actions of non-Vendor personnel;
    - ii) Failure to follow Vendor's written instructions relating to the Services provided to the State; or
    - iii) Force Majeure conditions set forth hereinbelow.
    - iv) The State's sole misuse of, or its own inability to use, the Services.
- 6) **PERFORMANCE REVIEW AND ACCOUNTABILITY:** N.C.G.S. § 143B-1340(f) and 09 NCAC 06B.1207 require provisions for performance review and accountability in State IT contracts. For this procurement, these shall include the holding a retainage of ten percent (10%) of each applicable monthly Maintenance and Enhancement value in Attachment D, plus 10% of each applicable monthly Hosting value in Attachment D, and withholding the final payment contingent on final acceptance by the State as provided in 09 NCAC 06B.1207(3) and (4), unless waived or otherwise agreed, in writing. The Services herein will be provided consistent with and under these Services performance review and accountability guarantees.
- 7) **LIMITATION OF LIABILITY: Limitation of Vendor's Contract Damages Liability:** Reserved.
- 8) **VENDOR'S LIABILITY FOR INJURY TO PERSONS OR DAMAGE TO PROPERTY:** Reserved.
- 9) **MODIFICATION OF SERVICES:** Reserved..
- 10) **TRANSITION PERIOD:**
- a) For up to six (6) months, either prior to the expiration date of this Agreement, or upon notice of termination of this Agreement, the Vendor shall assist the State, upon written request, in extracting and/or transitioning all Data, source code, and all other work products in the format determined by the State ("Transition Period").
  - b) The Transition Period may be modified in an SLA or as agreed upon in writing by the parties in a contract amendment.
  - c) During the Transition Period, Services access shall continue to be made available to the State without alteration.
  - d) The Vendor agrees to compensate the State for damages or losses the State incurs as a result of Vendor's failure to comply with this Transition Period section in accordance with the Limitation of Liability provisions above.
  - e) Upon termination, and unless otherwise stated in an SLA, and after providing the State Data to the State as indicated above in this section with acknowledged receipt by the State in writing, the Vendor shall

permanently destroy or render inaccessible any portion of the State Data in the Vendor's and/or subcontractor's possession or control following the completion and expiration of all obligations in this section. Within thirty (30) days, the Vendor shall issue a written statement to the State confirming the destruction or inaccessibility of the State's Data.

- f) The State at its option, may purchase additional Transition Services as may be agreed upon in a supplemental agreement.

11) **TRANSPORTATION:** Transportation charges for any Deliverable sent to the State other than electronically or by download shall be FOB Destination unless delivered by internet or file-transfer as agreed by the State, or otherwise specified in the solicitation document or purchase order.

12) **PAYMENT TERMS (Applicable to SaaS): Reserved.**

13) **SECURITY OF STATE DATA**

- a) All Data provided by the State to the Vendor (State Data) during the performance or provision of Services hereunder are the property of the State of North Carolina and must be kept secure and returned to the State. The Vendor will protect State Data in its hands from unauthorized disclosure, loss, damage, destruction by natural event, or other eventuality. Proprietary Vendor materials shall be identified to the State by the Vendor prior to use or provision of Services hereunder and shall remain the property of the Vendor. Derivative works of any Vendor proprietary materials prepared or created during the performance of provision of Services hereunder shall be provided to the State as part of the Services. The Vendor shall not access State User accounts, or State Data, except (i) during data center operations; (ii) in response to service or technical issues; (iii) as required by the express terms of this contract; or (iv) at the State's written request. The Vendor shall protect the confidentiality of all information, Data, instruments, studies, reports, records and other materials provided to it by the State or maintained or created in accordance with this Agreement. No such information, Data, instruments, studies, reports, records and other materials in the possession of Vendor shall be disclosed in any form without the prior written agreement with the State. The Vendor will have written policies governing access to and duplication and dissemination of all such information, Data, instruments, studies, reports, records and other materials.
- b) The Vendor shall not store or transfer non-public State data outside of the United States. This includes backup data and Disaster Recovery locations. The Service Provider will permit its personnel and contractors to access State of North Carolina data remotely only as required to provide technical support.
- c) Protection of personal privacy and sensitive data. The Vendor acknowledges its responsibility for securing any restricted or highly restricted data, as defined by the Statewide Data Classification and Handling Policy (<https://it.nc.gov/document/statewide-data-classification-and-handling-policy>) that is collected by the State and stored in any Vendor site or other Vendor housing systems including, but not limited to, computer systems, networks, servers, or databases, maintained by Vendor or its agents or subcontractors in connection with the provision of the Services. The Vendor warrants, at its sole cost and expense, that it shall implement processes and maintain the security of data classified as restricted or highly restricted; provide reasonable care and efforts to detect fraudulent activity involving the data; and promptly notify the State of any breaches of security within twenty-four (24) hours of confirmation as required by N.C.G.S. § 143B-1379.
- d) The Vendor will provide and maintain secure backup of the State Data. The Vendor shall implement and maintain secure passwords for its online system providing the Services, as well as all appropriate administrative, physical, technical and procedural safeguards at all times during the term of this Agreement to secure such Data from Data Breach, protect the Data and the Services from loss, corruption, unauthorized disclosure, and the introduction of viruses, disabling devices, malware and other forms of malicious or inadvertent acts that can disrupt the State's access to its Data and the Services. The Vendor will allow periodic back-up of State Data by the State to the State's infrastructure as the State requires or as may be provided by law.
- e) The Vendor shall certify to the State:
  - i) The sufficiency of its security standards, tools, technologies and procedures in providing Services under this Agreement;

