

STATE OF NORTH CAROLINA Department of Health and Human Services	REQUEST FOR PROPOSAL NO. 30-24206R-DSS	
	Offers will be publicly opened: February 20, 2026 at 2:00PM	
	Issue Date: January 30, 2026	
Refer <u>ALL</u> inquiries regarding this RFP to: Eve Hens eve.hens@dhhs.nc.gov 585-297-4954	Commodity Number: 81111509	
	Description: Internet or intranet client application development services County Administration Reimbursement System Modernization Project (CARS)	
	Purchasing Agency: NC Department of Health and Human Services	
	Requisition No.: RQ223002	

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, 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
PRINT NAME & TITLE OF PERSON SIGNING:	FAX NUMBER:	
AUTHORIZED SIGNATURE:	DATE:	E-MAIL:

Offer valid for three hundred and sixty-five (365) 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 Purchasing NC Department of Health and Human Services 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).

<p><u>FOR PURCHASING AGENCY USE ONLY</u></p> <p>Offer accepted and contract awarded this date _____ as indicated on attached certification, by (Authorized representative of Purchasing NC Department of Health and Human Services).</p>
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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	1/30/26
Pre-Offer Conference	Agency	2/5/26 at 2:00PM ET
Written Questions Deadline	Potential Vendors	2/6/26 at 5:00PM ET
Agency's Response to Written Questions/ RFP Addendum Issued	Agency	2/11/26
Offer Opening Deadline Public Bid Opening Microsoft Teams Link: Microsoft Teams meeting Join: https://teams.microsoft.com/meet/22169634200202?p=fyTLGm7i1lue8FP4mh Meeting ID: 221 696 342 002 02 Passcode: SS2G4Ag3 Dial in by phone +1 984-204-1487,.607830528# United States, Raleigh Find a local number Phone conference ID: 607 830 528#	Vendor(s)	2/20/26 at 2:00PM ET
Offer Evaluation	Agency	2/21/26-3/20/26
Selection of Finalists	Agency	3/23/26
Negotiations with Finalists	Agency designees and selected Vendor(s)	3/23/26-4/14/26
Best and Final Offers Deadline from Finalists	Selected Vendors	4/21/26
State Approval to Award	Agency	5/21/26
Federal Approval to Award	Agency	7/21/26
Contract Award	Agency	8/1/26
Protest Deadline	Responding Vendors	15 days after award

2.0 PURPOSE OF RFP

2.1 INTRODUCTION

The purpose of this Request for Proposal (RFP) is to solicit Offers from qualified vendors for a software development solution ("Solution") that will allow the NC Department of Health and Human Services (NCDHHS or Agency) to develop and maintain a secure and HIPAA-compliant county administration reimbursement system. Our goal is to develop a replacement system, addressing various shortcomings and risks of the current systems and processes.

From a technical perspective, the project will unify the functionality of the existing legacy systems of the County Administration Reimbursement System (CARS), Services Information System (SIS) Daysheets, and potentially all or some of the NC County Reimbursement Ledger Suite (NC-CoReLS) under a single system capable of integrating with current and future stakeholder systems such as county DSS systems and the North Carolina Financial System (NCFS). NCDHHS is open to consider a Solution that either leverages and/or modernizes NC-CoReLS or replaces NC-CoReLS as long as the proposal conforms to all business specifications.

The Solution strategy will focus on web based, cloud deployed systems that will afford the State the greatest amount of configuration and autonomy of maintenance. The vision is for the Solution to be procured from the Vendor and configured by State IT personnel to meet the needs of the Office with support provided by the Vendor. Hosting options, either State-hosted or Vendor-hosted, for the platform and data can be proposed by the Vendor based on the optimal Solution the Vendor plans to offer. While NCDHHS prefers cloud-based Solutions that can be operated and maintained by the Department, Vendors may propose alternative development approaches according to their business model and technical delivery approach.

2.2 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 three (3) year(s) 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 two (2) one-year renewals at its sole discretion.

2.3 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.

2.4 CONTRACT TYPE

Definite Quantity Contract - This request is for a closed-ended contract between the awarded Vendor and the State to furnish a pre-determined quantity of a good or service during a specified period.

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

2.5 AGENCY BACKGROUND

County agencies administer Social Services, Income Maintenance, and Child Support programs. The costs incurred by agencies are reported each month and allocated to each program/funding stream based on the staff's reported time and full-time equivalent (FTE) count. Counties that claim administrative costs support approximately forty-five (45) different programs. Administrative claiming averages \$190M month statewide from over forty (40) unique funding sources. Currently, a large majority of these processes include keeping daily timesheets for assigning these costs.

Under federal regulations and the General Statutes of North Carolina, funds are appropriated from federal, State and county sources for providing social services and financial assistance to needy individuals. For reimbursement purposes, social services are divided up into four parts: Services, Income Maintenance, Child Support, and Administration. Counties track their employees' daily time – coded to SIS activity and SIS program codes – on Daysheets, which are uploaded to the NC DSS Daysheets application on the SIS Mainframe.

At a high level, NC DSS Daysheets is an employee time tracking application for staff supporting Social Services, Income Maintenance, and Child Support programs at the local County Departments of Social Services (DSS), Native American tribes, and eight (8) stand-alone Child Support Enforcement offices. Time is tracked, approved, and submitted to the state office via a web interface. The system consists of four user types: Worker, Clerical, Finance, and Administration.

Once all Daysheets for the month have been entered, certified, and approved, County Finance users send the data to the state via the upload screen. The State requires that this is usually done within the first five (5) days of each month. The system requires that all time entries entered for the submitting month be both certified and approved. If there are any workers that have not yet done this, the system identifies these users allowing the Finance/Admin user to follow up. After submitting the data to the state, a report can be run within the State Data Warehouse system to verify a successful data transfer.

Client information is entered into the system by Admin or Clerical users. SIS numbers (Client IDs) sent from the State can be uploaded in batch using a text file. This creates 'unused' SIS numbers which can later be assigned to new clients. Alternatively, SIS numbers can be added one at a time. To ensure data integrity workers are only able to select from this list of pre-entered clients when entering time. Monthly, the local DSS offices prepare and submit a reimbursement report referred to as the DSS-1571. This report enables the county to report and submit its costs incurred in support of the administration of public assistance programs. Submitted costs are later allocated according to counties' time reporting, to assist NCDHHS in claiming and disbursing federal and State funds to local DSS.

See Attachment M:Process Flow Diagrams and attached .PDF file for detailed "As Is" process flows for CARS.

2.5.1 PROBLEM STATEMENT

The purpose of this RFP, and any resulting contract award, is for the North Carolina Department of Health and Human Services (NCDHHS) Division of Social Services ("Agency" or DSS) to solicit offers from qualified vendors to develop a software application ("Solution") that will allow the State to develop and maintain a secure and HIPAA-compliant county administration reimbursement system. Our goal is to develop a replacement system for our current legacy technology, addressing various shortcomings and risks of the current systems and processes.

The Agency is seeking a web-based, cloud-deployed Solution that is easily configured and able to be maintained by State information technology (IT) staff. The vision is for the Solution to be procured from the Vendor and configured by State IT personnel to meet the needs of the Office with support provided by the Vendor. Hosting options, either State-hosted or Vendor-hosted, for the platform and data can be proposed by the Vendor based on the optimal Solution the Vendor plans to offer. While the State prefers cloud-based Solutions that can be operated and maintained by the Department, Vendors may propose alternative development approaches according to their business model and technical delivery approach.

The anticipated user base is up to five hundred (500) concurrent NCDHHS, State, and county employees.

2.6 CONTRACT PHASES

The Contract will have the following two (2) Contract Phases:

- (a) Project Execution Contract Phase: The portion of the contract duration during which the Vendor develops and implements the Solution. Reference Section 3.6 Management Specifications and Attachment J: Quality Specifications for Project Management and O&M Deliverables for details regarding the approach, deliverables, tasks, and activities necessary for the Solution to be released for production. The Vendor is to deliver and stabilize a Solution that contains all Business and

Technical Requirements and Specifications before initiating the Operations and Maintenance Contract Phase.

- (b) Operations and Maintenance (O&M) Contract Phase: The Vendor will perform all tasks and/or activities related to operating and maintaining the Solution after the Stabilization Period (i.e., warranty) has been completed. The Vendor will maintain the Solution, provide support and updates and/or new releases, and modify the Solution as requested by the Agency. If a Vendor-hosting option is selected by the Agency, the Vendor will also maintain the hosting environment. Reference Section 3.6.10 Vendor Approach to Operations and Maintenance and Attachment J for details regarding the approach, deliverables, tasks, and activities necessary to support the Solution during O&M.

3.0 RFP REQUIREMENTS AND SPECIFICATIONS

3.1 GENERAL REQUIREMENTS AND SPECIFICATIONS

3.1.1 REQUIREMENTS

Means, as used herein, a function, feature, or performance that the system must provide.

3.1.2 SPECIFICATIONS

Means, as used herein, a specification 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 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

Vendors shall provide a completed Vendor Readiness Assessment Report State Hosted Solutions ("VRAR") at offer submission. This report is located at the following website:

<https://it.nc.gov/documents/vendor-readiness-assessment-report>

The project will be required to receive and securely manage data that is classified as Restricted (HIPAA or PHI, Personally Identifiable Information [PII]). Refer to the North Carolina Statewide Data Classification and Handling policy for more information regarding this 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.

3.2.2 SOLUTIONS NOT HOSTED ON STATE INFRASTRUCTURE

The NCDHHS County Administration Replacement Project will be required to receive and securely manage data that is classified as Restricted (HIPAA or PHI, Personally Identifiable Information [PII]). 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 3rd party assessment report in accordance with the following subparagraphs (i)-(iii) prior to contract award. However, Vendors are encouraged to provide a current independent 3rd 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) A Vendor that cannot provide a preferred independent 3rd party assessment report as described above may submit an alternative assessment, such as a SOC 2 Type 1 assessment report. The Vendor shall provide an explanation for submitting the alternative assessment report. If awarded this contract, a Vendor who submits an

alternative assessment report shall submit one of the preferred assessment reports no later than 365 days of the Effective Date of the contract. Timely submission of this preferred assessment report shall be a material requirement of the contract.

(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 shall provide such additional security documentation upon request by the State during the term of the contract.

3.2.3 SOLUTION SECURITY SPECIFICATIONS

(a) **Access Control:** 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#identity-access-management>

3.3 ENTERPRISE SPECIFICATIONS

3.3.1 ENTERPRISE STRATEGIES, SERVICES, AND STANDARDS

Agencies and vendors should refer to the Vendor Resources Page for information on North Carolina Information Technology enterprise services, security policies and practices, architectural requirements, and enterprise contracts. The Vendor Resources Page can be 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.

3.3.2 ARCHITECTURE DIAGRAMS DEFINED

The State utilizes architectural diagrams to better understand the design and technologies of a proposed Solution. These diagrams, required at offer submission, can be found at the following link: <https://it.nc.gov/architectural-artifacts>.

There may be additional architectural diagrams requested of the vendor after contract award. This will be communicated to the vendor by the agency as needed during the project.

3.3.3 VIRTUALIZATION

The State currently utilizes server virtualization technologies including VMware, Solaris and zLinux. The Vendor should state whether its Solution operates in a virtualized environment. Vendor also should identify and describe all differences, restrictions, or limitations of its proposed Solution with respect to operation, licensing, support, certification, warranties, and any other details that may impact its proposed Solution when hosted in a virtualized environment.

3.3.4 IDENTITY AND ACCESS MANAGEMENT (IAM)

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#identity-access-management>

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

3.4 BUSINESS AND TECHNICAL REQUIREMENTS

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 TIME REPORTING

- (a) The proposed Solution must utilize a time reporting model that may include Random Moment Time Sampling (RMTS) and/or a hybrid model including RMTS and direct time reporting to meet federal and State requirements, including the NCDHHS' cost allocation plan(s) that are federally approved for direct workers. ASMB C-10, the U.S. Department of Health and Human Services implementation guide, provides further guidance on the requirements and circumstances dictating the frequency of time and effort reporting.
https://www.dol.gov/sites/dolgov/files/oasam/legacy/files/asmb_c-10.pdf

- (b) The Solution must have the capability to ensure that time and/or cost reported for direct workers complies with the program and activity codes selected by the Agency for each program area and as defined in the Agency's federally approved cost allocation plan(s).

3.4.2 ALLOCATION

The new unified system must have a federal and State approved method of allocating overhead and indirect cost to benefitting grants and comply with the Office of Management and Budget (OMB) uniform guidance cost principles.

3.4.3 ARCHIVAL AND PURGING

Solution must have the capability to maintain and be able to retrieve a minimum of ten (10) years operational, audit and report data at any point of time.

3.4.4 WEB USER INTERFACE

Vendor must have the ability to design, implement and maintain a web portal/interface for all county users to enter near-real time and batch data. while validating all cost allocation and reimbursement data.

3.4.5 DATA MIGRATION

Vendor must have the ability to migrate a minimum of 12 years of data for all standard reports and audit logs from existing system to new system.

3.4.6 BACK-UP AND RECOVERY

- (a) Provide ability for periodic backup of all data and standard reports.
- (b) Provide ability to restore data from backup and restore system functionality access from a secondary site upon primary system site failure.

3.5 BUSINESS AND TECHNICAL SPECIFICATIONS

3.5.1 GENERAL SPECIFICATIONS

- (a) Describe how the design will be incorporated in a flexible platform that can accommodate multiple methodologies (for example, RMTS or a hybrid methodology of RMTS and direct reporting).
- (b) Describe how the system will enable administrators to close out fiscal periods and handle prior period adjustments in a way that is user friendly (i.e., minimizes the need for customization and maximizes efficiency and transparency to county and State users).
- (c) Describe how the Solution will handle prior period adjustments in circumstances where the original revenue was received by county prior to this new Solution being implemented.

- (d) Describe how the system will allow for the tracking of the indirect cost plans submittals and approvals and allow for the tracking of the indirect costs claimed on a month-to-month basis.
- (e) Describe how the system will provide a State configurable business rule engine.
- (f) Describe the process used to design and achieve consensus on the design of the cost allocation process after the contract is onboarded.
- (g) Describe a process to determine reliable estimations of the impact on county revenues associated with any switchover to RMTS. For example, RMTS may be implemented several months earlier than the overall cost allocation solution in order to compare RMTS driven outputs to the outputs of the current as-is process.
- (h) Describe how the proposed system will have the following functionalities once configured, designed, and implemented:
 - (i) sampling functionality
 - (ii) surveying functionality
 - (iii) security
 - (iv) roles
 - (v) reporting
 - (vi) database
 - (vii) audit support
 - (viii) cost data entry
 - (ix) cost allocation and payment calculations for each defined pool
 - (x) quality assurance/control monitoring
 - (xi) interfaces to other systems, and
 - (xii) training participation tracking.

3.5.2 TIME REPORTING

- (a) Describe how the Solution will identify all direct workers for each county DSS by a unique identifier(s).
- (b) Describe how the Solution will allow workers to identify what client(s) they were working with if Client ID is required for a certain given service. Note: This may include possible integration with the NCDHHS Common Name Data Services database (CNDS) and /or other unique client identifiers as needed.
- (c) Describe how the Solution will interface with the Child Welfare Information System (CWIS) to automatically look up IV-E Eligibility when a worker keys in Random Moment Sampling (RMS) for Child Welfare.
- (d) Describe how the Solution will enable the assignment of a time reporting methodology for each direct worker. Include details about how the Solution will integrate Random Moment Time Sampling and direct time reporting.
 - a. Because NC has multiple large and small capped and uncapped allocations, the Agency must ensure that all funding streams are able to be utilized and maximized. This may be achieved through braiding funding streams and/or limited worker time reporting.
- (e) Describe how the Solution will import employee data including but not limited to Employee ID, Employee Name, County, work schedule, salary, benefit cost, and direct charge attestation.
- (f) Describe how the Solution will provide the ability to track direct service worker (DSW) schedules to enable controls for random moment sampling selection periods.

- (g) Describe how the Solution will produce direct service worker attestations.
- (h) Describe how the Solution will allow supervisors to validate direct service worker submissions.
- (i) Describe how the Solution will allow supervisors to return submissions to workers for corrections and notify workers on the return.
- (j) Describe how the Solution will give the Agency the ability to limit which service and activity combinations a supervisor is allowed to use when responding on behalf of the direct service worker.
- (k) Describe how the Solution will provide the ability to add, change, or delete Service Codes, Function/Column/Parts codes, and corresponding app codes.
- (l) Describe how the Solution will provide the ability to track responses by program, service, and activity codes.
- (m) Describe how the Solution will receive data uploaded for direct workers identified to participate in direct time reporting, calculate the percentage of time spent in each program area for those workers, and apply that percentage in the allocation of those workers' costs to each program area.
- (n) Describe how the Solution will provide the ability to create roster(s) of workers for each county DSS and update with workers' RMTS eligibility, worker schedules, and/or work status (e.g., terminations or new hires).
- (o) Describe how the Solution will provide the functionality to allow users to input the direct service worker's name and worker ID number and date/time stamps.
- (p) Describe how the Solution will provide functionality in the RMTS time sampling survey to include Decision Tree(s) that guide workers to prompt appropriate answers and valid combinations of activity/program codes.
- (q) Describe how the Solution will provide sampling functionality which allows workers the ability to select program and activity codes from either drop-down menus, search fields, or radio buttons, which provide a decision-tree enabling valid response.
- (r) Describe how the Solution will provide quality assurance/control monitoring functionality to allow survey responses to be reviewed and validated by designated system users.
- (s) Describe how the Solution will provide detailed documentation of work performed/ reported by RMS participants over a predetermined period to be used to identify, measure and allocate the staff that is devoted to reimbursable activities by program and by funding source.
- (t) Describe how the Solution will accommodate multiple RMTS participant pools and cost pools and generate multiple sets of random moment surveys accordingly for each pool.
- (u) Describe how the Solution will allow direct service worker the ability to make corrections to previously submitted time responses including historical data.
 - (i) Historical data means pulling data historically for any reporting needs including pertinent data for the period being reviewed.
 - (ii) Historical data includes data encompassing close-out for both State and county.
- (v) Describe how the Solution will provide the ability to lock the sampling and/or time reporting data submitted from further edits.
- (w) Describe how the Solution will support an unlimited number of random moment sampling participants and/or direct time reporting employees. (i.e., The sampling universe must

include all of the employees whose salaries and wages are to be allocated on the basis of the sample results).