- ii) That the system used to provide the Subscription Services under this Contract has and will maintain a valid third party security certification not to exceed one (1) year and is consistent with the data classification level and a security controls appropriate for low or moderate information system(s) per the National Institute of Standards and Technology NIST 800-53 revision 4. The State reserves the right to independently evaluate, audit, and verify such requirements.
- iii) That the Services will comply with the following:
  - (1) Any DIT security policy regarding Cloud Computing, and the DIT Statewide Information Security Policy Manual; to include encryption requirements as defined below:
    - (a) The Vendor shall encrypt all non-public data in transit regardless of the transit mechanism.
    - (b) For engagements where the Vendor stores sensitive personally identifiable or otherwise confidential information, this data shall be encrypted at rest. Examples are social security number, date of birth, driver's license number, financial data, federal/state tax information, and hashed passwords. The Vendor's encryption shall be consistent with validated cryptography standards as specified in National Institute of Standards and Technology FIPS140-2, Security Requirements. The key location and other key management details will be discussed and negotiated by both parties. When the Service Provider cannot offer encryption at rest, it must maintain, for the duration of the contract, cyber security liability insurance coverage for any loss resulting from a data breach. Additionally, where encryption of data at rest is not possible, the Vendor must describe existing security measures that provide a similar level of protection;
  - (2) Privacy provisions of the Federal Privacy Act of 1974;
  - (3) The North Carolina Identity Theft Protection Act, N.C.G.S. Chapter 75, Article 2A (e.g., N.C.G.S. § 75-65 and -66);
  - (4) The North Carolina Public Records Act, N.C.G.S. Chapter 132;
  - (5) Applicable Federal, State and industry standards and guidelines including, but not limited to, relevant security provisions of the Payment Card Industry (PCI) Data Security Standard (PCIDSS) including the PCIDSS Cloud Computing Guidelines, Criminal Justice Information, The Family Educational Rights and Privacy Act (FERPA), Health Insurance Portability and Accountability Act (HIPAA); and
  - (6) Any requirements implemented by the State under N.C.G.S. §§ 143B-1376 and -1377.
  - (7) Any requirements implemented by the State under N.C.G.S. §§ 20-309.2(d).
- f) Security Breach. "Security Breach" under the NC Identity Theft Protection Act (N.C.G.S. § 75-60 *et seq.*) means (1) any circumstance pursuant to which applicable Law requires notification of such breach to be given to affected parties or other activity in response to such circumstance (e.g., N.C.G.S. § 75-65); or (2) any actual, attempted, suspected, threatened, or reasonably foreseeable circumstance that compromises, or could reasonably be expected to compromise, either Physical Security or Systems Security (as such terms are defined below) in a fashion that either does or could reasonably be expected to permit unauthorized Processing (as defined below), use, disclosure or acquisition of or access to any the State Data or state confidential information. "Physical Security" means physical security at any site or other location housing systems maintained by Vendor or its agents or subcontractors in connection with the Services. "Systems Security" means security of computer, electronic or telecommunications systems of any variety (including data bases, hardware, software, storage, switching and interconnection devices and mechanisms), and networks of which such systems are a part or communicate with, used directly or indirectly by Vendor or its agents or subcontractors in connection with the Services. "Processing" means any operation or set of operations performed upon the State Data or State confidential information, whether by automatic means, such as creating, collecting, procuring, obtaining, accessing, recording, organizing, storing, adapting, altering, retrieving, consulting, using, disclosing or destroying.
- g) Breach Notification. In the event the Vendor becomes aware of any Security Breach due to Vendor acts or omissions other than in accordance with the terms of the Agreement, the Vendor shall, at its own expense, (1) immediately notify the State's Agreement Administrator of such Security Breach and perform a root cause analysis thereon; (2) investigate such Security Breach; (3) provide a remediation plan,

acceptable to the State, to address the Security Breach and prevent any further incidents; (4) conduct a forensic investigation to determine what systems, data and information have been affected by such event; and (5) cooperate with the State, and any law enforcement or regulatory officials, credit reporting companies, and credit card associations investigating such Security Breach. The State shall make the final decision on notifying the State's persons, entities, employees, service providers and/or the public of such Security Breach, and the implementation of the remediation plan. If a notification to a customer is required under any Law or pursuant to any of the State's privacy or security policies, then notifications to all persons and entities who are affected by the same event (as reasonably determined by the State) shall be considered legally required.

- h) Notification Related Costs. The Vendor shall issue notifications and shall pay all Notification Related Costs arising out of or in connection with any such Security Breach due to Vendor acts or omissions other than in accordance with the terms of the Agreement resulting in a requirement for legally required notifications. "Notification Related Costs" shall include costs associated with addressing and responding to the Security Breach including, but not limited to, (1) preparation and mailing or other transmission of legally required notifications; (2) preparation and mailing or other transmission of such other communications to customers, agents or others as the State deems reasonably appropriate; (3) establishment of a call center or other communications procedures in response to such Security Breach (e.g., customer service FAQs, talking points and training); (4) public relations and other similar crisis management services; (5) legal and accounting fees and expenses associated with the State's investigation of and response to such event; and (6) costs for credit reporting services that are associated with legally required notifications or are advisable, in the State's opinion, under the circumstances. If the Vendor becomes aware of any Security Breach which is not due to Vendor acts or omissions other than in accordance with the terms of the Agreement, the Vendor shall immediately notify the State of such Security Breach, and the parties shall reasonably cooperate regarding which of the foregoing or other activities may be appropriate under the circumstances, including any applicable Charges for the same.
- i) The Vendor shall allow the State reasonable access to Services security logs, latency statistics, and other related Services security data that affect this Agreement and the State's Data, at no cost to the State.
- j) In the course of normal operations, it may become necessary for the Vendor to copy or move Data to another storage destination on its online system, and delete the Data found in the original location. In any such event, the Vendor shall preserve and maintain the content and integrity of the Data, except by prior written notice to, and prior written approval by, the State.
- k) Remote access to Data from outside the continental United States including, without limitation, remote access to Data by authorized Services support staff in identified support centers, is prohibited unless approved in advance by the State Chief Information Officer or the Using Agency.
- l) In the event of temporary loss of access to Services, the Vendor shall promptly restore continuity of Services, restore Data in accordance with this Agreement and as may be set forth in an SLA, restore accessibility of Data and the Services to meet the performance requirements stated herein or in an SLA. As a result, Service Level remedies will become available to the State as provided herein, in the SLA or other agreed and relevant documents. Failure to promptly remedy any such temporary loss of access may result in the State exercising its options for assessing damages under this Agreement.
- m) In the event of disaster or catastrophic failure that results in significant State Data loss or extended loss of access to Data or Services, the Vendor shall notify the State by the fastest means available and in writing, with additional notification provided to the State Chief Information Officer or designee of the contracting agency. Vendor shall provide such notification within twenty-four (24) hours after Vendor reasonably believes there has been such a disaster or catastrophic failure. In the notification, Vendor shall inform the State of:
  - (1) The scale and quantity of the State Data loss;
  - (2) What Vendor has done or will do to recover the State Data from backups and mitigate any deleterious effect of the State Data and Services loss; and
  - (3) What corrective action Vendor has taken or will take to prevent future State Data and Services loss.
  - (4) If Vendor fails to respond immediately and remedy the failure, the State may exercise its options for assessing damages or other remedies under this Agreement.

The Vendor shall investigate the disaster or catastrophic failure and shall share the report of the investigation with the State. The State and/or its authorized agents shall have the right to lead (if required by law) or participate in the investigation. The Vendor shall cooperate fully with the State, its agents and law enforcement.

- n) In the event of termination of this contract, cessation of business by the Vendor or other event preventing the Vendor from continuing to provide the Services, the Vendor shall not withhold the State Data or any other State confidential information or refuse, for any reason, to promptly return to the State the State Data and any other State confidential information (including copies thereof) if requested to do so on such media as reasonably requested by the State, even if the State is then or is alleged to be in breach of the Agreement. As a part of the Vendor's obligation to provide the State Data pursuant to this Paragraph 18) n), the Vendor will also provide the State any data maps, documentation, software, or other materials necessary, including, without limitation, handwritten notes, materials, working papers or documentation, for the State to use, translate, interpret, extract and convert the State Data.
- o) Secure Data Disposal. When requested by the State, the Vendor shall destroy all requested data in all of its forms (e.g., disk, CD/DVD, backup tape, and paper). Data shall be permanently deleted and shall not be recoverable, in accordance with National Institute of Standards and Technology (NIST) approved methods, and certificates of destruction shall be provided to the State.

### **Section 3: Terms and Conditions Applicable to Personnel and Personal Services**

- 1) **VENDOR'S REPRESENTATION:** Vendor warrants that qualified personnel will provide Services in a professional manner. "Professional manner" means that the personnel performing the Services will possess the skill and competence consistent with the prevailing business standards in the information technology industry. Vendor agrees that it will not enter any agreement with a third party that might abridge any rights of the State under the Agreement. Vendor will serve as the prime Vendor under the Agreement. Should the State approve any subcontractor(s), the Vendor shall be legally responsible for the performance and payment of the subcontractor(s). Names of any third party Vendors or subcontractors of Vendor may appear for purposes of convenience in Contract documents; and shall not limit Vendor's obligations hereunder. Such third party subcontractors, if approved, may serve as subcontractors to Vendor. Vendor will retain executive representation for functional and technical expertise as needed in order to incorporate any work by third party subcontractor(s).
  - a) Intellectual Property. Vendor represents that it has the right to provide the Services and other Deliverables without violating or infringing any law, rule, regulation, copyright, patent, trade secret or other proprietary right of any third party. Vendor also represents that its Services and other Deliverables are not the subject of any actual or threatened actions arising from, or alleged under, any intellectual property rights of any third party.
  - b) Inherent Services. If any Services or other Deliverables, functions, or responsibilities not specifically described in the Agreement are required for Vendor's proper performance, provision and delivery of the Services and other Deliverables pursuant to the Agreement, or are an inherent part of or necessary sub-task included within the Services, they will be deemed to be implied by and included within the scope of the Contract to the same extent and in the same manner as if specifically described in the Contract.
  - c) Vendor warrants that it has the financial capacity to perform and to continue to perform its obligations under the Contract; that Vendor has no constructive or actual knowledge of an actual or potential legal proceeding being brought against Vendor that could materially adversely affect performance of the Agreement; and that entering into the Agreement is not prohibited by any Contract, or order by any court of competent jurisdiction.
- 2) **SERVICES PROVIDED BY VENDOR:** Vendor shall provide the State with implementation Services as specified in a Statement of Work ("SOW") executed by the parties. This Agreement in combination with each SOW individually comprises a separate and independent contractual obligation from any other SOW. A breach by Vendor under one SOW will not be considered a breach under any other SOW. The Services intended hereunder are related to the State's implementation and/or use of one or more

Software Deliverables licensed hereunder or in a separate software license agreement between the parties ("License Agreement"). (Reserve if not needed)