- (x) Describe how the Solution will provide an audit trail capable of verifying reimbursement based on county DSS activities, including but not limited to retaining documentation to support the sample universe determination, sample selection, sample results, sampling forms, costs data for each county DSS, and summary sheets showing how each county DSS claim was compiled.
- (y) Describe how the Solution will provide the functionality to generate reports for use by county auditors.
- (z) Describe how the Solution will provide the capability to create reports, including but not limited to non-response RMTS survey rates, time reporting of general admin codes, non-working responses.

3.5.3 API INTERFACE

Describe how the Solution supports Dell Boomi for API lifecycle management. If a vendor wants to propose the use of a different tool, Vendor must provide justification, and the State must consider and approve prior to Contract award. Approval of an alternate tool is not guaranteed.

3.5.4 WEB INTERFACE

- (a) Describe how the Solution will provide an e-signature functionality which allows executive users to provide their sign off on data input to the system and data output from the system.
- (b) Describe how the Solution will provide an inbuilt e-mail notification functionality which allows for executive users and system users to receive data entry acknowledgment and data load errors.

3.5.5 DATA VALIDATION

- (a) Describe how the Solution will validate data for each field of data entered by user over the web interface or sent through in a file via an external system.
- (b) Describe how the Solution will validate data for data type and data value applicable to both free text field and restricted data entry fields.

3.5.6 DATA PROCESSING

Describe how the Solution will apply data transformation and processing logic to calculate cost allocation and reimbursement as per business rules.

3.5.7 EXCEPTION AND ERROR HANDLING

- (a) Describe how the Solution will capture erroneous records as rejects and flag records for warnings as per business rules.
- (b) Describe how the Solution will report on rejected records, errors in transmission and view warnings for all data submissions and resubmissions.

3.5.8 DATA BALANCING

Describe how the Solution will incorporate logic to balance amount and other financial data elements across processes and systems.

3.5.9 REPORTING

- (a) Describe how the Solution will generate automated standard reports.

- (b) Describe how the Solution will allow standard reports to be executed on an ad hoc basis by system users in addition to the scheduled version.
- (c) Describe how Vendor will prepare report specification documents which elaborate on business rules and processing logic for standard reports and executive dashboards.

3.5.10 BATCH AND SCHEDULING

- (a) Explain how any batch jobs will automatically be executed in the cloud system to eliminate or minimize manual intervention for data input and data batch transfer.
- (b) Confirm that job scheduling Solution will provide an audit trail to track and trace changes between jobs.
- (c) Confirm that job scheduling software can automatically handle dependencies and detect when prerequisite jobs are complete before running the next process.

3.5.11 SIS CODES AND RELATED PROCESS

- (a) Describe how the Solution will streamline or replace SIS Activity/Program code combinations to eliminate duplicative options and unused codes, reducing the likelihood of error and direct service worker time spent identifying correct codes.
- (b) Describe how the Solution will restrict or permit county supervisors or fiscal staff to enter program codes based on direct service workers' activities, shifting the responsibility to those most knowledgeable of real-time program funding information and reducing likelihood of errors and reporting corrections.

3.5.12 AUTOMATING MANUAL FUNCTIONS

- (a) Describe how the Solution will allow for electronic submission of signed Statements of Administrative Cost. Improving this process will reduce work for both NCDHHS and county staff by reducing activities around printing, scanning, emailing, faxing, or mailing documents.
- (b) Describe how the Solution will allow for automatic scheduling of jobs to produce reports. Automatic scheduling of jobs, where feasible and appropriate, may help reduce time spent by CARS and Technical Support Teams.
- (c) Describe how the Solution will enable an electronic signature capability in the unified system to eliminate the need to balance the Statement of Administrative Cost.

3.5.13 COST ALLOCATION - LOGIC

- (a) Describe how the Solution will provide the capability for designated system users (e.g., County Fiscal Staff) to enter applicable cost and client count data monthly, which will be used in conjunction with the time reporting and/or RMTS data to produce calculations and reports necessary for cost allocation business logic, reimbursements to counties, and claim submissions to the NCDHHS DSS State office.
- (b) Describe how the Solution will perform calculations using the collected information to allocate costs consistent with the approved cost allocation plan(s), To Be Business Process Maps and other NCDHHS business logic; and be able to adjust the calculations and business logic as changes are made to the Plan(s) and business logic. This logic may include allocation of cost by program area, funding stream, and other funding considerations such as capped or uncapped funding stream, as well as application of other indirect/overhead expenses.
- (c) Describe how the Solution will provide the ability to add, change, or delete SIS Service Codes, Function/Column/ Parts codes, and corresponding app codes.

3.5.14 COST ALLOCATION – DATA SUBMISSION

- (a) Describe how the Solution will provide the capability for designated county fiscal staff users to enter and/or import payroll data, time reporting and RMTS results, costs for purchased services and related fees for clients, and other necessary data for their designated county DSS in order to complete the county cost reporting currently titled (DSS-1571 report) using the prescribed business logic.
- (b) Describe how the Solution provides the capability for designated NCDHHS and County Fiscal Staff users to enter and/or import cost information on Purchased Services and related fees for clients and generate report(s) based upon the logic of the current XS411 report. A description of 1571 reports including the XS311 can be found here: <https://www.ncdhhs.gov/understanding-335-337-411-ppt/download?attachment>
- (c) Describe how the Solution calculates penetration rates by interfacing with multiple systems such as the NC FAST, the Controller's site, and other systems in the future (if these change) to gather the information necessary, and by using the prescribed business logic.
- (d) Describe how the Solution provides quality assurance/control functionality to allow the data entered into the cost reporting system (currently NC CoReLS) to be reviewed and validated by designated system users (e.g., county fiscal staff, county leadership and state staff as needed).
- (e) Describe how the Solution produces electronic attestations by designated county leadership users, by collecting and recording electronic signatures prior to submission of the DSS-1571 (or equivalent) reports.
- (f) Describe how the Solution provides the ability to lock the submitted data from further edits.
- (g) Describe how the Solution provides the ability to enter and/or upload and store documentation from designated system users (e.g., County fiscal staff, county leadership) to support the administrative cost claim. Refer to Data Management and Security and Privacy requirements for data archival requirements.

3.5.15 COST ALLOCATION - GENERAL

- (a) Describe how the Solution executes the Build Reimbursement Report and Reconcile Process by interfacing with other systems to collect necessary information, reconcile submitted data where necessary, follow the business logic, and conduct error checks as based up on the To-Be business process maps.
- (b) Describe how the Solution provides functionality to allow County Fiscal Staff access to preliminary development of the DSS-1571 (or equivalent) and XS411 (or equivalent) report prior to final submission and electronic sign-off to assist counties in drafting submissions and/or utilizing the preliminary reporting to assist in forecasting/budget scenario analysis.
- (c) Describe how the Solution provides the ability to conduct statistical analysis of historical DSS-1571 (or equivalent), reimbursement, and/or administrative cost claim data.
- (d) Describe how the Solution provides the capability, limited to appropriate or authorized user access rights to access, view and/or customize or build reports that allow for adding or removing fields, drilling up/down, summarizing etc., to create and/or edit reports on any data element collected, limited to NCDHHS staff, based on federal/state requirements.

3.6 MANAGEMENT SPECIFICATIONS

The following specifications concern specific tasks to be completed during the Contract term, which will be divided into the Project Execution Contract Phase and Operations and Maintenance (O&M) Contract Phase. This section also requests information about the Vendor's proposed Project and ongoing O&M support approach, including partnership with State IT and Business personnel for

delivery. The State generally specifies that the vendor provides the following different environments: Development, Test, Staging (UAT, Pre-Production) and Production.

3.6.1 SOFTWARE DEVELOPMENT LIFECYCLE (SDLC)

Describe the SDLC approach, methodology, and tools the Vendor will use to deliver a Solution that meets the requirements and specifications in this RFP. The State requests use of agile-based methodologies. Include a description of the following:

- (a) The Vendor's approach to discovery and gap analysis with any proposed product offering, roadmap planning, configuration and release management, and Solution development cycles such as Sprints and milestones needed to build a Solution that meets the requirements and specifications of this RFP.
- (b) For agile-based methodologies, the Sprint cadence proposed and the types of agile ceremonies (i.e., meetings) used, indicating when the Solution owner and other State project team members are engaged.

3.6.2 VENDOR PROJECT MANAGEMENT APPROACH

The State's framework employs decision points throughout the project for approval to proceed with next tasks (reference <https://it.nc.gov/programs/project-portfolio-management/quality-management-system>). The project phases in which the Vendor will be engaged include the Planning and Design, Execution and Build, Implementation and Closeout phases. Reference Section 7.11 Project Management for additional information.

Describe your Project Management methodology and how it can be utilized to support the State's project management framework, including:

- (a) All project management tools needed to deliver the Solution and meet Business and Technical and Management Specifications.
- (b) Approach and tasks for monitoring and controlling the project's schedule, scope, budget/resource tracking, risks, issues, change and quality.
- (c) For all agile-based methodologies, how the proposed sprint schedule aligns with the State's project phases (i.e., Planning and Design, Execution and Build, Implementation and Closeout phases).
- (d) How the Vendor will provide all project management artifacts needed to support any peer review or project review requests from the State.
- (e) How the Vendor will assist the State in documenting lessons learned throughout the Project Execution Contract Phase.
- (f) How the Vendor will facilitate collaborative RMTS methodology design sessions with county DSS representatives and State staff.
- (g) How the Vendor will assist with analysis of methodology options and work towards a consensus on a final RMTS design that achieves the Agency goals and maximizes State and county revenue.

3.6.3 VENDOR PROJECT MANAGEMENT AND OPERATIONS AND MAINTENANCE DELIVERABLES

Describe your approach to complete, or assist State personnel in completing, all Project Management and Operations and Maintenance Deliverables listed in the table provided below in this section, and supply drafts of the Deliverables as indicated.

- (a) The table lists each Project Management and O&M Deliverable along with the Vendor's delivery responsibility.
- (i) If the Vendor is listed as the Owner of a Project Management and O&M Deliverable, then the Vendor is responsible for completion of the Deliverable with assistance from the State for items that need State input (i.e., State may be a Contributor).
 - (ii) If the Vendor Responsibility is listed as Contributor for a Project Management and O&M Deliverable, then the State is the Owner and is responsible for the completion of the Deliverable and will obtain assistance/input from the Vendor as needed.
 - (iii) In some cases, ownership of a Project Management and O&M Deliverable depends on who is hosting the Solution (as is the case for the Security Plan).
- (b) In describing your approach, refer to Attachment J: Quality Specifications for Project Management and O&M Deliverables. The State will use Attachment J to evaluate Vendor's described approach for each Deliverable and all draft Project Management Deliverables requested in this RFP to be included in the Vendor's proposal.
- (c) Any draft Project Management Deliverables submitted by the Vendor with their proposal will be refined during the Contract Term based on Agency feedback and must be approved by the Agency to be considered final.
- (d) The State will also use Attachment J to evaluate Project Management and O&M Deliverables submitted to the State for approval throughout the Contract Term. Attachment J includes the description of the content needed for acceptance of a Deliverable and states when the Vendor is to deliver or update the Deliverable throughout all Contract Phases.
- (e) This list of Deliverables may be negotiated as necessary to be applicable to the proposed Solution via an Alternative Offer (reference Section 6.2.6. Alternative Offers). The Vendor may propose an alternate set of Deliverables with descriptions of content that demonstrate use of industry standard planning, project management, and technical practices needed to ensure that the Vendor delivers the Solution on time, within the agreed upon Vendor pricing, and that the Solution meets the Agency's acceptance criteria. The Agency is not obligated to accept any changes the Vendor proposes to this list for inclusion in the Contract.

#	Project Management and O&M Deliverable	Vendor Responsibility
1	Kick-Off Meeting	Contributor
2	Project Kick-Off Meeting Report	Owner
3	Vendor Project Schedule (include draft plan with proposal)	Owner
4	Vendor Project Management Plan (include draft plan with proposal)	Owner
5	Vendor Project Staffing Plan (include draft plan with proposal)	Owner
6	Project Communication Plan and Communications Matrix	Contributor
7	Project Risk and Issues Management Plan, Project Risk Watch List Matrix, and Project Issues Log	Contributor
8	Vendor Software Quality Assurance Plan	Owner
9	Project Change Management Plan, Project Change Request Form, and Project Change Request Log	Contributor
10	Security Plan	Vendor-Hosted Solution: Owner State-Hosted Solution: Contributor

#	Project Management and O&M Deliverable	Vendor Responsibility
11	Technical Architecture Diagrams (include draft with proposal per Section 3.3.2)	Owner
12	Configuration and Release Management Plan	Owner
13	Training Plan	Contributor
14	Test Plan (Technical Testing; see also dedicated Data Migration and Performance Test Plans below)	Owner
15	Deployment Plan	Owner
16	Gap Analysis Document	Owner
17	User Stories	Contributor
18	Requirements Traceability Matrix	Owner
19	Data Model	Owner
20	Data Dictionary	Owner
21	Detailed Design Specifications Document	Owner
22	Infrastructure Requirements (State-Hosting Option only)	Owner
23	Infrastructure Configuration Specifications (State-Hosting Option only)	Owner
24	Vendor Recommendation for Technical Training for State IT Support Personnel	Owner
25	Configured State Technical Environments (for State-Hosting Option)	Contributor
26	Technical Skills Transfer (State-Hosting Option only)	Owner
27	Base Product and Base Product Installation Instructions (for COTS products with State-Hosting Option)	Owner
28	Design Review Session	Owner
29	Test Cases and Test Scripts	Owner
30	System Test Results Report	Owner
31	Regression Test Results Report	Owner
32	Integration Test Results Report	Owner
33	Accessibility Test Results Report	Owner
34	Demonstration of Tested System	Owner
35	General Backup and Recovery Plan	Vendor-Hosted Solution: Owner State-Hosted Solution: Contributor
36	Disaster Recovery Plan	Vendor-Hosted Solution: Owner State-Hosted Solution: Contributor
37	Performance Test Plan	Vendor-Hosted Solution: Owner State-Hosted Solution: Contributor
38	Performance Test Cases and Test Scripts	Vendor-Hosted Solution: Owner State-Hosted Solution: Contributor
39	Performance Test Readiness Report	Vendor-Hosted Solution: Owner State-Hosted Solution: Contributor
40	Performance Test Results Report	Vendor-Hosted Solution: Owner State-Hosted Solution: Contributor
41	Data Conversion and Migration Plan	Owner

#	Project Management and O&M Deliverable	Vendor Responsibility
42	Data Map	Owner
43	Data Conversion Test Cases/Scripts	Owner
43	Data Conversion and Migration Test Results Report	Owner
45	User Acceptance Test Plan	Contributor
46	UAT Test Cases and Test Scripts	Contributor
47	UAT Training	Owner
48	UAT Results Report	Contributor
49	User Guides, Quick Reference Guides, and Online Help Documentation	Owner
50	Technical and System Administration Documentation	Owner
51	Service Level Agreement(s) (include draft plan with proposal)	Owner
52	Training Materials	Owner
53	Training Delivery	Owner
54	Operations and Maintenance Plan (State Hosting option only)	Owner
55	Release/Deployment Readiness Checklist	Contributor
56	Vendor Operations and Maintenance Staffing Plan (include draft plan with proposal)	Owner
57	Validation Test Results Report	Owner
58	Deployment UAT Results Report	Contributor
59	Vendor Support during the Stabilization Period	Owner
60	Project Status Meetings	Contributor
61	Project Status Reports	Owner
62	Sprint Reports	Owner
63	Operations and Maintenance Status Reports	Owner
64	Executed Escrow Agreement and Escrowed Solution Source Code (COTS product or custom proposals)	Contributor

3.6.4 RELEASES / PRODUCTION DEPLOYMENT AND SUPPORT

Describe your approach to deploying the developed Solution for production use, including the following items in your RFP response:

- (a) The strategy for deploying the Solution for production use, including the number of Releases proposed.
- (b) Deployment planning and preparation, including site visits, site readiness verification, end user device upgrades.
- (c) Security considerations.
- (d) Hardware, software, or facilities needed to support the deployment if the Solution proposed will not be hosted by the Vendor.
- (e) The deployment activities and reference to any milestones proposed by the Vendor.
- (f) The roles and responsibilities to complete the deployment.
- (g) Support provided during deployment, including onsite support; and
- (h) Support provided during the Stabilization Period.

Refer to Attachment J: Quality Specifications for Project Management and O&M Deliverables for the Agency's expectations regarding Solution deployment.