- 3) **PERSONNEL**: Vendor shall not substitute key personnel assigned to the performance of the Agreement without prior written approval by the Agency Contract Administrator. The individuals designated as key personnel for purposes of the Agreement are those specified in the Vendor's offer. Any desired substitution shall be noticed to the Agency's Contract Administrator in writing accompanied by the names and references of Vendor's recommended substitute personnel. The Agency will approve or disapprove the requested substitution in a timely manner. The Agency may, in its sole discretion, terminate the Services of any person providing Services under the Agreement. Upon such termination, the Agency may request acceptable substitute personnel or terminate the Contract Services provided by such personnel.
- a) Unless otherwise expressly provided in the Contract, Vendor will furnish all of its own necessary management, supervision, labor, facilities, furniture, computer and telecommunications equipment, software, supplies and materials necessary for the Vendor to provide and deliver the Services and other Deliverables.
  - b) Vendor personnel shall perform their duties on the premises of the State, during the State's regular work days and normal work hours, except as may be specifically agreed otherwise, established in the specification, or statement of work.
  - c) The Agreement shall not prevent Vendor or any of its personnel supplied under the Agreement from performing similar Services elsewhere or restrict Vendor from using the personnel provided to the State, provided that:
    - i) Such use does not conflict with the terms, specifications or any amendments to the Agreement, or
    - ii) Such use does not conflict with any procurement law, regulation or policy, or
    - iii) Such use does not conflict with any non-disclosure agreement, or term thereof, by and between the State and Vendor or Vendor's personnel.
  - d) Unless otherwise provided by the Agency, the Vendor shall furnish all necessary personnel, Services, and otherwise perform all acts, duties and responsibilities necessary or incidental to the accomplishment of the tasks specified in the Agreement. The Vendor shall be legally and financially responsible for its personnel including, but not limited to, any deductions for social security and other withholding taxes required by state or federal law. The Vendor shall be solely responsible for acquiring any equipment, furniture, and office space not furnished by the State necessary for the Vendor to comply with the Agreement. The Vendor personnel shall comply with any applicable State facilities or other security rules and regulations.
- 4) **PERSONAL SERVICES**: The State shall have and retain the right to obtain personal Services of any individuals providing Services under the Agreement. This right may be exercised at the State's discretion in the event of any transfer of the person providing personal Services, termination, default, merger, acquisition, bankruptcy or receivership of the Vendor to ensure continuity of Services provided under the Agreement. Provided, however, that the Agency shall not retain or solicit any Vendor employee for purposes other than completion of personal Services due as all or part of any performance due under the Agreement.
- a) Vendor personnel shall perform any duties on the premises of the State during the State's regular work days and normal work hours, except as may be specifically agreed otherwise, established in the specification, or statement of work.
  - b) The State has and reserves the right to disapprove the continuing assignment of Vendor personnel provided by Vendor under the Agreement. If this right is exercised and the Vendor is not able to replace the disapproved personnel as required by the State, the parties agree to employ best commercial efforts to informally resolve such failure equitably by adjustment of other duties, set-off, or modification to other terms that may be affected by Vendor's failure.
  - c) Vendor will make every reasonable effort consistent with prevailing business practices to honor the specific requests of the State regarding assignment of Vendor's employees. Vendor reserves the sole right to determine the assignment of its employees. If one of Vendor's employees is unable to

perform due to illness, resignation, or other factors beyond Vendor's control, Vendor will provide suitable personnel at no additional cost to the State.

- d) The Agreement shall not prevent Vendor or any of its personnel supplied under the Agreement from performing similar Services elsewhere or restrict Vendor from using the personnel provided to the State, provided that:
  - i) Such use does not conflict with the terms, specifications or any amendments to the Agreement, or
  - ii) Such use does not conflict with any procurement law, regulation or policy, or
  - iii) Such use does not conflict with any non-disclosure agreement, or term thereof, by and between the State and Vendor or Vendor's personnel.

#### **Section 4: Terms and Conditions Applicable to Information Technology Goods and Services**

- 1) **SOFTWARE LICENSE FOR HARDWARE, EMBEDDED SOFTWARE AND FIRMWARE:** Deliverables comprising goods, equipment or products (hardware) may contain software for internal operation, or as embedded software or firmware that is generally not sold or licensed as a severable software product. Software may be provided on separate media, such as a CD-ROM or other media, or may be included within the hardware at or prior to delivery. Such software is proprietary, copyrighted, and may also contain valuable trade secrets and may be protected by patents. Vendor grants the State a license to use the Code (or any replacement provided) on, or in conjunction with, only the Deliverables purchased, or with any system identified in the solicitation documents. The State shall have a worldwide, nonexclusive, non-sublicensable license to use such software and/or documentation for its internal use. The State may make and install copies of the software to support the authorized level of use. Provided, however that if the hardware is inoperable, the software may be copied for temporary use on other hardware. The State shall promptly affix to any such copy the same proprietary and copyright notices affixed to the original. The State may make one copy of the software for archival, back-up or disaster recovery purposes. The license set forth in this Paragraph shall terminate immediately upon the State's discontinuance of the use of all equipment on which the software is installed. The software may be transferred to another party only with the transfer of the hardware. If the hardware is transferred, the State shall i) destroy all software copies made by the State, ii) deliver the original or any replacement copies of the software to the transferee, and iii) notify the transferee that title and ownership of the software and the applicable patent, trademark, copyright, and other intellectual property rights shall remain with Vendor, or Vendor's licensors. The State shall not disassemble, decompile, reverse engineer, modify, or prepare derivative works of the embedded software, unless permitted under the solicitation documents.
- 2) **LICENSE GRANT FOR APPLICATION SOFTWARE, (COTS):** This paragraph recites the scope of license granted, if not superseded by a mutually agreed and separate licensing agreement, as follows:
  - a) Vendor grants to the State, its Agencies and lawful customers a non-exclusive, non-transferable and non-sublicensable license to use, in object code format, Vendor's software identified in the solicitation documents, Vendor's Statement of Work (SOW), or an Exhibit thereto executed by the parties ("Software"), subject to the restrictions set forth therein, such as the authorized computer system, the data source type(s), the number of target instance(s) and the installation site. Use of the Software shall be limited to the data processing and computing needs of the State, its Agencies and lawful customers. This license shall be perpetual unless terminated as provided herein. The State agrees not to distribute, sell, sublicense or otherwise transfer copies of the Software or any portion thereof. For purposes of this Agreement, a State Entity shall be defined as any department or agency of the State of North Carolina, which is controlled by or under common control of the State or who is a lawful customer of the State pursuant to Article 3D of Chapter 147 of the General Statutes.
  - b) Vendor shall provide all encryption or identification codes or authorizations that are necessary or proper for the operation of the licensed Software.

- c) The State shall have the right to copy the Software, in whole or in part, for use in conducting benchmark or acceptance tests, for business recovery and disaster recovery testing or operations, for archival or emergency purposes, for back up purposes, for use in preparing derivative works if allowed by the solicitation documents or statements of work, or to replace a worn copy.
  - d) The State may modify non-personal Software in machine-readable form for its internal use in merging the same with other software program material. Any action hereunder shall be subject to uses described in this paragraph, the restrictions imposed by Paragraph 3), and applicable terms in the solicitation documents or statements of work.
- 3) **WARRANTY TERMS:** Notwithstanding anything in the Agreement or Exhibit hereto to the contrary, Vendor shall assign warranties for any Deliverable supplied by a third party to the State.
- a) a) Vendor warrants that any Software or Deliverable will operate substantially in conformity with prevailing specifications as defined by the current standard documentation (except for minor defects or errors which are not material to the State) for a period of ninety (90) days from the date of acceptance ("Warranty Period"), unless otherwise specified in the Solicitation Documents. If the Software does not perform in accordance with such specifications during the Warranty Period, Vendor will use reasonable efforts to correct any deficiencies in the Software so that it will perform in accordance with or substantially in accordance with such specifications.
  - b) Vendor warrants to the best of its knowledge that:
    - i) The licensed Software and associated materials do not infringe any intellectual property rights of any third party;
    - ii) There are no actual or threatened actions arising from, or alleged under, any intellectual property rights of any third party;
    - iii) The licensed Software and associated materials do not contain any surreptitious programming codes, viruses, Trojan Horses, "back doors" or other means to facilitate or allow unauthorized access to the State's information systems.
    - iv) The licensed Software and associated materials do not contain any timer, counter, lock or similar device (other than security features specifically approved by Customer in the Specifications) that inhibits or in any way limits the Software's ability to operate.
  - c) UNLESS MODIFIED BY AMENDMENT OR THE SOLICITATION DOCUMENTS, THE WARRANTIES IN THIS PARAGRAPH ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, OR WHETHER ARISING BY COURSE OF DEALING OR PERFORMANCE, CUSTOM, USAGE IN THE TRADE OR PROFESSION OR OTHERWISE, INCLUDING, BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, AND NO OTHER REPRESENTATIONS OR WARRANTIES HAVE FORMED THE BASIS OF THE BARGAIN HEREUNDER.
- 4) **RESTRICTIONS:** State's use of the Software is restricted as follows:
- a) The license granted herein is granted to the State and to any political subdivision or other entity permitted or authorized to procure Information Technology through the Department of Information Technology. If the License Grant and License Fees are based upon the number of Users, the number of Users may be increased at any time, subject to the restrictions on the maximum number of Users specified in the solicitation documents.
  - b) No right is granted hereunder to use the Software to perform Services for commercial third parties (so-called "service bureau" uses). Services provided to other State Departments, Agencies or political subdivisions of the State is permitted.
  - c) The State may not copy, distribute, reproduce, use, lease, rent or allow access to the Software except as explicitly permitted under this Agreement, and State will not modify, adapt, translate, prepare derivative works (unless allowed by the solicitation documents or statements of work,) decompile, reverse engineer, disassemble or otherwise attempt to derive source code from the Software or any internal data files generated by the Software.
  - d) State shall not remove, obscure or alter Vendor's copyright notice, trademarks, or other proprietary rights notices affixed to or contained within the Software.

- 5) **SUPPORT OR MAINTENANCE SERVICES**: This paragraph recites the scope of maintenance Services due under the license granted, if not superseded by a separate licensing and maintenance agreement or as may be stated in the solicitation documents. Subject to payment of a Support Service or Maintenance Fee stated in the solicitation documents for the first year and all subsequent years, if requested by the State, Vendor agrees to provide the following support Services ("Support Services") for the current version and one previous version of the Software commencing upon delivery of the Software:
- a) **Error Correction**: If the error conditions reported by the State pursuant to the General Terms and Conditions are not corrected in a timely manner, the State may request a replacement copy of the licensed Software from Vendor. In such event, Vendor shall then deliver a replacement copy, together with corrections and updates, of the licensed Software within 24 hours of the State's request at no added expense to the State.
  - b) **Other Agreement**: This Paragraph 5 may be superseded by written mutual agreement provided that: Support and maintenance Services shall be fully described in such a separate agreement annexed hereto and incorporated herein
  - c) **Temporary Extension of License**: If any licensed Software or CPU/computing system on which the Software is installed fails to operate or malfunctions, the term of the license granted shall be temporarily extended to another CPU selected by the State and continue until the earlier of:
    - i) Return of the inoperative CPU to full operation, or
    - ii) Termination of the license.
  - d) **Encryption Code**: Vendor shall provide any temporary encryption code or authorization necessary or proper for operation of the licensed Software under the foregoing temporary license. The State will provide notice by expedient means, whether by telephone, e-mail or facsimile of any failure under this paragraph. On receipt of such notice, Vendor shall issue any temporary encryption code or authorization to the State within twenty-four (24) hours; unless otherwise agreed.
  - e) **Updates**: Vendor shall provide to the State, at no additional charge, all new releases and bug fixes (collectively referred to as "Updates") for any Software Deliverable developed or published by Vendor and made generally available to its other customers at no additional charge. All such Updates shall be a part of the Program and Documentation and, as such, be governed by the provisions of the Agreement.
  - f) **Telephone Assistance**: Vendor shall provide the State with telephone access to technical support engineers for assistance in the proper installation and use of the Software, and to report and resolve Software problems, during normal business hours, 7:30 AM - 5:30 PM Eastern Time, Monday-Friday. Vendor shall respond to the telephone requests for Program maintenance service, within four (4) business hours

## ATTACHMENT C: DESCRIPTION OF OFFEROR

Provide the information about the offeror.

Offeror's full name	
Offeror's address	
Offeror's telephone number	
Ownership	<input type="checkbox"/> Public <input type="checkbox"/> Partnership <input type="checkbox"/> Subsidiary <input type="checkbox"/> Other (specify)
Date established	
If incorporated, State of incorporation.	
North Carolina Secretary of State Registration Number, if currently registered	
Number of full-time employees on January 1 <sup>st</sup> for the last three years or for the duration that the Vendor has been in business, whichever is less.	
Offeror's Contact for Clarification of offer: Contact's name Title Email address and Telephone Number	
Offeror's Contact for Negotiation of offer: Contact's name Title Email address and Telephone Number	
If Contract is Awarded, Offeror's Contact for Contractual Issues: Contact's name Title Email address and Telephone Number	
If Contract is Awarded, Offeror's Contact for Technical Issues: Contact's name Title Email address and Telephone Number	

## HISTORICALLY UNDERUTILIZED BUSINESSES

Historically Underutilized Businesses (HUBs) consist of minority, women and disabled business firms that are at least fifty-one percent owned and operated by an individual(s) of the categories. Also included as HUBs are disabled business enterprises and non-profit work centers for the blind and severely disabled.”