3.6.5 TESTING

Describe your testing processes for the Solution in detail, specifically:

- (a) Your approach to conducting all types of technical testing (i.e. unit, system and regression, interface, accessibility, and security) needed prior to User Acceptance Testing, each release/deployment, including pilot deployment, and post-deployment validation.
- (b) Your proposed approach to UAT, data conversion testing, and performance testing.
- (c) A description of the testing environment(s) and any specific software tools that you intend to use or make available for State use for all types of testing.
- (d) How any test results for any Vendor-performed testing are presented for the Agency approval.
- (e) Your proposed process for identifying, documenting, prioritizing, and resolving Defects found in the Solution during testing. Include in your description any software tools that you intend to make available for Defect management.

Address all the test-related items described in Section 3.6.3 Vendor Project Management and Operations and Maintenance Deliverables and Attachment J: Quality Specifications for Project Management and O&M Deliverables.

3.6.6 TRAINING

Describe your approach to training, identifying the points in your SDLC where training will occur for each type of training that you will provide to User Acceptance Testers, pilot users, end users, State Trainers if using a Train-the-Trainer approach in advance of deployment and/or O&M, and State IT support staff. Include in this description:

- (a) Appropriate training for DSS, NC Counties, Office of the Controller, NCDHHS technical staff, and stakeholders who provide services for reimbursement.
- (b) The training content that you will provide for the Solution, including the approach for in-person, remote, or pre-recorded training. Reference Section 3.6.3 Vendor Project Management and Operations and Maintenance Deliverables, and Attachment J: Quality Specifications for Project Management and O&M Deliverables for details regarding the Agency's training documentation needs.
- (c) Describe the Solution's technical (hosting) environment used for training. Include in your description how your training technical environment addresses the following items:
 - (i) Configurable mirror production functionality, and
 - (ii) Online help.
- (d) Describe how you provide training and knowledge transfer training to the Agency and other State IT staff as needed to assist Solution development efforts, system administration, and ongoing support for your proposed Solution.
- (e) Describe any on demand training resources available to users such as recorded training sessions, computer-based training, FAQs, community forums, etc.
- (f) Training provided during the O&M Contract Phase for new releases, enhancements, and any other changes to the Solution's underlying technology or hosting environment.
- (g) Training to be provided in event of transition from Vendor O&M to State O&M.
- (h) Ability to track training participation.

3.6.7 DATA CONVERSION AND MIGRATION

Describe approach to converting and migrating data from CARS, NC-CoReLS and SIS Daysheets to the Solution (or to be available for use by users of the Solution). Use of historical data may include prior period adjustments, longitudinal reporting, auditing/monitoring, and comparative analysis. Source of the data for conversion and migration currently resides on multiple platforms like SQL server, legacy mainframe, NCXCloud reports, etc.

3.6.8 VENDOR HOSTING

- (a) Describe how you will clearly delineate and maintain the development, test, training, production, disaster recovery, and any separate reporting technical hosting environments.
 - (i) Describe the schedule required to stand up each technical hosting environment.
 - (ii) Describe how and when you will demonstrate these environments to the State.
- (b) Describe how the Confidential Information will be securely maintained in the Vendor's hosted environment, including how the Vendor will troubleshoot, review, maintain and upgrade and patch as required all technical environment components (servers, operating systems, utility software application software, and SAN storage) as needed to ensure continual compliance/conformance (as applicable) with federal, State, and NCDHHS architectural, privacy, and security policies and standards. Include a description of any physical separation of hardware, where necessary for security and to make Changes to the Solution.
- (c) Describe how you will provide 24x7x365 monitoring of the production environment for unusual behavior, error conditions, and hardware, Solution, and operating systems' failures, except during planned or unplanned maintenance periods.
- (d) Describe how you will provide 99.9%, 24x7x365 system availability for all calendar days except for any system maintenance windows approved by the Agency, such that unplanned downtime is equal to or less than eight (8) hours forty-five (45) minutes and thirty-six (36) seconds annually. Unplanned downtime will be defined in an approved Service Level Agreement (SLA) as indicated in this RFP and resulting Contract; reference Section 3.6.12 Vendor Service Level Agreement (SLA).
- (e) Describe how and when performance testing is conducted and how results are made available to the Agency.
- (f) Indicate whether and describe the Solution supports offline access and data entry if the Internet connection is not available, and how this access can be provided.
- (g) Describe how you will maintain the Solution and database backups and perform automated nightly encrypted backups of all the Solution data files with full and incremental methodology.
- (h) Describe at a high-level the disaster recovery plan for the Solution.
 - (i) Describe how you will perform disaster recovery testing and the frequency of this testing.
 - (ii) Describe how you assure a recovery point objective (RPO) of twenty-four (24) hours and a recovery time objective (RTO) of three (3) days or less. (i.e., maximum down time).
- (i) Describe how you will provide, at the request of the Agency at no additional cost, a full backup of the Solution data. The data must be accompanied by the following documentation:
 - (i) Data dictionaries for all tables/databases; and
 - (ii) Related reference files and coding guides.

3.6.9 STATE HOSTING

- (a) Describe the development, test, training, production, disaster recovery, and any separate reporting technical hosting environments the State will need to establish and operate to host the Solution.
- (b) Describe how the Vendor will assist the State to troubleshoot, review, maintain and upgrade all technical environments (servers, operating systems, utility software application software, and SAN storage) as needed to ensure continual compliance/conformance (as applicable) with federal, State, and NCDHHS architectural, privacy, and security policies and standards.
- (c) Indicate whether the Solution supports offline access and data entry if the WAN connection is not available.
- (d) Discuss Vendor support for testing performance of the Solution.
- (e) Describe how the Vendor will support the State in performing disaster recovery tasks, including DR testing.
- (f) Describe the go-live and/or remote support the Vendor will provide to the State for:
 - (i) Installation of the Base Product
 - (ii) Installation of the Solution for deployment; and
 - (iii) Installation of product patches, new releases and other Solution Changes requested by the Agency.

3.6.10 METRICS AND PERFORMANCE

- (a) Describe how the proposed Solution ensures adequate space on servers, bandwidth, and response time in the Solution to allow for a capacity to handle up to 500 concurrent users accessing, entering, and reporting information with minimal performance degradation.
- (b) Describe how the Solution provides capability for transaction response time to be consistent for all users directly interacting with the production environment, based on a common application access for network access point, processed and returned to the network access point:
 - (i) Ninety (90) percent of responses to occur in two (2) seconds or less.
 - (ii) Ninety-five (95) percent of responses: to occur in three (3) seconds or less.
 - (iii) Ninety-seven (97) percent of responses to occur in four (4) seconds or less.
 - (iv) Ninety-nine (99) percent of responses to occur in five (5) seconds or less.
- (c) Describe the Solution's established performance metrics, and whether it conforms to the response times listed above in b. of this specification. If a separate reporting environment is included in your proposal, please describe the response times for the environment.

3.6.11 VENDOR APPROACH TO OPERATIONS AND MAINTENANCE

O&M will start after the Solution is deployed and the Vendor has obtained documentation of Agency Acceptance of the Stabilized Solution (i.e., the Stabilization Period has been successfully completed).

Describe the Vendor's plan to perform/provide all O&M tasks/Deliverables. Reference Section 3.6.3 Vendor Project Management and Operations and Maintenance Deliverables and Attachment J: Quality Specifications for Project Management and O&M Deliverables for Deliverables that are to be maintained during O&M. Include a description of how the Vendor will do the following:

- (a) Provide ongoing maintenance and support for the Solution. This includes, but is not limited to, periodic updates based on new product versions that are provided to all customers at no

- additional cost to the Agency when required to ensure ongoing compliance with State and federal requirements.
- (b) Provide a mechanism that the Agency will use to request Solution Changes and report Defects.
 - (c) Maintain a tracking system, at no cost to the Agency, to track all accumulated Change Hours available, requested Solution Changes and reported Defects, the status of Solution Changes or Defect resolutions, expected and actual resolution work time, testing results, UAT completion and approval dates, details about the final resolution, and when the Change or Defect resolution was deployed.
 - (d) Provide the Agency with the status of production performance and implementation of new releases or patches, Solution Changes, and Defect resolution in a format specified by the Agency. O&M Status Reports will contain contents outlined in Attachment J: Quality Specifications for Project Management and O&M Deliverables.
 - (e) Perform technical testing, including regression testing, on all releases, patches, and fixes for Defects prior to delivery to the Agency for UAT. Reference Section 3.6.3 Vendor Project Management and Operations and Maintenance Deliverables and Attachment J: Quality Specifications for Project Management and O&M Deliverables for technical testing deliverables to be presented for Agency review and approval.
 - (f) Provide the Agency with technical testing results, including the Regression Test Results Report, for Solution Changes requested by the Agency as outlined in Section 3.6.33 Vendor Project Management and Operations and Maintenance Deliverables and Attachment J: Quality Specifications for Project Management and O&M Deliverables in a format specified by the Agency. Test result reports must be provided to and approved by the Agency prior to Vendor delivery for UAT.
 - (g) Upon State request, assist UAT Testers during testing of any Solution Changes, Defects, and new releases or patches. The Vendor will assist the Agency in documenting the UAT Results Report. UAT assistance may be provided onsite or offsite as agreed upon by the Agency.
 - (h) Troubleshoot and correct all problems and Defects identified during UAT of new releases/patches, Defect remediations, or Solution Changes to ensure that the Solution continues to operate as designed.
 - (i) Document Agency Acceptance of Tested Solution prior to deployment of Solution Changes or new releases.
 - (j) Perform Deployment Validation and document Agency Acceptance of Deployment UAT Results.
 - (k) Troubleshoot browser and other compatibility issues that may develop with new releases/patches, Solution Changes, or new supported browser versions as needed.
 - (l) Describe the review and update process (annually as well as whenever the Solution is impacted by new product releases or requested Solution Changes) for the O&M Deliverables listed in Section 3.6.3 Vendor Project Management and Operations and Maintenance Deliverables and Attachment J: Quality Specifications for Project Management and O&M Deliverables.

3.6.12 VENDOR SERVICE LEVEL AGREEMENT (SLA)

The Vendor will submit with its RFP response a draft SLA that defines formally the levels of service the Vendor will provide for the Solution during the Project and during O&M and addresses the Agency's service level expectations as listed below. Refer to Attachment J: Quality Specifications for Project Management and O&M Deliverables for more information about the expectations of the SLA contents.

- (a) Provide timely Solution upgrades for fixes and changes in the form of software releases and critical error fixes. Please discuss your support structure including, but not limited to, help desk, problem tracking, timing and duration of maintenance windows, and hours of operation.
- (b) Details the process for requesting Solution Changes, tracking the accumulation of Change Request Hours, estimating work hours required for completion of Solution Changes requested by the Agency.
- (c) Provide on-going account management and status reporting. If not specified in the SLA included in your offer, describe in your proposal the level of account management provided and any specific services included.
- (d) Provide capability for response time to be consistent for all users directly interacting with the Production hosting environment, based on a common Web Portal access for network access point and processed and returned to the network access point according to the response times outlined above in Section 3.6.10 Metrics and Performance.
- (e) Provide the response, diagnostic and resolution timeframes for problem log entries for the following service request categories listed in Attachment C.3.
- (f) Describe the service credit amounts to be issued to the Agency for failure to maintain agreed upon services levels and availability of the Solution.
- (g) Explain the types of reporting that you provide regarding your Solution, including frequency and format (e.g., performance per the SLA, change management, performance/capacity management). Address the types of reporting specified in Section 3.6.3 Vendor Project Management and Operations and Maintenance Deliverables and Attachment J: Quality Specifications for Project Management and O&M Deliverables.

The draft SLA will be reviewed and finalized by the Agency and the Vendor prior to Contract execution.

3.6.13 HELP DESK SUPPORT

As specified below, the Vendor will provide technical support and assistance to NCDHHS, NCDHHS's designated users and designated public application users via phone and email during standard business hours. Support includes but is not limited to explanation of application use, features, interpretation, errors, assistance, and general access as applicable to the contract.

- (a) Describe how Vendor will supply Tier 1, Tier 2 and Tier 3 Help Desk support as follows:
 - (i) Vendor will provide Help Desk support from contract execution through a maximum Agency commitment of three (3) months. Contract terms provide for month-to-month extension options after three (3) months.
 - (ii) Provide a dedicated 800 number and email address.
 - (iii) Support will be available during regular business hours of 8:00 – 5:00 M-F (Eastern Time), excluding State holidays.
 - (iv) Calls will be tracked, and summary reporting provided to the Agency monthly.

- (v) The Vendor will acknowledge receipt of and resolve service requests/defects as specified below in Table I.
- (b) Within 30 days of Agency notification to cease any level of Vendor Help Desk support, Vendor shall provide a Help Desk Transition Plan to include, at minimum:
 - (i) Complete call logs for the support level being transitioned, to include issue summary and resolution
 - (ii) Process for handling outstanding tickets at the time of transition; and
 - (iii) Help Desk contacts for follow up of any unresolved or recurring issues following the transition.
- (c) Describe additional methods users or the Agency can use to request support (e.g., Internet mechanisms, e-mail, FAX, phone (voicemail)) and response times proposed.

3.6.14 ACQUISITION, LICENSING, AND PRODUCT OVERVIEW

- (a) Describe all licensing options and licenses terms for your software, including Third-Party software if used as part of your Solution. The Third-Party Software License Agreements are to be included in the Vendor's offer.
- (b) Discuss how many customers are using the current release of the software. Provide a summary of customer size, industry segment, countries operating in, and applications implemented. Also, indicate for the above, details on transaction volumes, time taken for implementation, the average duration a customer has used the product.
- (c) Describe your schedule for new releases, including the next scheduled release for your proposed Solution, detailing:
 1. How often you provide upgrades, patches, or bug fixes to your product
 2. How the customer is notified; and
 3. Once a new release is made public, how long the previous release is supported.
- (d) Describe your procedure for the distribution of upgrades/new releases, modifications, Solution Changes, and corresponding documentation.
- (e) Discuss the largest implementation you have currently installed (include the number of users, locations and the amount of content stored).
- (f) If applicable, provide the name and address of your recommended implementation partner who would support implementation of your products, and the role it would play in the implementation.
- (g) Describe how your company measures its ability to satisfy customers' needs.
- (h) Explain how your company gathers product improvement feedback from customers and involves them in the prioritization of future releases.
- (i) Explain whether you have a customer advisory board or user group. If yes, include a list of the present members and explain how often (per year) this organization meets and average meeting duration.

4.0 COST OF VENDOR'S OFFER

4.1 OFFER COSTS

The Vendor must list, itemize, and describe any applicable offer costs within the cost tables in Attachment E: Cost Forms, which may include the following:

- (a) Software subscription or license fees to accommodate user base identified in Section 2.5 Problem Statement.
- (b) Additional modules required or proposed addressing specifications, if any.
- (c) Third-party software, if any, required for the operation of the Solution.
- (d) Installation/configuration/integration/transition costs.
- (e) Customization required or proposed addressing specifications: The costs for customization shall be detailed on an attachment by item and cost for each customization to the Vendor product.
- (f) Deliverables in accordance with Section 3.6.3 Vendor Project Management and Operations and Maintenance Deliverables and Attachment J: Quality Specifications for Project Management and O&M Deliverables, including updates and revisions.
- (g) Conversion and migration of legacy data.
- (h) Training and training materials.
- (i) Customer Support to include Help Desk and Technical Support costs per contract year, if not included in annual maintenance costs or software subscription or license costs.
- (j) Annual maintenance and Vendor hosting costs per contract year, if not included in software subscription or license costs. List for Pilot and Stabilization period separately from O&M.
- (k) Escrow costs (COTS /custom development products only).
- (l) Cost of Change Hours per year.
- (m) Project management cost not listed elsewhere.
- (n) Other costs shall be listed separately by type of service/cost as an attachment. List separately any changes associated with State hosting. Travel and lodging expenses, if any, must be thoroughly described, and are limited by the State's Terms and Conditions.
- (o) List cost for Vendor and/or State Hosting options.
- (p) Hourly rate for additional professional services such as consulting and other value-added services provided by the Vendor upon request by the Agency.

4.2 PAYMENT SCHEDULE

The Vendor shall propose its itemized payment schedule based on the content of its offer using the Excel template provided with this RFP. All payments must be based upon acceptance of one or more Deliverables. All Deliverables associated with a milestone must be completed and accepted by the Agency before payment for that milestone will be made.

5.0 EVALUATION

5.1 SOURCE SELECTION

A trade-off/ranking 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 conform substantially 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 score.
- (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 meet with the Agency to discuss technical and contractual aspects of the offer.
- (d) Vendor References for Top Vendors (as determined by the evaluation committee) will be evaluated for strength based on the information provided in Attachment H to determine relevance to the services requested within this RFP. During evaluation, the evaluation committee will contact the references listed for any or all Vendors for verification of performance.
- (e) After the closing date for receipt of the offer, Vendors are advised that the State is not obligated to ask for or accept 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 in Sections 3.2, 3.3, 3.5, 3.6 (including the draft Deliverables specified in Section 3.6.3) and Attachment J.
- 2) How each Vendor's offer compares with other Vendors' offers.
- 3) Vendor Cost Proposal and Total Cost of Ownership.
- 4) Vendor Schedule / Timeline for completing work.
- 5) Strength of references of Top Vendors relevant or material to technology area(s) and/or RFP 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).

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 their 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 the 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 demonstrates 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 not an E-Procurement solicitation. Attachment B, subparagraphs #38(a) and 38(b) of the attached North Carolina Department of Information Technology Terms and Conditions Services for General Purchases do not apply to this solicitation.

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>. <https://www.ips.state.nc.us/ips/> Results may be found by searching by Solicitation Number or agency name. This information may not be available for several weeks depending 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 PRE-OFFER CONFERENCE

Date: 2/5/26

Time: 2:00 PM Eastern Time

This pre-offer conference will be hosted virtually using Microsoft Teams.