Pursuant to N.C.G.S. §§ 143B-1361(a), 143-48 and 143-128.4, the State invites and encourages participation in this procurement process by businesses owned by minorities, women, disabled, disabled business enterprises and non-profit work centers for the blind and severely disabled. This includes utilizing subcontractors to perform the required functions in this RFP. Contact the North Carolina Office of historically Underutilized Businesses at 919-807-2330 with questions concerning NC HUB certification. <http://ncadmin.nc.gov/businesses/hub>

Respond to the questions below.

1. Is Vendor a Historically Underutilized Business? ☐ Yes ☐ No
2. Is Vendor Certified with North Carolina as a Historically Underutilized Business? ☐ Yes ☐ No

If so, state HUB classification:

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## ATTACHMENT D: COST FORM

Vendors will submit all Crossroads pricing with the technical response, but in a separate area that allows cost and pricing information to be partitioned separately from other documents. All electronic submission forms will also separate the cost and pricing from the technical proposals.

**Total Cost Summary:** Vendors will include a Total Cost Summary Table in addition to the costs provided in each of the detailed cost tables. The Total Cost Summary Table will include total cost including all deliverables, with the exception of optional services. The evaluation of cost proposal responses will be based on the Table 1 summary table. Vendors are responsible for ensuring that the Total Cost Summary Table accurately reflects the cost in each of the individual pricing tables

**Cost Table 1 - Total Cost of Contract**

Description	Total Cost
Transition-In Phase Cost (from Cost Table 2)	\$
Total Annual M&E Phase Cost – Contract Years 1-10 (from Cost Table 3)	\$
Total Annual Hosting Costs – Contract Years 1-10 (from Cost Table 4)	\$
Transition-Out Period Cost (from Cost Table 5)	\$
Total Document Deliverable Cost (from Cost Table 6)	\$
Supplemental Services Hours Contract Years 1-10 (from Cost Table 7)	\$
<b>Total Ten-Year Cost</b>	<b>\$</b>

**Cost Table 1a. Total Cost by Contract Term**

Contract Term	Total Cost
Initial seven (7) year Contract Term	
Optional Renewal Term 1 (Contract year 8)	
Optional Renewal Term 2 (Contract year 9)	
Optional Renewal Term 3 (Contract year 10)	
Total Contract Cost including Optional Renewal Terms	

### 1.1. Price for Crossroads Transition-In, Annual Maintenance, and Transition-Out

Provide the Vendor's proposed maintenance pricing for each year of the Contract, not including the Supplemental Service Hours.

**Cost Table 2 - Pricing for Transition-In Phase (Deliverables 1.x)**

Transition-In Month	Monthly Transition-In Cost
Month 1	\$
Month 2	\$
Month 3	\$
Month 4	\$
Month 5	\$
Month 6	\$
Month 7	\$
Month 8	\$
<b>Total Transition-In Phase Cost</b>	\$

**Cost Table 3 - Pricing for Crossroads Annual Maintenance and Enhancement Phase (Deliverables 6.x)**

Description	Monthly M&E Cost	Multiplier	Total Fixed Annual M&E Cost
Contract Year 1	\$	4	\$
Contract Year 2	\$	12	\$
Contract Year 3	\$	12	\$
Contract Year 4	\$	12	\$
Contract Year 5	\$	12	\$
Contract Year 6	\$	12	\$
Contract Year 7	\$	12	\$
Optional Contract Year 8	\$	12	\$
Optional Contract Year 9	\$	12	\$
Optional Contract Year 10	\$	12	\$
<b>Total Ten Year M&amp;E Phase Cost</b>			\$

**Cost Table 4 - Pricing for Crossroads Annual Hosting (Deliverables 21.x)**

Description	Monthly or Annual Hosting Cost	Multiplier	Total Fixed Annual Hosting Cost
Contract Year 1	\$	4 mo	\$
Contract Year 2	\$	12 mo or 1 yr	\$
Contract Year 3	\$	12 mo or 1 yr	\$
Contract Year 4	\$	12 mo or 1 yr	\$
Contract Year 5	\$	12 mo or 1 yr	\$
Contract Year 6	\$	12 mo or 1 yr	\$
Contract Year 7	\$	12 mo or 1 yr	\$
Optional Contract Year 8	\$	12 mo or 1 yr	\$
Optional Contract Year 9	\$	12 mo or 1 yr	\$
Optional Contract Year 10	\$	12 mo or 1 yr	\$
<b>Total Ten Year Hosting Cost</b>			\$

**Cost Table 5 - Pricing for Transition-Out Period – Fixed Amount (Deliverable 16)**

<b>Transition-Out Period (inclusive of completion of all Transition-Out Period tasks and submission of the Transition-Out Completion Report)</b>	\$
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**1.2. Price for Crossroads Deliverables**

There are deliverables that are needed to ensure a successful release deployments and operations of the NC WIC Crossroads System. Payment will only be made for the deliverables listed below after unconditional acceptance by the State. Acceptance by the State will be in the form of a written acknowledgement that the Deliverable meets the requirements. Provide the Vendor's proposed pricing for each of the deliverables listed in Price Table 6 below.

**Cost Table 6 - Pricing for Product Deliverables**

<b>Deliverable ID</b>	<b>Deliverable Name</b>	<b>Price</b>
3B	Work Plan and Schedule FINAL	\$
9	Production Deployment Plan	\$
<b>Total Deliverable Cost</b>		\$

**1.3. Supplemental Services**

The State will require the Vendor to provide Supplemental Services, for completion and deployment of Changes Requests. Vendors will provide Change Request cost estimates using the blended hourly resource pricing for each of the Contract Years one (1) through seven (7) and optional years one (1) through three (3) in Price Table 7 below. Hours are invoiced as utilized in accordance with the Change Request process.

**Cost Table 7 - Pricing of Supplemental Services**

<b>Description</b>	<b># Change Request Hours</b>	<b>Blended Hourly Rate</b>	<b>Total Cost</b>
Contract Years 1-7	3500	\$	\$
Optional Contract Year 8	500	\$	\$
Optional Contract Year 9	500	\$	\$
Optional Contract Year 10	500	\$	\$
<b>Total Ten Year Supplemental Services Cost</b>			\$

**1.4. Other Optional Services**

Vendors are encouraged to propose other optional technical services that may improve efficiency and/or effectiveness to the Crossroads system, its interfaces to 3<sup>rd</sup> party solutions, or NC WIC Program as a whole. For example, vendors may propose an optional service for a mobile phone application, to be used by participants to access benefit and other WIC information, and/or other optional services that may be beneficial to the program and stakeholders.

Optional services may be bid to be implemented upon contract award or may be initiated in any of the contract years. The Other Optional Services must be compliant with all security and enterprise specifications under Section 3.0, described in enough detail for North Carolina to evaluate the services, and any associated pricing will be separate from the pricing for the Crossroads Scope of Work sections. A narrative description will be provided for each optional service, including a description, information on

other states' programs that have implemented the service, why it would be advantageous for NC, and the cost broken out by industry standards and/or monthly/annually, as applicable. Each optional service must be included separately in the narrative and cost proposal.

Vendors may add as many rows as needed to Cost Table 8 for optional services proposed, and may include annual pricing. The State must not be charged for any optional services unless such optional services are specifically requested by the State in writing.

**Cost Table 8 - Proposed Optional Services Pricing**

<b>Optional Service Proposed</b>	<b>Pricing</b>
Optional Service 1:	\$
Optional Service 2:	\$
Optional Service 3:	\$
Optional Service 4:	\$

## ATTACHMENT E: VENDOR CERTIFICATION FORM

### 1) ELIGIBLE VENDOR

The Vendor certifies that in accordance with N.C.G.S. §143-59.1(b), Vendor is not an ineligible vendor as set forth in N.C.G.S. §143-59.1 (a).

The Vendor acknowledges that, to the extent the awarded contract involves the creation, research, investigation or generation of a future RFP or other solicitation; the Vendor will be precluded from bidding on the subsequent RFP or other solicitation and from serving as a subcontractor to an awarded vendor.

The State reserves the right to disqualify any bidder if the State determines that the bidder has used its position (whether as an incumbent Vendor, or as a subcontractor hired to assist with the RFP development, or as a Vendor offering free assistance) to gain a competitive advantage on the RFP or other solicitation.

### 2) CONFLICT OF INTEREST

Applicable standards may include: N.C.G.S. §§143B-1352 and 143B-1353, 14-234, and 133-32. The Vendor shall not knowingly employ, during the period of the Agreement, nor in the preparation of any response to this solicitation, any personnel who are, or have been, employed by a Vendor also in the employ of the State and who are providing Services involving, or similar to, the scope and nature of this solicitation or the resulting contract.

### 3) E-VERIFY

Pursuant to N.C.G.S. § 143B-1350(k), the State shall not enter into a contract unless the awarded Vendor and each of its subcontractors comply with the E-Verify requirements of N.C.G.S. Chapter 64, Article 2. Vendors are directed to review the foregoing laws. Vendors claiming exceptions or exclusions under Chapter 64 must identify the legal basis for such claims and certify compliance with federal law regarding registration of aliens including 8 USC 1373 and 8 USC 1324a. Any awarded Vendor must submit a certification of compliance with E-Verify to the awarding agency, and on a periodic basis thereafter as may be required by the State.

### 4) CERTIFICATE TO TRANSACT BUSINESS IN NORTH CAROLINA

As a condition of contract award, awarded Vendor shall have registered its business with the North Carolina Secretary of State and shall maintain such registration throughout the term of the Contract.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Printed Name: \_\_\_\_\_ Title: \_\_\_\_\_

## ATTACHMENT F: LOCATION OF WORKERS UTILIZED BY VENDOR

In accordance with N.C.G.S. §143B-1361(b), Vendor must identify how it intends to utilize resources or workers located outside the U.S., and the countries or cities where such are located. The State will evaluate additional risks, costs, and other factors associated with the Vendor's utilization of resources or workers prior to making an award for any such Vendor's offer. The Vendor shall provide the following:

- a) The location of work to be performed by the Vendor's employees, subcontractors, or other persons, and whether any work will be performed outside the lower 48 contiguous United States. The Vendor shall provide notice of any changes in such work locations if the changes result in performing work outside of the contiguous United States.
- b) Any Vendor or subcontractor providing support or maintenance Services for software, call or contact center Services shall disclose the location from which the call or contact center Services are being provided upon request.

**Will Vendor perform any work outside of the contiguous United States?**

☐ YES ☐ NO

If yes, Vendor MUST list what countries the employees are working and in what capacity are they accessing State Data. Specifically, the State must know if the employees are Help Desk support, Technical Support and/or Coder, etc.

## ATTACHMENT G: REFERENCES

The Vendor shall provide three (3) references of customers utilizing the proposed solution fully implemented in a setting similar to this solicitation's scope of work. References within like North Carolina communities / industries are encouraged.

The Vendor should have implemented the respective proposed service within the last three (3) years. Customer references whose business processes and data needs are similar to those performed by the Agency needing this solution in terms of functionality, complexity, and transaction volume are encouraged.

For each reference, the Vendor shall provide the following information:

- a. Customer name.
- b. Customer address.
- c. Current telephone number of a customer employee most familiar with the offered solution implementation.
- d. Customer email address
- e. Time period over which each offered solution implementation was completed.
- f. Brief summary of the offered solution implementation.
- g. List of offered solution products installed and operational.
- h. Number of vendor or technical staff supporting, maintaining and managing the offered solution
- i. Number of end users supported by the offered solution.
- j. Number of sites supported by the offered solution.