Microsoft Teams meeting

Join: <https://teams.microsoft.com/meet/2567185232939?p=HUzPn7q70jAkudS4T8>

Meeting ID: 256 718 523 293 9

Passcode: Gz7jW96w

Dial in by phone

[+1 984-204-1487,927238288#](tel:+19842041487927238288) United States, Raleigh

[Find a local number](#)

Phone conference ID: 927 238 288#

Instructions:

Vendor representatives are URGED and CAUTIONED to attend the meeting and apprise themselves of the conditions and requirements which will affect the performance of the work called for by this Request for Proposal. Submission of a proposal shall constitute sufficient evidence of this compliance and no allowance will be made for unreported conditions which a prudent Vendor would recognize as affecting the performance of the work called for in this proposal.

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 **February 6, 2026, at 5:00pm 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 30-24206R-DSS” 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 Ariba Sourcing Tool for any and all Addenda that may be issued prior to the offer opening date.

6.2.4 COSTS RELATED TO OFFER SUBMISSION

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:

- (a) "This offer does not constitute a binding offer"
- (b) "This offer will be valid only if this offer is selected as a finalist or in the competitive range"
- (c) "The Vendor does not commit or bind itself to any terms and conditions by this submission"
- (d) "This document and all associated documents are non-binding and shall be used for discussion purposes only"
- (e) "This offer will not be binding on either party until incorporated in a definitive agreement signed by authorized representatives of both parties," or
- (f) 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

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>.

6.2.12 VENDOR POINTS OF CONTACT

Below are the Vendor Points of Contact to be used after award of the contract.

VENDOR CONTRACTUAL POINT OF CONTACT	VENDOR TECHNICAL POINT OF CONTACT
[NAME OF VENDOR] [STREET ADDRESS] [CITY, STATE, ZIP] Attn: Assigned Contract Manager	[NAME OF VENDOR] [STREET ADDRESS] [CITY, STATE, ZIP] Attn: Assigned Technical Lead

6.3 GENERAL 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:

- a) 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.
- b) 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.
- c) 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.
- d) 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 material information is not provided, the offer may be rejected from consideration and evaluation.
- e) 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 previous offer will not satisfy this provision. Proposals that do not comply with these instructions may be rejected.
- f) Any offer that does not adhere to these instructions may be deemed non-responsive and rejected on that basis.
- g) **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 with all pages of this solicitation document (including Attachments A, B, C, and N) in one file.
- (b) Table of Contents
- (c) Description of Vendor Submitting Offer Form (Attachment D)
- (d) Vendor Response to Specifications and Requirements
- (e) Include a statement that acknowledges that you have read, understand, and agree to complete all Project and O&M Deliverables as described in Section 3.6.3 Vendor Project Management and Operations and Maintenance Deliverables and Attachment J: Quality Specifications for Project Management and O&M Deliverables . If detailed responses are needed, use the following format:
 - (i) Deliverable number,
 - (ii) Deliverable name, and
 - (iii) Vendor response.
- (f) Submit drafts of the following Project Management and Operations and Maintenance Deliverables:
 - (i) Vendor Project Schedule,
 - (ii) Vendor Project Management Plan,
 - (iii) Vendor Project Staffing Plan,
 - (iv) Service Level Agreement, and
 - (v) Vendor O&M Staffing Plan.
- (g) Security Vendor Readiness Assessment Report (VRAR)
- (h) Architecture Diagrams
- (i) Cost Form of Vendor's Offer (Attachment E)
- (j) Schedule of Offered Solution
- (k) Signed Vendor Certification Form (Attachment F)
- (l) Location of Workers Utilized by Vendor-Disclosure Statement (Attachment G)
- (m) References (Attachment H)
- (n) Financial Statements (Attachment I)
- (o) Errata and Exceptions, if any
- (p) Vendor's License and Maintenance Agreements, if any
- (q) Third-Party License and Maintenance Agreements, if any
- (r) Supporting material such as technical system documentation, training examples, etc.
- (s) 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: February 20, 2026

Time: 2:00PM 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: **WS1673858592**
- (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, Section 2, Paragraph #17), 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 EST to 5:00 PM EST

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 G - 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

If the Offer is made by a Reseller that purchased the offered items for resale or license to the Agency or offered based upon an agreement between the Offeror and a third party, and that the proprietary and intellectual property rights associated with the items are owned by parties other than the Reseller ("Third

Parties”). The Agency further acknowledges that except for the payment to the Reseller for the Third-Party items, all of its rights and obligations with respect thereto flow from and to the Third Parties. The Reseller shall provide the Agency with copies of all documentation and warranties for the Third-Party items which are provided to the Reseller. The Reseller shall assign all applicable third-party warranties for Deliverables to the Agency. The State reserves all rights to utilize existing agreements with such Third Parties or to negotiate agreements with such Third Parties as the State deems necessary or proper to ACHIEVE THE INTENT OF THIS RFP.

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

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 10% of the contract value 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.

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. However, at the Vendor's option and expense, a conference call meeting may be substituted. Failure to participate in two (2) consecutive 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 Contract in accordance with Attachment B: Section 1, paragraph # 19.

The appropriate Vendor Staff will be required to participate in the following project meetings. The State Project Manager will provide 24-hour meeting notice for project meetings. Project meetings specified as "Onsite" require attendance in person in Raleigh, North Carolina or a designated facility as needed unless public health measures require virtual meetings (e.g., NCDHHS's COVID-19 pandemic plan response is still active or the State project team is working remotely). Project meetings specified as "Offsite" will be conducted via Microsoft Teams or Cisco WebEx.

- (a) Project Kick-Off (Onsite)
- (b) System Requirements/User Story/Backlog Development, Gap Analysis and Detailed Design (Onsite)
- (c) Configured State Technical Environments (if the Agency selects a State-hosting option) (Onsite or Offsite as warranted by the context and scope of the individual meetings)
- (d) Pre-UAT Training (Onsite)
- (e) UAT Support (Onsite or Offsite as warranted by the context and scope of the individual meetings)
- (f) Role-Based Training for testers, end users, State Administrators, State trainers, and IT support personnel training (Onsite/Offsite, including on demand training such as e-Learning)
- (g) Readiness for Deployment (Go-Live) (Onsite)
- (h) Deployment (Onsite)
- (i) Project Closeout (Offsite)
- (j) Ad Hoc Meetings (Onsite/Offsite)
- (k) Change Management Meetings (Onsite/Offsite)
- (l) Project Review Meetings (Onsite/Offsite)
- (m) Executive Steering Committee (Onsite/Offsite)
- (n) Project Status Meetings (Onsite/Offsite)

7.13 RECYCLING AND SOURCE REDUCTION (RESERVED)

7.14 INVOICES

- (a) The State Contractual Point of Contact (i.e., Agency Contract Administrator) will be responsible for receiving and tracking statements of completed Deliverables and invoices, and for verifying information and costs submitted in invoices.
- (b) Project Management Deliverables must be grouped in accordance with Solution development and delivery and must be completed and accepted by the Agency before the Vendor is eligible to invoice for payment.
- (c) Invoices must bear the correct Contract number and purchase order number to ensure prompt payment. Vendor's failure to include the correct purchase order number may cause delay in payment.
- (d) Invoices are to be submitted monthly unless other arrangements are negotiated for Operations and Maintenance.
- (e) Invoices must include:
 - (i) An accurate description of the work, identifying the specific Sprint Cycles/Modules/Milestones and Deliverables or O&M Tasks/Deliverables for which the invoice is being submitted;
 - (ii) The invoice date(s)
 - (iii) The period covered
 - (iv) The amount of fees due to Vendor minus:
 - 1) The portion of the retainage that applies to the billing cycle (i.e., the total retainage amount is to be divided equally among all invoices that will be submitted for the Project Execution Contract Phase); and
 - 2) Any service credit adjustments for:
 - (a) Vendor non-performance per the terms of the Service Level Agreement and/or
 - (b) Defects/issues identified during the Stabilization as listed in Attachment C.3.
 - (v) Signature of the Vendor's Project Manager if submitted during the Project Execution Contract Phase or authorized Vendor Manager if submitted during the O&M Contract Phase.

7.15 SPECIAL TERMS AND CONDITIONS

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 installation and lasting four 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 the following:

- (a) Have the Vendor modify the installed software to eliminate the deficiency to the Agency's satisfaction.
- (b) Have the Vendor re-install a new copy of the software product(s).
- (c) Extend the acceptance testing period for a period of 10 working days to allow time for Vendor to remedy the problems.

- (d) Remove the application software, cancel this Agreement, and recover payments extended from Agency funds.

Paragraph #16 in Section 1 of the DIT Terms and Conditions is supplemented as follows: The Vendor shall provide a Certificate of Insurance naming the NC DHHS as an additional insured, with the certificate complying with all required coverages and delivered to the NC DHHS not later than ten (10) days following the date of the Notice of Award issued pursuant to this RFP. The Vendor must notify the NC DHHS immediately of any material change in insurance coverage, including, but not limited to changes in limits, coverage, or status of the policy.

Paragraph #34 in Section 1 of the DIT Terms and Conditions is supplemented as follows: The Vendor agrees to abide by the specific Federal clauses and provisions as provided by the Department of Health and Human Services (HHS) Administration for Children and Families (ACF) Office of Child Support Enforcement (OCSE) in Attachment N: HHS ACF OCSE Required Federal Clauses and Provisions.

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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) **Agency:** The North Carolina Department of Health and Human Services (NCDHHS or DSS)
- 3) **Agency Contract Administrator:** The person authorized by NCDHHS to make day-to-day contract decisions and oversee the contract.
- 4) **Agency Project Manager:** All project management and coordination on behalf of the Agency is through a single point of contact designated as the Agency Project Manager.
- 5) **BAFO:** Best and Final Offer.
- 6) **BIDP:** Business Intelligence Data Platform, which is a data lake developed by NCDHHS.
- 7) **Business Associate Agreement (BAA):** A legally binding document guided by HIPAA rules for signing this agreement before sharing any Protected Health Information (PHI).
- 8) **Centers for Medicare and Medicaid Services (CMS):** CMS is located within the United States Department of Health and Human Services (HHS) and provides regulations for skilled nursing and other long-term care facilities.
- 9) **CFR:** Code of Federal Regulations.
- 10) **Change Hours:** Five hundred (500) hours provided by Vendor to the State during Contract Year 1 and five hundred (500) hours for each subsequent Contract Year of the awarded Contract, to be used by the State to obtain Solution Changes Hour Supplemental Support Services at no additional cost. Any of the Change Hours allocated, but unused, during the respective Contract Year, will be rolled over into following Contract Year.
- 11) **Change Management:** The processes to be employed by the Division and Vendor in accordance with the NCDIT Terms and Conditions to ensure that Changes are captured, planned, and implemented in a visible, controlled, and orderly fashion during the Project Execution and the O&M parts of the Contract. (See Attachment J: Quality Specifications for Project Management & O&M Deliverables, Project Change Management Plan for further information.)
- 12) **Change Request (CR):** Solution Changes or scope of services will be requested, documented, and controlled in forms and logs as outlined in the Change Management process(es).
- 13) **Customization:** 1) Development of functionality within the Base Product requested by the State to address the specific needs of the State; or 2) Development of functionality outside the Base Product requested by the State to address the specific needs of the State. A Customization is not a Configuration. Customizations must be maintained by Vendor to ensure compatibility with all future Product Upgrades and releases of the Base Product. For the Solution to be a considered COTS Solution by the Division, the total amount of Customization must not exceed 10% of the base Solution.
- 14) **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.
- 15) **Defect:** A Defect is an error in coding or logic that causes a program to malfunction or to produce incorrect or unexpected results.

- 16) Defect and Release Management:** Defect and Release Management is the plan and process governing the identification and triage of a Defect to classify, assign, remediate and regression test, assemble and manage the quality of the software release that contains the Defect/s. Traceability entries document Defects found in the Solution, reporting, and recurrence.
- 17) 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. See also **Project Management Deliverables** and **Operations and Maintenance Deliverables**.
- 18) Environment – Development:** The development environment is the first environment in software development which acts as the workspace for developers to do programming and other operations related to the creation of software and/or systems.
- 19) Environment - Testing:** The test environment is where testing teams evaluate the application/quality. This also allows computer programmers to find out and solve any defects that may interfere with the application’s smooth operation or degrade the user experience. Testing teams can use this environment to check and fix bugs. Various testing like Integration, System, Regression and Automation testing can be performed in this environment.
- 20) Environment - (UAT):** Also called staging environment—allow the application's main users to test new features before they are pushed into the production environment. You should run more tests before exposing to the latter group. The staging environment is similar to the pre-production in use. The staging environment is frequently restricted to a small group of people. The only groups that can access the application in staging are those with whitelisted emails and IP addresses, as well as your developer team. The goal of a staging environment is to simulate production as much as possible.
- 21) Environment - Production:** The production environment refers to where the software or products have been made live for use of the intended users. Once something is in the production environment, any and all bugs need to have already been fixed and the product or update must work perfectly.
- 22) Federal Risk and Authorization Management Program (FedRAMP):** FedRAMP is a government-wide program that promotes the adoption of secure cloud services across the federal government by providing a standardized approach to security assessment, authorization, and continuous monitoring for cloud products and services. FedRAMP empowers agencies to use modern cloud technologies, with an emphasis on security and protection of federal information. NC accepts FedRAMP certification of Vendor hosting environments.
- 23) Frequently Asked Questions (FAQs):** A convenient location within a document to collect common questions that a user might pose along with the appropriate answers and references.
- 24) 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).
- 25) Go-Live:** The time at that a software Solution becomes available for end users. At this point, all users should have access to the agreed feature set without any restrictions. Prior to going live, the project will complete a project Go-Live readiness assessment based on State and NCDHHS project management methodology/practices.
- 26) Health Information Trust Alliance (HITRUST):** HITRUST is a non-profit organization that created and maintains the HITRUST Common Security Framework ("CSF") and HITRUST Assurance Program, that can be used by all organizations that create, access, store, or exchange sensitive and/or regulated data, including protected health information (PHI).

- 27) Help Desk:** A service providing information and technical support to users of the Solution.
- 28) HHS:** United States Department of Health and Human Services.
- 29) HIPAA:** The Health Insurance Portability and Accountability Act of 1996 and all subsequent acts that updated HIPAA requirements such as the Health Information Technology for Economic and Clinical Health (HITECH) Act passed as part of the American Recovery and Reinvestment Act of 2009 (ARRA).
- 30) IaaS:** Infrastructure as a service.
- 31) ID:** Identifier (or key) used by a software Solution to locate and report on a particular record or piece of electronic information.
- 32) Identify and Access Management (IAM):** Used to administer user identities, roles and access control rights. IAM provides a mechanism to allow users to have access to the appropriate Information Technology (IT) resources and nothing more, based on their role.
- 33) IRS:** United States Internal Revenue Service
- 34) ISCM:** Information Security Continuous Monitoring
- 35) IT:** Information Technology
- 36) ITD:** The NCDHHS Information Technology Division
- 37) Milestone:** Project outcome point that is achieved by the successful acceptance of a predetermined group of Deliverables by the State.
- 38) Multi-Factor Authentication (MFA):** An authentication method that requires a user to provide two or more verification factors to gain access to sensitive information or systems.
- 39) NCAC:** North Carolina Administrative Code
- 40) NC FAST:** North Carolina Families Accessing Services through Technology
- 41) N.C.G.S.:** North Carolina General Statute
- 42) National Institute of Standards and Technology (NIST):** NIST is a physical sciences laboratory and non-regulatory agency of the United States Department of Commerce. Its mission is to promote American innovation and industrial competitiveness. NIST's activities are organized into laboratory programs that include nanoscale science and technology, engineering, information technology, neutron research, material measurement, and physical measurement. For the purposes of this RFP, NIST develops cybersecurity standards, guidelines, best practices, and other resources to meet the needs of US. industry, federal agencies, and the broader public.
- 43) NCAC:** North Carolina Administrative Code
- 44) NCDHHS:** The North Carolina Department of Health and Human Services
- 45) NCDIT or DIT:** The NC Department of Information Technology
- 46) NCID:** North Carolina Identity Management. The State's standard identity and access management platform from the N.C. Department of Information Technology.
- 47) NIST 800-53 Controls:** The National Institute of Standards and Technology publication known as NIST 800-53 outlines security controls for federal information systems and provides documentation for standards required for all federal information systems, except for those designed for national security.
- 48) O&M:** Operations and Maintenance. All tasks and/or activities related to operating and maintaining the Solution after the Stabilization Period (i.e., warranty) has been completed. Includes support and

updates and/or new releases, and modifications made to the Solution as requested by the Agency. See O&M Contract Phase.

- 49) Offsite:** Meetings and team collaboration are conducted via teleconference meetings (e.g., Microsoft Teams or Cisco WebEx).
- 50) OIG:** The United States Office of the Inspector General.
- 51) Onsite:** Requires attendance in person in Raleigh, North Carolina or designated facility as needed unless public health measures require virtual meetings (e.g., NCDHHS's COVID- 19 pandemic plan response is still active).
- 52) Operations and Maintenance (O&M) Contract Phase:** Operations and Maintenance is the process of supporting the Stabilized production Solution and/or components of the Solution to correct defects and maintain performance of the Solution. The definition of Operations and Maintenance shall not be based on the time and/or size of the effort required to provide such services. For the purposes of this RFP and resulting Contract, Operations and Maintenance and the O&M Contract Phase shall also include implementation of Changes that are required by federal or state statutes, regulations and/or rule changes, and reporting requirements. For purposes of this RFP and resulting Contract, the O&M Contract Phase will begin on the first State business day after the Vendor successfully completes the Stabilization Period.
- 53) Operations and Maintenance Deliverables:** O&M Deliverables are documentation deliverables created during the O&M Contract Phase. This includes updates to Project Management Deliverables that the Vendor created during the Project Execution Contract Phase, as well as O&M Status Reports, as specified in Section 3.6.3. Project Management and Operations and Maintenance Deliverables.
- 54) PHI:** Protected Health Information as defined by HIPAA
- 55) PHP:** Pre-Paid Health Plans review incident reports in the system for consumers enrolled in the PHP's Standard Plan for Medicaid.
- 56) Platform as a Service (PaaS):** Platform as a Service provides a complete cloud platform for developing, running, and managing applications.
- 57) Project Management Deliverables:** Project Management Deliverables include documentation and services provided during the Project Execution Contract Phase. These include project management plans; technical delivery plans such as Security Plans, Disaster Recovery Plans, and Service Level Agreements; technical work products such as GAP analysis, user stories, and data maps; technical reports; Solution documentation including end user documentation and training deliverables; training delivery; technical testing and user acceptance testing; Vendor stabilization of the Solution after deployment; and documentation of approvals that are developed by the Vendor during the course of the Project Execution Contract Phase and submitted for Agency approval. Updates to some Project Management Deliverables are required during the Operations and Maintenance Contract Phase, as specified in Section 3.6.3. See **Operations and Maintenance Deliverables**.
- 58) Project Execution:** The Project Execution will begin on the day agreed to by the parties after Contract execution and end on the last day of the project.
- 59) Project Execution Contract Phase (or Project Execution Phase):** During the Project Execution Contract Phase, the Vendor will perform the Solution development activities outlined in this RFP. Activities include the full project lifecycle, including, but not limited to, identifying detailed requirements, performing gap analysis, building the Solution to meet the Agency's requirements and specifications, communication to stakeholders; technical testing, training, assuring Agency acceptance of the delivered Solution, deploying the Solution for production use, and Stabilizing the Solution. For more information reference Section 3.7.1-3.7.5. The Project Execution Contract Phase does not include activities that are considered part of the Operations and Maintenance (O&M) Contract Phase.

- 60) Privacy Threshold Analysis (PTA):** PTA is a required document that serves as the official determination by the NCDIT Enterprise Security and Risk Management Office (ESRMO) as to whether a State program or system has privacy implications, and if additional privacy compliance documentation is required. The PTA is built into the ESRMO processes for technology investments and security. PTAs expire and must be reviewed and re-certified every year or when a change to the environment and security posture occurs.
- 61) Providers:** Health care Providers are the primary users of IRIS and are the originators of Incident Reports (includes updating and resubmitting the reports as information is received).
- 62) PSO:** The Privacy and Security Office is responsible for providing information security leadership in NCDHHS by safeguarding information from unauthorized use, disclosure, modification, damage, or loss.
- 63) Reasonable, Necessary or Proper:** as used herein shall be interpreted solely by the State of North Carolina.
- 64) 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.
- 65) RPO:** The Recovery Point Objective is the maximum targeted period in that data might be lost from an IT service due to a major incident or disaster. It is calculated backward from the time of occurrence of the incident.
- 66) RTO:** The Recovery Time Objective is the targeted duration of time and a service level within that a business process must be restored after a disaster (or disruption) in order to avoid unacceptable consequences associated with a break in business continuity.
- 67) SaaS:** Software as a Service refers to a complete application that runs on a Vendor-hosted server. All the application runtime software as well as the system and user data reside on the Vendor's server and the end user only needs software that can provide a user interface, for example a web browser.
- 68) SDLC:** The Software Development Life Cycle is a process followed for a software Project, within a software organization. It consists of a detailed plan describing how to develop, maintain, replace, and alter or enhance specific software. The life cycle defines a methodology for improving the quality of software and the overall development process.
- 69) Security Breach:** As defined in N.C.G.S. §75-61.
- 70) Section 508 Compliance:** This indicates compliance with a US federal government law that requires websites to be safe and accessible for people with disabilities. Complete requirements can be found at: www.section508.gov
- 71) 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 timelines 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.

72) SLA: Service Level Agreement.

73) Solution: For the purposes of this RFP, Solution refers to the IRIS System that is proposed by the Vendor to the State, implemented during the Project Execution, and maintained and supported during the O&M.

74) Solution Change: For the purposes of this RFP, the term Solution Change means the process of modifying the Solution and/or a component of the Solution, whether by Customization or Configuration for the purpose of increasing or decreasing functionality and capability of the Solution or by correcting/resolving Defects or other issues affecting the operation of the Solution. The definition of the term Solution Change shall not be based on the time and/or size of the effort required to provide such services.

75) Solution Roadmap: This is a long-term view of a project that outlines the key milestones and deliverables needed to achieve the overall Solution vision.

76) Sprint: For the purposes of this RFP and resulting Contract, the term Sprint means a specific period in the Project Execution when Solution Functionality and/or Deliverables are completed and submitted to the Division for approval.

77) Stabilization Period: For the purposes of this RFP and resulting Contract, the Stabilization Period is an unbroken period of ninety (90) Calendar Days after Statewide deployment and during the Project Execution Contract Phase where: users can successfully log into the Solution; users can perform their daily work without frequent lockups/freezes/shutdowns caused by the Solution; the Solution is routinely available 24x7x365 during the Stabilization Period; and the Solution functions correctly as deployed, with no Category1 or Category2 defective functionality.

78) Stakeholder: The Stakeholders are the Project business partners and the government agencies at the local and state levels.

79) Standard Plan: A Medicaid managed care plan that will provide integrated physical health, behavioral health and pharmacy services to most North Carolina Medicaid and NC Health Choice beneficiaries and that are not BH IDD Tailored Plans as described in in Section 4. (10) of North Carolina General Assembly Session Law (SL) 2015-245, as amended by SL 2018-48.

80) State business day: State business days are Monday through Friday, with the exception of State of North Carolina holidays established by the Office of State Human Resources (reference <https://oshr.nc.gov/state-employee-resources/benefits/leave/holidays>)

81) System Administrator: The System Administrator is a State-level administrator for the Solution. The State's System Administrator can grant any location or process to any user account, view any account within User Security, and update any user information.

82) Systems and Organization Controls (SOC) 2 Type 2 or Type II: A vendor certification that indicates a high level of confidence in security, availability, confidentiality, and privacy.

83) System Function: Business Activities that are completed in the Solution by users or internal system processing. System Functions may be critical or non-critical to the Agency or user based on federal/state mandates and/or business needs.

84) Technical Support: A service provided by a hardware or software company that provides registered users with help and advice about their products.

- 85) Third-party:** Relating to a person or group besides the two primarily involved in the situation (for example, third-party service provider, third-party supplier, third-party payer, etc.).
- 86) User Acceptance Testing (UAT):** Often the final stage of testing for rollout of a software Solution. In this stage, actual users test the software in real-world situations.
- 87) Vendor:** Company, firm, corporation, partnership, individual, etc., submitting an offer in response to a solicitation.
- 88) Vendor Project Manager:** The Vendor designates a Vendor Project Manager who will provide a single point of contact for management and coordination of the Vendor's work.
- 89) Vendor Readiness Assessment Report (VRAR):** A report that provides information for the State to perform Cybersecurity due diligence when evaluating proposals (and afterward). Refer to the link here: <https://it.nc.gov/documents/vendor-readiness-assessment-report>.
- 90) VMWare:** VMWare, Inc. is a US based company that specializes in cloud computing and computer virtualization. VMWare Solutions provide the ability to configure, deploy and manage complex server configurations remotely, without the need for on-site computing hardware.
- 91) VPN:** Virtual Private Network
- 92) XML:** Extensible Markup Language. A standard, simple, and widely adopted method of formatting text and data so that it can be exchanged across all the different computer platforms, languages, and applications.

ATTACHMENT B: DEPARTMENT OF INFORMATION TECHNOLOGY TERMS AND CONDITIONS

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 in Section 2, Paragraph 2 of these Terms and Conditions 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 obligations undertaken by the Vendor under, and to fulfill, the specifications, requirements, terms and conditions of the Agreement.

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 (with completed timesheets for Vendor personnel) 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. If the delay projected by Vendor is unsatisfactory, the Agency shall 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, or 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, and Stabilization Terms (Attachment C: Agency Terms C.3 Stabilization) in 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.

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 non-infringing 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.

42) 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 offset 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.

Section 2: Terms and Conditions Applicable to Software as a Service (SaaS)

1) DEFINITIONS:

- a) "Data" includes and means 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 for SaaS tenants receiving similar SaaS Services.

2) ACCESS AND USE OF SAAS 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 may utilize the Services as agreed herein and in accordance with any mutually agreed Acceptable Use Policy. The State is authorized to access State Data and any Vendor-provided data as specified herein and to transmit revisions, updates, deletions, enhancements, or modifications to the State Data. This shall include the right of the State to, and access to, Support without the Vendor requiring a separate maintenance or support agreement. Subject to an agreed limitation on the number of users, 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 and may be subject to a more specific Service Level Agreement (SLA) agreed to in writing by the parties. The State shall notify the Vendor of any unauthorized use of any password or account, or any other known or suspected breach of security access. The State also agrees to refrain from taking any steps, such as reverse engineering, reverse assembly or reverse compilation to derive a source code equivalent to the Services or any portion thereof. Use of the Services to perform services for commercial third parties (so-called "service bureau" uses) is not

permitted, but the State may utilize the Services to perform its governmental functions. If the Services fees are based upon the number of Users and/or hosted instances, the number of Users/hosted instances available may be adjusted at any time (subject to the restrictions on the maximum number of Users specified in the Furnish and Deliver Table herein above) by mutual agreement and State Procurement approval. All Services and information designated 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 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 SaaS tenants for similar Services. The Vendor’s right to a new use agreement for new version releases of the Services shall not be abridged by the foregoing. The Vendor may, at no additional charge, modify the Services to improve operation and reliability or to meet legal requirements.
- d) The Vendor will provide to the State the same Services for updating, maintaining and continuing optimal performance for the Services as provided to other similarly situated users or tenants of the Services, but minimally as provided for and specified herein. 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) An SLA or other agreed writing shall contain provisions for scalability of Services and any variation in fees or costs as a result of any such scaling.
- 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. The Vendor does not warrant that the operation of the Services will be completely uninterrupted or error free, or that the Services functions will meet all the State's requirements unless developed as Customized Services.
- 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. If the Services' monthly availability averages less than 99.9% (excluding agreed-upon maintenance downtime), the State shall be entitled to receive automatic credits as indicated immediately below, or the State may use other contractual remedies such as recovery of damages, as set forth herein in writing, e.g., in Specifications, Special Terms or in an SLA, and as such other contractual damages are limited by N.C.G.S. § 143B-1350(h1) and the Limitation of Liability paragraph below. If not otherwise provided, the automatic remedies for non-availability of the Subscription Services during a month are:
 - 1. A 10% service credit applied against future fees if Vendor does not reach 99.9% availability.
 - 2. A 25% service credit applied against future fees if Vendor does not reach 99% availability.
 - 3. A 50% service credit applied against future fees or eligibility for early termination of the Agreement if Vendor does not reach 95% availability.

If, however, Services meet the 99.9% service availability level for a month but are not available for a consecutive 120 minutes during that month, the Vendor shall grant to the State a credit of a pro-rated one-day of the monthly subscription Services fee against future Services charges. Such credit(s) shall be applied to the bill immediately following the month in which the Vendor failed to meet the performance requirements or other service levels, and the credit will continue to be deducted from the monthly invoice for each prior month that Vendor fails to meet the support response times for the remainder of the duration of the Agreement. If Services monthly availability averages less than 99.9% (excluding agreed-upon maintenance downtime), for three (3) or more months in a rolling twelve-month period, the State may also terminate the contract for material breach in accordance with the Default provisions hereinbelow.

- c) Support Services. If the Vendor fails to meet Support Service response times as set forth herein or in an SLA for a period of three (3) consecutive months, a 10% service credit will be deducted from the invoice in the month immediately following the third month, and the 10% service credit will continue to be deducted from the monthly invoice for each month that the Vendor fails to meet the support response times for the remainder of the duration of the Agreement.

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 the contract value 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: If Vendor modifies or replaces the Services provided to the State and other tenants, and if the State has paid all applicable Subscription Fees, the State shall be entitled to receive, at no additional charge, access to a newer version of the Services that supports substantially the same functionality as the then accessible version of the Services. Newer versions of the Services containing substantially increased functionality may be made available to the State for an additional subscription fee. In the event of either of such modifications, the then accessible version of the Services shall remain fully available to the State until the newer version is provided to the State and accepted. If a modification materially affects the functionality of the Services as used by the State, the State, at its sole option, may defer such modification.

10) TRANSITION PERIOD: RESERVED.

- a) For ninety (90) days, 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 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) TRAVEL EXPENSES: Reserved.

13) PROHIBITION AGAINST CONTINGENT FEES AND GRATUITIES: Reserved.

14) AVAILABILITY OF FUNDS: Reserved.

15) PAYMENT TERMS (Applicable to SaaS):

- a) Payment may be made by the State in advance of or in anticipation of subscription Services to be actually performed under the Agreement or upon proper invoice for other Services rendered. Payment terms are Net 30 days after receipt of correct invoice. Initial payments are to be made after final acceptance of the Services. Payments are subject to any retainage requirements herein. The Purchasing State Agency is responsible for all payments under the Agreement. Subscription fees for term years after the initial year shall be as quoted under State options herein but shall not increase more than five percent (5%) over the prior term, except as the parties may have agreed to an alternate formula to determine such increases in writing. No additional charges to the State will be permitted based upon, or arising from, the State'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.
- b) Upon the Vendor's written request of not less than thirty (30) days and approval by the State, the State may:
 - i) Forward the Vendor's payment check(s) directly to any person or entity designated by the Vendor or
 - ii) Include any person or entity designated in writing by Vendor as a joint payee on the Vendor's payment check(s), however,
 - iii) 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 Agreement obligations.
- c) For any third-party software licensed by the Vendor or its subcontractors for use by the State, a copy of the software license including terms acceptable to the State, an assignment acceptable to the State, and documentation of license fees paid by the Vendor must be provided to the State before any related license fees or costs may be billed to the State.
- d) An undisputed invoice is an invoice for which the State and/or the Purchasing State Agency has not disputed in writing within thirty (30) days from the invoice date, unless the agency requests more time for review of the invoice. Upon the Vendor's receipt of a disputed invoice notice, the Vendor will work to correct the applicable invoice error, provided that such dispute notice shall not relieve the State or the applicable Purchasing State Agency from its payment obligations for the undisputed items on the invoice or for any disputed items that are ultimately corrected. The Purchasing State Agency is not required to pay the Vendor for any Software or Services provided without a written purchase order from the appropriate Purchasing State Agency. In addition, all such Services provided must meet all terms, conditions, and specifications of this Agreement and purchase order and be accepted as satisfactory by the Purchasing State Agency before payment will be issued.

- e) The Purchasing State Agency shall release any amounts held as retainages for Services completed within a reasonable period after the end of the period(s) or term(s) for which the retainage was withheld. Payment retainage shall apply to all invoiced items, excepting only such items as the Vendor obtains from Third Parties and for which costs are chargeable to the State by agreement of the Parties. The Purchasing State Agency, in its sole discretion, may release retainages withheld from any invoice upon acceptance of the Services identified or associated with such invoices.

16) ACCEPTANCE CRITERIA: Reserved.

17) CONFIDENTIALITY: Reserved.

18) SECURITY OF STATE DATA:

- a) All materials, including software, Data, information, and documentation 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. § 75-60ff) 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 reimburse the State for all Notification Related Costs incurred by the State 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 the State's internal and external 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 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 or for the term of the contract (pick one, delete the other), 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) 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) and in accordance with the Agency Terms for Stabilization as defined by Attachment C: Agency Terms and Conditions, C.3 Stabilization 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, 8:00 AM - 5:00 PM Eastern Time, Monday-Friday. Vendor shall respond to the telephone requests for Program maintenance service, within four (4) hours or eight (8) hours or next business day, etc. (*edit this time to what you want your response time to be*), for calls made at any time
- 6) **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 4: 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").

- 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

ATTACHMENT C: AGENCY TERMS AND CONDITIONS

C.1. NCDHHS PRIVACY AND SECURITY OFFICE (PSO) TERMS

1. COMPLIANCE WITH APPLICABLE LAWS

The Vendor shall comply with all electronic storage standards concerning privacy, data protection, confidentiality, and security including those of federal, state, and NCDHHS having jurisdiction where business services are provided for accessing, receiving, or processing all confidential information.

2. NC STATE AND DEPARTMENT OF HEALTH AND HUMAN SERVICES PRIVACY AND REQUIREMENTS

The Vendor shall implement internal data security measures, and other industry security best practices utilizing appropriate hardware and software necessary to monitor, maintain, and ensure data integrity in accordance with all applicable federal regulations, state regulations, NCDHHS privacy and security policies. The Vendor will maintain all Privacy and security safeguards throughout the term of this agreement. In addition, the Vendor agrees to maintain compliance with the NCDHHS Privacy Manual and Security Manual, both located online at:

a) <https://www2.ncdhhs.gov/info/olm/manuals/dhs/pol-80/man/>

b) <https://policies.ncdhhs.gov/departmental/policies-manuals/section-viii-privacy-and-security>

3. HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA)

If the NCDHHS Division or Office determines that some or all the activities within the scope of this contract are subject to the Health Insurance Portability and Accountability Act of 1996, P.L. 104-91, as amended (HIPAA), or its implementing regulations, the Vendor agrees to comply with all HIPAA requirements and will execute such agreements and practices as the Division or Office may require ensuring compliance.