## ATTACHMENT H: FINANCIAL REVIEW FORM

Vendor shall review the Financial Review Form, provide responses in the gray-shaded boxes, and submit the completed Form as an Excel file with its offer. Vendor shall not add or delete rows or columns in the Form, or change the order of the rows or column in the file.

1. Vendor Name:
2. Company structure for tax purposes (C Corp, S Corp, LLC, LLP, etc.):
3. Have you been in business for more than three years? ☐ Yes ☐ No
4. Have you filed for bankruptcy in the past three years? ☐ Yes ☐ No
5. In the past three years, has your auditor issued any notification letters addressing significant issues? If yes, please explain and provide a copy of the notification letters. ☐ Yes ☐ No
6. Are the financial figures below based on audited financial statements? ☐ Yes ☐ No
7. Start Date of financial statements:  
End Date of financial statements:
8. Provide a link to annual reports with financial statements and management discussion for the past three complete fiscal years:
9. Provide the following information for the past three complete fiscal years:

	Latest complete fiscal year minus two years	Latest complete fiscal year minus one year	Latest complete fiscal year
<b>BALANCE SHEET DATA</b>			
a. Cash and Temporary Investments			
b. Accounts Receivable (beginning of year)			
c. Accounts Receivable (end of year)			
d. Average Account Receivable for the Year (calculated)			
e. Inventory (beginning of year)			
f. Inventory (end of year)			
g. Average Inventory for the Year (calculated)			
h. Current Assets			
i. Current Liabilities			
j. Total Liabilities			
k. Total Stockholders' Equity (beginning of year)			
l. Total Stockholders' Equity (end of year)			
m. Average Stockholders' Equity during the year (calculated)			
<b>INCOME STATEMENT DATA</b>			
a. Net Sales			
b. Cost of Goods Sold (COGS)			
c. Gross Profit (Net Sales minus COGS) (calculated)			
d. Interest Expense for the Year			
e. Net Income after Tax			
f. Earnings for the Year before Interest & Income Tax Expense			
<b>STATEMENT OF CASH FLOWS</b>			
a. Cash Flow provided by Operating Activities			
b. Capital Expenditures (property, plant, equipment)			

## ATTACHMENT K. FEDERAL AND OTHER STATE SPECIFICATIONS

The following provisions govern this product and the related technical requirements. Keep these in mind when preparing the Vendor's response

### FNS HANDBOOK 901 PROVISIONS AND OTHER FEDERAL PROCUREMENT REQUIREMENTS

- a) No component or documentation of the Crossroads system will be in the public domain.
- b) Federal regulations 2 CFR § 200.315 provides for title to intangible property acquired under a Federal award. This regulation is located at the following website <https://www.ecfr.gov> .  
  
The regulation includes that FNS reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish, or otherwise use and to authorize others to use for Federal government purposes, the North Carolina Crossroads software and modifications thereof, and associated documentation designed, developed, or installed with Federal financial participation.
- c) Federal regulations 2 CFR § 200.317 (Procurement by states). This regulation is located at the following website <https://www.ecfr.gov> , and includes a list of provisions under 2 CFR 200 Appendix II that must be included in this RFP.
- d) Federal regulations 2 CFR Part 416 (Special Procurement Provisions). This regulation is located at the following website <https://www.ecfr.gov> , and includes exclusions on prospective contractors that also develop procurement documentation related to this RFP.
- e) Federal regulations 2 CFR § 421.10 (Drug-Free Workplace Act). This regulation is located at the following website <https://www.ecfr.gov> , and includes USDA policies and procedures for compliance with the Act.
- f) Federal regulations 28 CFR Part 35 (Americans with Disabilities Act). This regulation is located at the following website <https://www.ecfr.gov> , and implements Subtitle A of Title II of the Americans with Disabilities Act.

### FNS APPROVAL

- a) This Crossroads RFP and resulting Contract is dependent upon FNS approval. Delays in approval may impact the timeline and schedule for Contract execution.

### COMPLY WITH STATE CIO / DIT / ITD REQUESTS FOR ADDITIONAL SUPPORT

- a) If requested by the State, the Vendor will be required to support, at no additional cost, product reviews and assessments, various risk management, problem or issue resolution or other requests regarding WIC Crossroads from the State Chief Information Officer (CIO), the Department of Information Technology (DIT), and the DHHS Information Technology Division (ITD).
- b) In the event the State of North Carolina declares an emergency or disaster at the county, geographic region, or statewide level, the Vendor will assist the State as requested in restoring the State production system or implementing any emergency software modifications needed to minimize impact to participants of Crossroads programs.

## **VENDOR SITE VISITS**

- a) The State's designated representative(s) and/or FNS may visit the Vendor's site(s) at any time with twenty-four (24) hour notice.

## **COMPLIANCE WITH STANDARDS, OPERATIONAL SPECIFICATIONS, AND FNS REQUIREMENTS**

- a) Crossroads will remain compliant with the most recent version of the following standards and specifications
  - Software development best practices and standards such as the Agile methodology.
  - The FNS Operating Rules for WIC EBT systems as defined by USDA/FNS.
  - The FNS Technical Implementation Guide (TIG)
  - The FNS WIC Universal MIS-EBT Interface (WUMEI)
  - The NC Technical Architecture System Design (TASD)
  - The FNS Handbook 901
- b) Each major release of Crossroads will contain a mutually agreed number of Change Request hours, and a mutually agreed number of defect corrections, for the Vendor to meet the SLA.
- c) Vendor will furnish the necessary staff, material, travel expenses, software licenses, digital certificates, equipment, services, and facilities to perform the work described in this RFP. The State's designee(s), including auditors, and/or FNS may visit the Vendor's site(s) as stipulated under Attachment K.
- d) All Vendor / sub-contractor staff (including but not limited to software development, build, test, installation, help desk, product management, etc.), facilities, and equipment including all databases, servers and workstations (such as environments for software development, build, test, etc.) and tools (such as FTP storage sites, cloud hosting sites, issue reporting systems, etc.) will be physically located in the continental United States.

Only Vendor / sub-contractor staff physically located in the United States, including its territories, will administer equipment servers and tools.