4. CONFIDENTIALITY

- (a) The Vendor shall adhere to NCDHHS privacy and security policies, as well as those in federal regulations including the Privacy Rule at 45 C.F.R. Parts 160 and 164, subparts A and E , Security Standards at 45 C.F.R. Parts 160, 162 and 164, subparts A and C (“the Security Rule”), and the applicable provisions of the Health Information Technology for Economic and Clinical Health Act (HITECH).
- (b) **DATA SECURITY:** In the event the Vendor obtains written consent by a NCDHHS Division or Office to enter into a third-party agreement to whom the Vendor provides confidential information, the Vendor shall ensure that such agreement contains provisions reflecting obligations of data confidentiality and data security stringent as those set forth in the contract.
- (c) **DUTY TO REPORT:** In addition to any NCDHHS Privacy and Security Office (PSO) notification requirements in a Business Associate Agreement (BAA) with a NCDHHS Division or Office, or the North Carolina Department of Information Technology Terms and Conditions, the Vendor shall (1) report all suspected and confirmed privacy/security incidents or privacy/security breaches involving unauthorized access, use, disclosure, modification, or data destruction to the NCDHHS Privacy and Security Office at <https://www.ncdhhs.gov/about/administrative-divisions-offices/office-privacy-security> within twenty-four (24) hours after the incident is first discovered. (2) If the privacy or security incident involves Social Security Administration (SSA) data or Centers for Medicare and Medicaid Services (CMS) data, the vendor shall report the incident within one (1) hour after the incident is first discovered. At a minimum, such privacy and security incident report will contain to the extent known: the nature of the incident, specific information about the data compromised, the date the privacy or security incident occurred, the date the Vendor was notified, and the identity of affected or potentially affected individual(s). (3) During the

performance of this contract, the vendor is to notify the NCDHHS Privacy and Security Office of any contact by the federal Office for Civil Rights (OCR) received by the vendor. In addition, the Vendor will reasonably cooperate with NCDHHS Divisions and Offices to mitigate the damage or harm of such security incidents.

5. **CONTINUOUS MONITORING**

- (a) The Vendor shall maintain compliance with the State Chief Information Officer's (CIO) Continuous Monitoring Process mandate, requiring that Vendors hosting state-owned data outside of NC DIT's infrastructure environment work with state agencies to implement a risk management program that continuously monitors risk through the performance of assessments, risk analysis, and data inventory.
- (b) Based upon NIST 800-137, "Information Security Continuous Monitoring (ISCM) for Federal Information Systems and Organizations," the Vendor shall perform security/risk assessments on its information systems using the latest NIST 800-53 controls to assess its compliance with enterprise security standards as outlined below.

Security Assessment:

- (i) Vendors providing Infrastructure as a Service, Platform as a Service and/or Software as a Service for the state agency are required to obtain approval from the NCDHHS Privacy and Security Office to ensure their compliance with statewide security policies.
- (ii) During the contract term, the Vendor shall annually provide both a written attestation to its compliance and an industry recognized, third party assessment report, such as the Federal Risk and Authorization Management Program (FedRAMP) certification, SOC 2 Type 2, HITRUST CSF and ISO 27001. The NCDHHS Privacy and Security Office will be required to review these security assessment reports, assess the risk of each vendor, ensure completion of all findings using a Corrective Action Plan (CAP), and provide an annual certification of the Vendor's compliance to the State CIO.

During the contract term, upon request, the Vendor shall work with the NCDHHS Privacy and Security Office to provide a data inventory of all cloud hosted services, by assisting the NCDHHS PSO with completing a Privacy Threshold Analysis (PTA) documenting the data classification and the data fields hosted within the cloud, offsite, or Vendor-hosted environment. The Vendor shall review a Privacy Threshold Analysis (PTA) with the NCDHHS Privacy and Security Office annually and assist with updating the PTA when changes to the data being hosted occur.

NCDHHS Privacy & Security office may perform periodic independent security assessments of Vendor hosted applications on the public/private/hybrid cloud or On-Prem data centers. The Vendor must provide access to their applications' hosting environment and their key resources to allow NCDHHS designated resources and NCDHHS engaged vendors to perform a privacy and security risk assessment that includes vulnerability analysis, penetration testing, and risk analysis based on the latest NIST 800-53, federal, State and NCDHHS requirements.

6. **OVERSIGHT**

- (a) **RECORD RETENTION:** Records shall not be destroyed, purged, or disposed of without the express written consent of the NCDHHS Division or Office. State basic records retention policy requires all grant records to be retained for a minimum of five years or until all audit exceptions have been resolved, whichever is longer. If the contract is subject to federal policy and regulations, record retention may be longer than five years. Records must be retained for a period of three years following submission of the final Federal Financial Status

Report, if applicable, or three years following the submission of a revised final Federal Financial Status Report. Also, if any litigation, claim, negotiation, audit, disallowance action, or other action involving this Contract has been started before expiration of the five-year retention period described above, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular five-year period described above, whichever is later. The record retention period for Temporary Assistance for Needy Families (TANF) and Medicaid and Medical Assistance grants and programs is a minimum of ten years. The record retention period for the Health Insurance Portability and Accountability Act (HIPAA) is six years. For the Internal Revenue Service (IRS) and the Social Security Administration (SSA), the record retention period is seven years.

(b) FLOW-DOWN

In addition to the subcontracting requirements in Paragraph 4) of the NCDIT Terms and Conditions, Attachment B, Section: (1) if a sub-vendor is used in the performance of this contract, written approval of the NCDHHS PSO (Privacy and Security Office) is also required; and (2) Vendor must include, without modification all the security and privacy terms and conditions in this Attachment C, Department of Health and Human Services Terms and Conditions in each sub-contract.

C.2 TRANSITION ASSISTANCE

Paragraph 42 in Section 1 of the DIT Terms and Conditions is supplemented as follows:

- (a) The Parties will meet to discuss transition, including turnover procedures, the transition meeting schedule, and any risks, barriers, assumptions, and mitigation strategies for transition.
- (b) During the Transition Period, the Vendor will continue to provide services to the Agency without cessation or alteration. The Transition Period may be modified as agreed upon in writing by the parties in a Contract amendment, including adding additional transition services.
- (c) The Vendor will provide a draft of its Transition Plan to the Agency within thirty (90) calendar days after Contract award. The Transition Plan will describe how the Vendor will transition responsibility to the Agency or its designees if a Transition Event occurs. The Transition Plan must adhere to the content included in Attachment J.
- (d) Within thirty (30) calendar days of receiving/providing notice of intent to terminate or of Contract expiration and no later than ninety (90) calendar days prior to termination or expiration of the Contract, the Vendor will develop and deliver to the Agency an updated Transition Plan. The updated Transition Plan will document the steps required to transition the Confidential Information from the Vendor to the Agency or its designee. The Vendor will obtain the Agency's approval of its updated Transition Plan and will be required to update and obtain the Agency's approval of revisions to its plan as revisions are made.
- (e) If the Solution is Vendor-Hosted, the Vendor will be required to perform both the tasks included above in paragraphs 12) a)-d) and the additional tasks listed below:
 - (i) During the Transition Period, the Vendor will extract and/or transition to the Agency a full backup of all State Data collected, stored, and maintained by the Solution in an agreed upon usable format, at no cost to the Agency. State Data will be delivered to the Agency no later than sixty (60) calendar days after the start of the Transition Period, at no cost to the Agency. At the request of the Agency, the Vendor will be required to provide technical support for at least thirty (30) calendar days after delivering the State Data to the Agency for the purpose of assuring the format and contents of the State's Data are accurate and meet the needs of the Agency. The State Data must be organized by Entity Relationship

Diagram (ERD) and accompanied by the following documentation unless this documentation is being maintained by State technical staff:

- 1) Diagram of all the Solution tables and databases;
 - 2) Data dictionaries for all tables/databases; and
 - 3) Related reference files and coding guides.
- (ii) Upon receiving written notice from the Agency, the Vendor will destroy or purge any State Data provided by or for the Agency during the Contract term, from all Vendor or hosting service provider databases, electronic files, or paper files (including backups). This destruction or purge should only occur following both the Vendor's receipt of the Agency's written request and the Agency's confirmation that the State Data has been delivered and received in a usable, archivable format. When the Agency directs the Vendor to destroy or purge all State Data within its and its hosting service provider's infrastructure and possession, in electronic or paper form, the Vendor and the hosting service provider will be required to certify in writing within thirty (30) calendar days of the Vendor receiving such written notice that all Confidential Information referenced above has been destroyed or purged.
- (iii) The Vendor will be required to ensure that its hosting service provider, if any, also complies with the Transition Period obligations in this section.
- (iv) Until the Vendor has certified the completion of the data destruction or purge, the Vendor will continue to comply with all data security sections within this RFP even after the resulting Contract has terminated or expired.
- (v) 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.

C.3 Stabilization

During the Project Execution Phase, Vendor will provide support until the Solution has been stabilized. The Solution will be deemed "stable" when it is available and has been operating continuously for ninety (90) consecutive Calendar Days following Deployment so that users can successfully log into the Solution and perform their daily work 24x7x365 (excluding scheduled maintenance periods) without frequent system lockups, freezes, or shutdowns. If a Category 1, 2 or 3 Defect or issue occurs during the 90-day Stabilization Period, the Vendor must resolve the Defect/issue in accordance with the table below and the Defect/issue must remain resolved by the end of the 90-day Stabilization Period or resolved within the Defect resolution time outlined below for Defects that occur at the end of the Stabilization Period and the resolution time extends beyond the 90-day Stabilization Period. Any Defect that is not resolved within the specified timeframe is subject to the service credits outlined below in addition to any service credits owed per Attachment B: Department of Information Technology Terms and Conditions, Section 4.4.b). These Category 1, 2, or 3 Defects do not include any issues that may arise that are outside of Vendor responsibility, which are also summarized below. The Category Levels are defined in the following table:

Category	Description	Response Time	Diagnosis Time	Resolution Time	Service Credits for Resolution Outside of Resolution Time
Category 1 (Major Problem)	An outage that results in the unavailability of the Solution or the Solution's hosting environment or a Defect that has persisted at the Severity Category 2 level for more than 48 hours.	1 hour	1 hour	24 hours	<p>20% of total 10% retainage for each instance plus an additional \$25,000 service credit for each additional 24-hour period to resolution.</p> <p>For example, if the total contract value is \$3M, the 10% retainage would equal \$300K. As a result, any service credit owned for each one Category 1 issue that took 36 hours to resolve would be \$85,000 (20% of \$300,000 = \$60,000. \$60,000 + \$25,000 = \$85,000). Every 24-hour period increment would add an additional \$25,000 to the service credit; therefore a Category 1 issue that took 52 hours to resolve would result in a \$110,000 service credit (\$85,000+\$25,000 for the additional 24-hour period).</p>
Category 2 (Critical Problem)	An outage where the Solution or the Solution's hosting environment is available but one or more of the Critical	1-2 hours	24 hours	48 hours	10% of total 10% retainage for each instance.

Category	Description	Response Time	Diagnosis Time	Resolution Time	Service Credits for Resolution Outside of Resolution Time
	Functions provided by the Solution is not operational, and a Workaround does not exist, or a Category 3 problem that has persisted for more than five (5) business days.				For example, if the total contract value is \$3M, the 10% retainage would equal \$300K. As a result, any service credit owned for each Category 2 issue would be \$30,000 (10% of \$300,000).
Category 3 (Minor Problem)	Degradation of Non-Critical System Functions that has persisted for more than eight (8) business hours.	1 business day	3 business days	5 business days	5% of total 10% retainage for each instance. For example, if the total contract value is \$3M, the 10% retainage would equal \$300K. As a result, any service credit owned for each Category 3 issue would be \$15,000 (5% of \$300,000).
Category 4 (Changes)	Request for Solution Changes (i.e., Solution Changes).	3 business days	5 business days	N/A	N/A
Category 5 (General Requests)	General questions or informal contacts.	3 business days	5 business days	2 business weeks	N/A

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C4. ADDITIONAL CLAUSES SPECIFIC TO FEDERAL FINANCIAL PARTICIPATION FOR THE DESIGN AND INSTALLATION OF MEDICAID-RELATED MECHANIZED CLAIMS PROCESSING AND INFORMATION RETRIEVAL SYSTEMS.

1. 42 CFR 433.112 (b)(20)

Systems and modules developed, installed or improved with 90 percent match must include documentation of components and procedures such that the systems could be operated by a variety of contractors or other users.

2. State Medicaid Manual (SMM) §2083.5

Vendor agrees to provide authorization from a parent, affiliate or subsidiary organization, for the State to have access to its records if such a relationship exists as would impact upon the bidder's performance under the proposed contract.

ATTACHMENT D: 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 st 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:

ATTACHMENT E: COST FORMS

E.1 INSTRUCTIONS

- (a) Use only the following Cost Tables for the Vendor’s Cost Proposal, unless otherwise noted in the cost tables to allow for itemized attachments. Other tables or forms will not be considered.
- (b) The costs to the Agency quoted in the Cost Proposal must cover all proposed costs. No other payments will be made by the State for the services the Vendor renders.
- (c) All costs quoted in the Cost Proposal must be firm and fixed for the duration of the Contract, inclusive of the initial three (3) year Contract Term, and the two (2) optional one (1) year renewals.
- (d) Cost Proposals that are incomplete or that contain significant inconsistencies may be rejected by the State.
- (e) As specified in Section 4.2, Vendor shall propose its itemized payment schedule based on the content of its offer using the Excel template provided with this RFP.

E.2 COST TABLE 1: PROJECT EXECUTION CONTRACT PHASE

- (a) Itemize all costs associated with the Project to implement the proposed Solution under each Milestone.
- (b) The State will issue payment upon the completion of a Milestone.
- (c) A Milestone is considered complete when all Deliverables within that Milestone have been successfully accepted by the State.
- (d) If a cost category (or column) is not relevant for the proposed Solution, indicate with “N/A” in the appropriate row/column. All references to Year represent Contract Year.

Item	Milestone (Outcome) and Weighting of Overall Project Cost	Contract Year One	Contract Year Two	Subtotal
M1	<p>State and Vendor Preparations and Alignment (5%)</p> <p>State and Vendor alignment is clearly and acceptably demonstrated through alignment of project approach, methodology, processes, templates, organization and staffing, communications and meeting cadence, and schedule.</p>			
M1D1	<i>Insert M1 Proposed Deliverables here</i>			
M2	<p>Pilot Go-Live (20%)</p> <p>Fully operational Solution with all functionalities described within this RFP that is successfully deployed to Pilot counties with no known defects (unless otherwise determined by the State). Processes and data collection methods are in place and demonstrated to gather the required data necessary to enable the State and Vendor to assess the impacts and results of the RMTS model for each county and program, as well as the ability to contrast the results with 100% time reporting results. All data, interfaces, configurations, and customizations are in place and working according to specifications, and are demonstrated to enable</p>			

Item	Milestone (Outcome) and Weighting of Overall Project Cost	Contract Year One	Contract Year Two	Subtotal
	the State to assess Solution viability for all counties and programs. Pilot End Users and operational support teams are demonstrated to be capable of independently completing all required business and support processes without assistance. Backup and Disaster Recovery systems are set up, successfully tested, and fully functional.			
M2D1	<i>Insert and List M2 Proposed Deliverables</i>			
M3	Pilot Completion and Results Acceptance (10%) Pilot Results, End User feedback, and RMTS Model/Design have been accepted by the State as sufficiently enabling the State to decide, by county and program, how best to proceed with all to-be processes and RMTS calculations.			
M3D1	<i>Insert and List M3 Proposed Deliverables</i>			
M4	Implementation Go-Live (45%) Fully operational Solution with all functionalities described within this RFP that is successfully deployed to all counties with no known defects (unless otherwise determined by the State). End Users and operational support teams are demonstrated to be capable of independently completing all required business and support processes without assistance.			
M4D1	<i>Insert and List M4 Proposed Deliverables</i>			
M5	Burn-in Period Complete (20%) The Operations and Maintenance organization and processes are fully operational, sufficiently staffed to meet SLAs, all SLAs have been demonstrated to have been met, and there are no known defects. Customer satisfaction of the new solution measurably meets State expectations. All business process changes introduced by the project are fully operational and utilized by all End Users.			
M5D1	<i>Insert and List M5 Proposed Deliverables</i>			
Sub-Total				
State Hosting Option				
Vendor Hosting Option				
Total Project Cost – State Hosting				
Total Project Cost – Vendor Hosting				

E.3 Cost Table 2: Operations and Maintenance

Provide the firm, fixed O&M cost, inclusive of all O&M tasks and the Software License cost for each year during O&M. If a cost category (or column) is not relevant for the proposed Solution, indicate with “N/A” in the appropriate row/column. The cost for partial years of O&M will be prorated.

Cost Table 2: Operations & Maintenance Recurring Costs	Contract Year Two	Contract Year Three	Optional Year Four	Optional Year Five
State Hosting Option				
Licensing/Subscription Fees and Technical Support Staffing				
Help Desk				
Total O&M Cost – State Hosting Option				
Vendor Hosting Option				
Licensing/Subscription Fees				
Help Desk				
Total O&M Cost – Vendor Hosting				

E.4 Cost Table 3: Total Cost of Contract

Cost Table 3 provides a summary of the Total Cost of the Contract for five (5) years.

Cost Table 3a: Total Cost of Contract for State Hosting							
Item	Cost Component	Year 1	Year 2				Subtotal
1	Project Total (from Table 1)						
Item	Cost Component	Year 1	Year 2	Year 3	Optional Year 4	Optional Year 5	Subtotal
2	O&M Total (from Table 2)						
3	Grand Total (Line 1 + Line 2)						

Cost Table 3b: Total Cost of Contract for Vendor Hosting							
Item	Cost Component	Year 1	Year 2				Subtotal
1	Project Total (from Table 1)						
Item	Cost Component	Year 1	Year 2	Year 3	Optional Year 4	Optional Year 5	Subtotal
2	O&M Total (from Table 2)						
3	Grand Total (Line 1 + Line 2)						

E.5 Cost Table 4: Professional Services Hourly Rate

List the hourly rate for value-added technical services provided by the Vendor upon request by the Division for each Contract year.

Item	Cost Category	Year 1	Year 2	Year 3	Optional Year 4	Optional Year 5
1	Professional Services Hourly Rate					

ATTACHMENT F: 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 G: LOCATION OF WORKERS UTILIZED BY VENDOR - DISCLOSURE STATEMENT

In accordance with the Statewide Information Security Manual (SISM), the State restricts the location of information systems that receive, process, store, or transmit State and Federal data to the United States which includes the following areas: US States, US Territories, US Embassies, and US Military installations (stateside or overseas). This restriction applies to the Vendor and to any subcontractors engaged to provide Services under this Agreement or with access to State Data. The Vendor must ensure that its subcontractor agreements contain the same restrictions and will be responsible for monitoring and enforcing subcontractor compliance at all times.

Pursuant to N.C.G.S. §143B-1361(b), the Vendor must complete and return this Disclosure Statement Attachment F with its solicitation response. The Vendor may attach additional pages to its response if needed. The State of North Carolina will evaluate Disclosure Statement Attachments for additional risks, costs, and other factors associated with its service prior to making an award for any such Vendor's offer. The Vendor must provide the following information in its bid response:

- a. The location of work performed under a state contract by the Vendor, any subcontractors, employees, or other persons performing the contract and whether any of this work will be performed outside the United States.

Click here to enter text.

- b. The corporate structure and location of corporate employees and activities of the Vendor, its affiliates or any other subcontractors.

Click here to enter text.

- c. Vendor agrees to provide notice of the relocation of the Vendor, employees of the Vendor, subcontractors of the Vendor, or other persons performing Services under a state contract outside of the United States in the event such relocation occurs during the contract term.

Click here to enter text.

- d. Vendor agrees that any Vendor or subcontractor providing call or contact center Services to the State of North Carolina shall disclose to inbound callers the location from which the call or contact center Services are being provided.

Click here to enter text.

- e. Will any work under this contract be performed outside the United States?

YES NO

The use of resources or workers located outside the United States is a critical security exception that must be escalated to the State Chief Information Officer for review pursuant to N.C.G.S. §143B-1376(c) and §143B-1320(c). These critical security exceptions are approved only in rare and extenuating circumstances. Vendor should account for this when preparing its response.

ATTACHMENT H: REFERENCES

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 I: 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
BALANCE SHEET DATA			
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)			
INCOME STATEMENT DATA			
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			
STATEMENT OF CASH FLOWS			
a. Cash Flow provided by Operating Activities			
b. Capital Expenditures (property, plant, equipment)			

ATTACHMENT J: QUALITY SPECIFICATIONS FOR PROJECT MANAGEMENT AND O&M DELIVERABLES

The Agency will use this Attachment J to evaluate draft Project Management Deliverables requested in this RFP that may be included in the Vendor’s proposal. **Any draft Project Management Deliverables will be refined during the Contract Term based on Agency feedback and must be approved by the Agency to be considered final.** Throughout the Contract Term, the Agency will also use Attachment J to evaluate Project Management and O&M Deliverables submitted to the Agency for approval unless otherwise changed during contract negotiations.

#	Deliverable and Delivery Provisions	Deliverable Purpose and Content
1	<p>Kick-Off Meeting</p> <p>Delivery Provision: Within ten (10) State Business Days of the Contract Award.</p>	<p>Purpose/Description: The Kick-Off Meeting will be held to announce to all team members, clients, and key Stakeholders that Vendor engagement on the project has begun and to make sure everyone has a common understanding of the project and their roles. The State Project Manager will facilitate this meeting and will work with Vendor to set the meeting agenda.</p> <p>Quality Specifications: The State and Vendor PMs will work together to define agenda of the meeting and presentations to be delivered. The agenda and presentations should include:</p> <ul style="list-style-type: none"> (a) Project Execution Phase scope, approach, and timeline; (b) Introduction of management and technical Vendor resources assigned to the Project Execution Phase; (c) Review of Vendor, NCDHHS, and State Project Management Methodology to be used for the Project Execution Phase; (d) Status reporting mechanisms and timeframes; (e) Deliverable review process; (f) Lines of communication and reporting relationships; (g) Identify schedule for upcoming meetings related to the Vendor’s Deliverables required by key dates after Contract award; (h) Identify high-risk or problem areas; and (i) Project assumptions and the impact of each.
2	<p>Project Kick-Off Meeting Report</p> <p>Delivery Provision: Within three (3) State Business Days of the Project Kick-Off Meeting.</p>	<p>Purpose/Description: The Project Kick-Off Meeting Report summarizes the Vendor’s understanding of the State and NCDHHS Methodology and Project management process expectations, Deliverables, Project Execution Phase details and all understandings and action items resulting from the Meeting.</p>
3	<p>Vendor Project Schedule</p>	<p>Purpose/Description: The Vendor Project Schedule defines all planning, development, testing, training, and deployment tasks necessary for the Vendor proposed project delivery method. This</p>

#	Deliverable and Delivery Provisions	Deliverable Purpose and Content
	<p>Delivery Provision: Draft submitted as part of the Vendor Proposal and reviewed with Agency within fifteen (15) days of Contract award. Final schedule due within twenty (20) State Business Days of the Contract award. Schedule Baseline is due once the Agency accepts the final Vendor Project Schedule. Project Execution Contract Phase Duration, updated weekly two (2) days prior to next scheduled Project Status Meeting; and ad hoc as requested by the Agency.</p>	<p>includes all associated interdependencies and task resource assignments to execute the project.</p> <p>Vendor Project Schedule will be developed with Microsoft Project™ or a compatible product subject to approval by the State.</p> <p>Quality Specifications:</p> <ul style="list-style-type: none"> (a) Clearly map to the State’s and NCDHHS’s Project Management Stages, and Sprint Cycles/Modules/Milestones and Project Management Deliverables outlined in this RFP; (b) Sub-divide all tasks until no more than eighty (80) hours are allocated to each task; (c) Identify each Sprint Cycles/Modules/Milestones/ Deliverables cycle; (d) Identify capability/functionality developed by the Sprint Cycles/Modules/Milestones/ Deliverables; (e) The expected duration of the Sprint Cycles/Modules/Milestones/ Deliverables; (f) The order of the Sprint Cycles/Modules/Milestones/ Deliverables; (g) Projected start and end dates for each task; (h) Major business decision points and Deliverables defined in this RFP; (i) Projected Sprint Cycles/Modules/Milestones/decision point due dates; (j) Task dependencies; (k) WBS references for each task and Sprint Cycles/Modules/Milestones; (l) Resource task assignments and usage for all NCDHHS staff, Vendor staff, and project team staff from any other organizations; and (m) When allocating work to Agency or other State personnel, the Vendor Project Schedule must: <ul style="list-style-type: none"> (i) Be based upon a forty-hour (40) week (8:00 a.m. through 5:00 p.m., Monday through Friday Eastern Time); and (ii) Accommodate that many of the Agency or other State personnel will not be assigned full time to this project and will not complete work on North Carolina State Government holidays: https://oshr.nc.gov/state-employee-resources/benefits/leave/holidays

#	Deliverable and Delivery Provisions	Deliverable Purpose and Content
4	<p>Vendor Project Management Plan</p> <p>Delivery Provision: Draft plan submitted as part of the Vendor Proposal. Final plan submitted in accordance with the date defined in the approved Vendor Project Schedule. Project Execution Contract Phase Duration, as needed if staffing levels change, provide a revised Organization Chart.</p>	<p>Purpose/Description: The Vendor Project Management Plan describes how the Vendor’s engagement during the Project Execution will be executed, monitored, and controlled.</p> <p>Quality Specifications:</p> <ul style="list-style-type: none"> (a) Project background; (b) Project objectives; (c) Project success criteria and contingencies; (d) Project assumptions and constraints; (e) Project scope; (f) Project high-level timeline; (g) Project Management Deliverables; (h) Project management methodology and approach; (i) Entrance and exit criteria for specific project Sprint Cycles/Modules/Milestones; (j) Status reporting elements, frequency and delivery method, to include an update of Vendor Project Schedule indicating progress made; (k) Monitoring and control mechanisms and corrective plan notification; (l) Technical approach, including transition management; (m) The organizational information, including organizational chart that reflects roles and responsibilities for Vendor and subcontractors (if applicable); (n) Knowledge transfer strategy; and (o) Documentation Deliverable and record management approach.
5	<p>Vendor Project Staffing Plan</p> <p>Delivery Provision: Submitted as part of the Vendor Proposal. Final plan within twenty (20) State Business Days of the Contract award. Project Execution Contract Phase Duration, updated weekly two (2) days prior to next scheduled Project Status</p>	<p>Purpose/Description: The Vendor Project Staffing Plan contains the amounts of Vendor labor resources needed to accomplish the project tasks.</p> <p>Quality Specifications:</p> <ul style="list-style-type: none"> (a) A list of all labor resources (i.e., staffing); (b) The roles and responsibilities of all staffing resources; (c) The percentage of each staffing resource’s time needed in each phase/stage; (d) Specification of how long each resource will be needed for each stage of the project;

#	Deliverable and Delivery Provisions	Deliverable Purpose and Content
	Meeting; ad hoc as requested by the Agency.	(e) Definition of skills required of each staffing resource; and (f) Plan for resource turnover.
6	<p>Project Communication Plan and Communications Matrix</p> <p>Delivery Provision: The date defined in the approved Vendor Project Schedule. Agency responsibility for Project Execution Contract Phase Duration; Vendor provides updates as needed.</p>	<p>Purpose/Description: The Project Communication Plan describes the processes needed to ensure the timely generation, collection, dissemination, storage, and disposition of project information to project Stakeholders. The Project Communication Plan also provides a method to identify planned and typical methods of exchanging information both within the project and with Stakeholders and interested parties external to the project. The plan may include or be accompanied by a Communications Matrix that identifies current individuals in each communication group, contact information. The Vendor will work with the Agency to define and document the Project Communication Plan and Communication Matrix.</p> <p>Quality Specifications:</p> <ol style="list-style-type: none"> 1. Project Communication Plan: <ul style="list-style-type: none"> (a) Communications needed for each Stakeholder group; (b) Information to be communicated, including language, format, content, and level of detail; (c) Reason for the distribution of information; (d) Timeframe and frequency for the distribution of required information and receipt of acknowledgement of response, if applicable; (e) Roles and responsibilities regarding the creation, approval/authorization, and transmission of communications; (f) Person or groups that will receive the information; (g) Methods and technologies used for communications (e.g., email, reports, memos, SharePoint, newsletters, website, press releases, etc.); and (h) Escalation procedures identifying timeframes and the management chain (i.e., individuals) for escalation of issues for resolution. 2. Communication Matrix: <ul style="list-style-type: none"> (a) A list of all Stakeholder groups and members of each group with contact information; (b) Project meeting schedule and attendees; and (c) A project documentation list to include the document name, the distribution frequency/schedule, the documentation

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		format, the archival location, the distribution list, and the distribution method.
7	<p>Project Risk and Issues Management Plan, Project Risk Watch List Matrix, and Project Issues Log</p> <p>Delivery Provision: The date defined in the Agency’s Project Schedule. Agency responsibility for Project Execution Contract Phase Duration; risks and issues identified by Vendor will be reported on Vendor Status Reports and other communication mechanisms as Defined in the Project Risk and Issues Management Plan.</p>	<p>Purpose/Description: The Project Risk and Issues Management Plan identifies the process, procedures and tools utilized to identify, mitigate, resolve, and manage risk/issues for Project Execution Phase through a systematic and controlled process. The Project Risk and Issues Management Plan also includes a Project Risk Watch List Matrix to document and track the mitigation of risks identified during the project, and a Project Issues Log that provides a detailed description of the issues for the Project and how those issues will be addressed and resolved.</p> <p>Quality Specifications:</p> <ol style="list-style-type: none"> 1. The Project Risk and Issues Management Plan: <ul style="list-style-type: none"> (a) Processes for identifying and assessing risks/issues; (b) Determining effective risk mitigation/resolution actions; (c) Monitoring and reporting progress in mitigating/resolving risks/issues; (d) Definition of risk/issue categories (e) Budget; (f) Quality; (g) Resource; (h) Schedule; (i) Scope; and (j) Technical; (k) Definitions and rating scale of risk/issue severity; (l) For risks, definitions, and rating scale of risk probability; (m) Escalation procedures; and (n) Tools used for the risk/issue management process. 2. The Project Risk Watch List: <ul style="list-style-type: none"> (a) Unique identification number; (b) Description of the risk; (c) Date risk was identified; (d) Escalation procedures; (e) Person assigned to take actions to mitigate the risk and date of assignment;

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		<ul style="list-style-type: none"> (f) Area(s) impacted by the risk; (g) Risk category; (h) Signs and symptoms of the risk; (i) Probability of the risk occurring; (j) Severity of impact if the risk were to occur; (k) A risk score based on probability and severity; (l) Mitigation strategy with a complete history of all actions taken; (m) Date risk closed; and (n) Comments. <p>3. Project Issues Log:</p> <ul style="list-style-type: none"> (a) Unique ID; (b) Description of the issue; (c) Date received or identified; (d) Person assigned to resolve the issue and date of assignment; (e) Issue category; (f) Issue severity; (g) Final resolution with a complete history of all activities and the resolution date; and (h) Comments.
8	<p>Vendor Software Quality Assurance Plan</p> <p>Delivery Provision: The date defined in the approved Vendor Project Schedule. Review and update each time the plan is impacted.</p>	<p>Purpose/Description: The Vendor Software Quality Assurance (SQA) Plan establishes the goals, processes, and responsibilities needed to implement effective quality assurance functions for the Project Execution Phase. In addition, the plan outlines the verification and validation (V&V) processes that Vendor uses to determine how Vendor products conform to their specifications and/or requirements and fulfill their intended use and user expectations.</p> <p>Quality Specifications:</p> <ul style="list-style-type: none"> (a) The purpose and scope of the quality assurance effort; (b) The QA methodology; (c) The QA organization; (d) The QA staff roles and responsibilities; (e) QA estimated resources;

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		<ul style="list-style-type: none"> (f) The QA tasks for the Project Execution Phase; (g) The entrance and exit criteria for the QA tasks; (h) Applicable federal, State, departmental, and Vendor standards, policies, and procedures to include coding, design, data documentation, user interface, security, disaster recovery, and commentary standards; (i) Applicable practices, conventions, and metrics; (j) A description of evaluation criteria and results reporting elements and mechanisms; (k) Documentation needed for QA review and audit; (l) QA tools, methods, and techniques; (m) Controls for media, security, disaster recovery, and suppliers; (n) Verification and validation (V&V) methodology to include approach, scope of work products, V&V techniques, roles, responsibilities, estimated resources, tasks for Project Execution Phase, and results reporting; (o) Records collection, maintenance, and retention; (p) Identification and implementation of corrective action plans; and (q) Quality Assurance reporting.
9	<p>Project Change Management Plan, Project Change Request Form, and Project Change Request Log</p> <p>Delivery Provision: The date defined in Agency’s Project Schedule. Agency responsibility for Project Execution Contract Phase Duration; Vendor to submit Change Request Form when required or upon Agency request. The Agency will maintain the Project Change Request Log and provide updates to The Vendor and Project</p>	<p>Purpose/Description: The Project Change Management Plan is a formal document that establishes the criteria for when change requests are needed as well as the processes for documenting, managing, and controlling changes within a project. The Project Change Management Plan also includes a Project Change Request Form and a Project Change Request Log.</p> <p>Quality Specifications:</p> <ol style="list-style-type: none"> 1. Project Change Management Plan: <ul style="list-style-type: none"> (a) Change control process; (b) Roles and responsibilities for Change Management; (c) Change request review turnaround times; (d) Change request evaluation criteria; and (e) Change priority definitions. 2. Project Change Request Form: <ul style="list-style-type: none"> (a) Unique ID;

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	Team at each Project Status Meeting	<ul style="list-style-type: none"> (b) Date created; (c) Requestor name and contact information; (d) Type of change (i.e., schedule, scope (i.e., Solution Change), and/or cost); (e) Project name; (f) Severity of impact; (g) Priority for change; (h) Description of the change; (i) Justification for the change; (j) Schedule impact; (k) Scope impact; (l) Estimated Cost of change; (m) Person hours associated with change; (n) Type and number of resources needed; and (o) Approvals (approval or rejection) and date approved/rejected. <p>3. The Project Change Request Log:</p> <ul style="list-style-type: none"> (a) Unique ID; (b) Description of the change; (c) Requestor; (d) Date submitted; (e) Priority for change; (f) Estimated Cost; (g) Target Completion Date; (h) Decision (Approval or rejection); (i) Date approved/rejected; and (j) Comments.
10	<p>Security Plan</p> <p>Delivery Provision: The dates defined in the approved Vendor Project Schedule. Project Execution Contract Phase Duration, reviewed every six (6) months, and</p>	<p>Purpose/Description: The Security Plan details the types of computer security needed for the Solution based on the type of information being processed and the degree of sensitivity needed. The Security Plan will meet or exceed all State and federal security specifications and requirements. Items concerning the hosting environment will be completed by the Party that is hosting the Solution.</p>

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	<p>updated after the Solution's design and infrastructure architecture are finalized. Contract Duration in O&M Contract Phase, assist the Agency to update every six (6) months or by a change made by the Vendor to the product or hosting environment or Solution Change.</p>	<p>Quality Specifications:</p> <ul style="list-style-type: none"> (a) The security categorization of the Solution including supporting rationale; (b) Full descriptive name of the information system including associated acronym; (c) Unique information system identifier (typically a number or code); (d) Solution owner, Data Steward/Custodian, and authorizing official including contact information; (e) Information on the organization(s) that manages, owns, and controls the Solution; (f) Location of the Solution and environment in which it operates; (g) Version or release number of the Solution; (h) Purpose, functions, and capabilities of the Solution and details of the essential functions or business processes supported; (i) Technical security architecture; (j) Status of the Solution with respect to acquisition or life cycle; (k) Applicable North Carolina and United States federal laws, directives, policies, regulations, or standards affecting the security of the Solution; (l) Describes the security controls in place or planned for meeting data security requirements and specifications including a rationale for the tailoring and supplementation decisions; (m) Types of data processed, stored, and transmitted by the Solution; (n) Boundary of the Solution for risk management and security authorization purposes; (o) Architectural description of the Solution including network topology; (p) Hardware and firmware devices included within the Solution; (q) Solution and applications software resident on the Solution; (r) Hardware, software, and system interfaces (internal and external); (s) Subsystems (static and dynamic) associated with the Solution;

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		<p>(t) Data flows and paths (including inputs and outputs) within the Solution;</p> <p>(u) Cross domain devices and security requirements;</p> <p>(v) Network connection rules for communicating with systems (both internal and external);</p> <p>(w) Interconnected systems and identifiers for those systems;</p> <p>(x) Encryption techniques used for information processing, transmission, and storage;</p> <p>(y) Cryptographic key management information, (e.g., public key infrastructures, certificate authorities, etc.);</p> <p>(z) End user types including organizational affiliations, access rights, privileges, citizenship (if applicable);</p> <p>(aa) Ownership/operation of the Solution, (e.g., government-owned, government-operated; government-owned, contractor-operated; contractor-owned, contractor-operated; federal [state and local governments, grantees]);</p> <p>(bb) Security authorization date and authorization termination date;</p> <p>(cc) Incident response outline with points of contact;</p> <p>(dd) Other information as required by the organization;</p> <p>(ee) For Vendors proposing Vendor-Hosted Solutions, the schedule for when the Vendor will submit its annual SOC 2 Type 2 or equivalent Third-Party Security/Risk Assessment Report to the State; and</p> <p>(ff) Site Security Plan (SSP) as required.</p> <p>NIST Special Publication 800-18 provides guidance and can serve as a basis for the development of the Solution security plan.</p>
11	<p>Technical Architecture Diagrams Delivery Provision: The Network and Technology Stack Architecture Diagrams: submitted with offer and revised per the date defined in the approved Vendor Project Schedule. Duration of Project Execution updated after the Operations and</p>	<p>Purpose/Description: The Technical Architecture Diagrams per <u>Section 3.3.2</u>. These diagrams may be refined by the Vendor during development of the Solution.</p> <p>Quality Specifications:</p> <ol style="list-style-type: none"> 1. Network and Technology Stack Architecture Diagrams listed on https://it.nc.gov/services/vendor-engagement-resources.

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	<p>Maintenance Planning is complete.</p> <p>Contract Duration in O&M Contract Phase, assist the Agency to update every twelve (12) months or whenever impacted.</p>	
12	<p>Configuration and Release Management Plan</p> <p>Delivery Provision: The date defined in the approved Vendor Project Schedule. Contract Duration, review and update each time the plan is impacted. Contract Duration in O&M Contract Phase, review and update each time the document is impacted.</p>	<p>Purpose/Description: The Configuration and Release Management Plan explains the methodology for identifying and controlling the functional and physical design characteristics of configurable items throughout the software development life cycle (SDLC). It also will describe version control for all technical environments.</p> <p>Content:</p> <ul style="list-style-type: none"> (a) List of all functional and physical items (configuration items) included in the scope of configuration management, which includes hardware, software, and design; (b) Method and procedure for controlling changes to configuration items; (c) Configuration management activities; (d) Configuration management roles and responsibilities; (e) Status reporting method for configuration items; (f) Method for ensuring that control will be maintained over design, development, production, installation, and support configuration items; (g) Method for ensuring that Vendor inspections demonstrate acceptability to the Agency of material and services will be performed; (h) Evidence of a disciplined integrated systems development approach; and (i) Release management roles and responsibilities, practices/processes, and activities.
13	<p>Training Plan</p> <p>Delivery Provision: The date defined in the approved Vendor Project Schedule. Project Execution Contract Phase Duration, review and update each time the plan is impacted.</p>	<p>Purpose/Description: The Training Plan identifies the strategy, short- and long-term objectives, the work, requirements, and procedures to be carried out to achieve agreed objectives for training staff effectively. The Training Plan describes the Vendor’s strategy for performing role-based training and defines specifically how the training materials will be developed and how the Agency’s training specifications and requirements will be met.</p>

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		<p>Quality Specifications:</p> <ul style="list-style-type: none"> (a) Purpose and scope of the training effort; (b) Types of training to be delivered, including technical, system, train-the trainer, and end user role-based training; (c) A description of training sessions by type of training and the different groups to be trained in each type of training, including: (d) Goals for training sessions; (e) Browser version compatibility; (f) User Profiles of users to be trained; (g) Prerequisites for users; (h) Business functions and processes covered in each training session; and (i) Hours required for each training session; (j) Delivery mechanism for each type of training (e.g., webinar, in-person, train-the-trainer, electronic documentation, CD/DVD); (k) Staffing, including roles and responsibilities to develop and deliver the training; (l) Training activities and tasks, including the timing of the training material development and training delivery; (m) Training planning and preparation, including training locations, tools, documentation, scheduling, pre-requisites, staffing, and other key training elements; (n) Hardware, software, data, and facilities or materials needed to support the training effort; and (o) Training feedback mechanism and training evaluation methods.
14	<p>Test Plan</p> <p>Delivery Provision: The date defined in the approved Vendor Project Schedule. Project Execution Contract Phase Duration and Duration of Contract, review and update each time the plan is impacted. Contract Duration in O&M Contract</p>	<p>Purpose/Description: The Test Plan provides the Vendor’s testing strategy that includes resources required, time needed to perform the testing, entry and exit criteria, test activities and tasks, and types of tests to be performed.</p> <p>Quality Specifications:</p> <ul style="list-style-type: none"> (a) Categories of testing to be conducted as appropriate to the technical Solution; Vendor will perform Unit Testing, System and Regression Testing (including error handling), Integration Testing, Performance Testing, and Accessibility Testing;

#	Deliverable and Delivery Provisions	Deliverable Purpose and Content
	<p>Phase, review and update each time the document is impacted.</p>	<ul style="list-style-type: none"> (b) A description of Security Testing the vendor performs and/or assists the State in performing; (c) Definitions of defect levels; (d) Defect management to include: <ul style="list-style-type: none"> (i) Processes for identifying, assessing, and prioritizing defects; (ii) Determining effective defect remediation actions; (iii) Monitoring and reporting progress in remediating defects; (iv) Definition of defect categories; (v) Definitions and rating scale of defect severity; (vi) Roles and responsibilities in defect management; (vii) Tools used for the defect management process; (viii) Defect testing and release for testing; and (ix) The format and mechanism used for defect management status reporting; (e) For each test category: <ul style="list-style-type: none"> (i) Test scope; (ii) Test goals; (iii) Entry and exit criteria; (iv) The acceptance criteria; and (v) Test data needed; (f) Testing activities and tasks; (g) Roles and responsibilities to conduct testing and defect management; (h) Automated testing tools, if any (i.e., specific release and version of the product); (i) Test environment specifications and set up; (j) Tools and mechanisms to track and report test results and defect resolution status; and (k) Formats and information to be included in test results reports, and the frequency of reports. <p>Test strategies for the O&M Contract Phase of Contract will be defined in the Operations and Maintenance Plan; testing performance standards will be defined in the Service Level Agreement.</p>

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15	<p>Deployment Plan</p> <p>Delivery Provision: The date defined in the approved Vendor Project Schedule. Project Execution Contract Phase Duration, updated during the deployment preparation.</p>	<p>Purpose/Description: The Deployment Plan defines the approach to deploy the Solution once it has been developed and fully tested or when a major software release occurs.</p> <p>Quality Specifications:</p> <ul style="list-style-type: none"> (a) Purpose and scope of the deployment effort; (b) Strategy for phased deployment; (c) Processes and procedures that must be adopted by the Agency /State to deploy Solution/release; (d) Hardware and software acquisitions; (e) Approach and procedures to configure network, install hardware and software; (f) Deployment activities and tasks to include: deployment, updating end-user devices, training, Help Desk and defect reporting procedures, and communications; (g) Timing and scheduling of deployment activities and tasks; (h) Deployment planning and preparation, including site visits, site readiness verification; (i) Security considerations; (j) Hardware, software, facilities, or materials needed to support the deployment; (k) Training of deployment staff; (l) Deployment risk factors; (m) Approach to transitioning staff to use the new system/new system release; (n) Deployment assurance and control; (o) Contingency plans if key implementation activities are not completed in the timeframe planned; (p) Software support during deployment; (q) Solution performance monitoring; (r) Post deployment support during the Stabilization Period; (s) Roles and responsibilities to conduct deployment; (t) Deployment schedule; (u) Actions that must be completed by the Agency and State to deploy the Solution;

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		<p>(v) Subset of Test Cases and Test Scripts to be used by Vendor and Agency to conduct a Validation Test to technically validate the deployment of the Solution; and</p> <p>(w) Subset of UAT Test Cases and Test Scripts to be used by the Agency to validate the deployment of the Solution.</p>
16	<p>Gap Analysis Document</p> <p>Delivery Provision: The date defined in the approved Vendor Project Schedule. Project Execution Contract Phase Duration, update as applicable; review at least once every six (6) months, final updates during Implementation. Contract Duration in O&M, review and update each time the document is impacted.</p>	<p>Purpose/Description: The Gap Analysis Document provides a point-by-point detailed description of each high-level Solution requirement and specification defined by this RFP (i.e., “detailed system requirements” as referred to in the IT industry) and comparison with the functions and technical aspects of the existing Vendor product proposed as the Solution. The Gap Analysis Document lists all Configurations and Customizations needed to meet all Agency’s business and technical specifications and requirements for the Solution.</p> <p>Quality Specifications:</p> <ul style="list-style-type: none"> (a) Detailed descriptions of Solution requirements and specifications outlined in this RFP; (b) Each detailed description of Solution requirements and specifications will contain a: <ul style="list-style-type: none"> (i) Unique requirement tracking identifier; (ii) Detailed and unique title; (iii) Detailed description sufficient to enable design staff to design a Solution to satisfy the Agency’s technical specifications and requirements for the Solution, as defined in the Contract, and testers to test that the Solution satisfies the requirements; (iv) Assumptions and dependencies; and (v) Prioritization of the requirement as either critical/essential, conditional, or optional; (c) Definition and description of each customization and configuration necessary to the Vendor proposed product needed to meet the Agency’s requirements and specifications for the Solution, to include system functions, error handling, reports, queries, forms, and all technical specifications, including performance, interfaces, security; (d) A list of any associated costs for Solution specifications identified during Gap Analysis that were not part of the Contract; and (e) List of Solution roles and access permissions.
17	<p>User Stories</p>	<p>Purpose/Description: A User Story provides a short simple description of a feature/function in the Solution from the user perspective. Large User Stories or key functional areas may be</p>

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	<p>Delivery Provisions: The dates defined in the approved State’s Project Schedule. Project Execution Contract Phase Duration and refined as needed for each Sprint. Contract Duration in O&M Contract Phase, created for each Solution Change requested by the State</p>	<p>identified an Epic, which will be broken down into User Stories. User Stories and Epics are captured on a backlog managed by the Vendor and Agency.</p> <p>Quality Specifications:</p> <ul style="list-style-type: none"> (a) Describe who is performing the function(s) described in the User Story. This is typically a job role, customer, or other type of user, also known as the user persona. (b) Describe the goal that the user wants the product to accomplish or implement. (c) Describe why the user needs the feature or functionality. (d) List acceptance criteria for use when testing the User Story. (e) May include any estimation and prioritization needed for Sprint planning purposes.
18	<p>Requirements Traceability Matrix</p> <p>Delivery Provisions: The dates defined in the approved Vendor Project Schedule. Project Execution Contract Phase Duration, continuously as each Sprint is completed, refined after UAT execution, and final updates during Implementation. Contract Duration in O&M Contract Phase, review and update each time the document is impacted by a Solution Change</p>	<p>Purpose/Description: The Requirements Traceability Matrix (RTM) is used to ensure that each system specification and requirement (functional and non-functional) in the Contract is traced to a detailed design specification(s), test cases/scripts, testing results, and an indication whether it is prioritized for implementation in a Solution release. The RTM will cross-reference each desired Solution specification(s) listed in the Contract to a Solution function/feature and track each Solution specification in the Contract from development through implementation. Vendor will provide the Requirements Traceability Matrix in a format that is compatible with OpenText Quality Center.</p> <p>Quality Specifications:</p> <ul style="list-style-type: none"> (a) Information on every testable system specification in the Contract; (b) Changes required for Solutions specifications in the Contract and date accepted; (c) Design specification(s) for each Solution specification and date accepted; (d) Epic and User Story(ies) references; (e) Technical test case(s)/test script(s) for each Solution specification; (f) The date and results of all tests performed to verify that contractual specification and/or performance levels have been achieved or exceeded; and

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		<p>(g) User acceptance test case(s) and for each specification, an indication of whether the testing for the specification was accepted, and acceptance date; and</p> <p>(h) Date implemented.</p>
19	<p>Data Model</p> <p>Delivery Provisions: The date defined in the approved Vendor Project Schedule. Project Execution Contract Phase Duration, final revisions Implementation Stage; Contract Duration, review at least once every six (6) months and update as needed. Contract Duration, review and update each time the document is impacted by a Solution Change.</p>	<p>Purpose/Description: The Data Model graphically illustrates Solution database objects and the relationships between those objects.</p> <p>Quality Specifications:</p> <ul style="list-style-type: none"> (a) All objects in the database; (b) Unique identifier for each object; (c) Attributes for each object; and (d) Relationship each object has with other objects.
20	<p>Data Dictionary</p> <p>Delivery Provisions: The date defined in the approved Vendor Project Schedule. Project Execution Contract Phase Duration, final revisions Implementation Stage; Contract Duration, review at least once every six (6) months and update as needed. Contract Duration, review and update each time the document is impacted by a Solution Change.</p>	<p>Purpose/Description: The Data Dictionary will define the basic organization of the Solution database. The Data Dictionary for the Solution can be generated through automated means.</p> <p>Quality Specifications: Name, type, range of values, source, origin, usage format, relationship to other data elements, and authorization for access for each data element in the database.</p>
21	<p>Detailed Design Specifications Document</p> <p>Delivery Provisions: The date defined in the approved Vendor Project Schedule. Project Execution Phase, final</p>	<p>Purpose/Description: The Detailed Design Specifications Document describes how Solution is designed to satisfy the Solution specifications stated in this RFP. The detailed design for Solution is to comply with the NC Statewide Information Security Manual, the NCDHHS Security Manual, and the NC Statewide Architecture Frameworks. After all components are designed, each functional and non-functional technical specification and requirement will be traceable to one or more detailed design</p>

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	<p>revisions Implementation Stage and update as needed. Contract Duration in O&M Contract Phase, review and update each time the document is impacted.</p>	<p>specifications. The Detailed Design Specification Document is a result of Design Review Sessions/Design Sprints the Vendor will conduct with the Agency to design the Solution collaboratively.</p> <p>Quality Specifications:</p> <ul style="list-style-type: none"> (a) Operating environment; (b) System and subsystem architecture; (c) Data model, including name, type, range of values, source, origin, usage format, relationship to other data elements, and authorization for access for each data element in the database; (d) Files; (e) Input formats; (f) Output layouts; (g) Graphical user interface(s) (GUIs) or wireframes; (h) Reports; (i) Design specifications for external interfaces to other software applications/IT systems; (j) Programming design specifications; and (k) Report design specifications.
22	<p>Infrastructure Requirements</p> <p>Delivery Provisions: The date defined in the approved Vendor Project Schedule. Project Execution: Contract Duration in O&M Contract Phase, review and update each time the document is impacted.</p>	<p>Purpose/Description: If the Agency selects a State-hosting option, the Vendor’s Infrastructure Requirements specify the hardware and system software necessary for the State to host and run the Solution in the State technical environments.</p> <p>Quality Specifications:</p> <ul style="list-style-type: none"> (a) Specific server requirements, including operating systems (OS); (b) Software (i.e., database, web server, etc.); (c) External web services (e.g., SOAP); (d) Programming languages; (e) Storage requirements; (f) Peripheral device (bar code scanners, printers, card readers, projector, etc.) requirements; (g) Virtual machine requirements; (h) Load balancers and switches; (i) Uninterrupted power supply (UPS) or coolant requirements;

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		<ul style="list-style-type: none"> (j) WAN or LAN requirements; (k) Rack or wiring requirements; (l) Scalability; (m) Service availability; (n) Redundancy and failover metrics; (o) Monitoring; (p) System and information security features; and (q) Hosting service provider name and location.
23	<p>Infrastructure Configuration Specifications</p> <p>Delivery Provisions: The date defined in the approved Vendor Project Schedule. Project Execution Phase Duration. Contract Duration in O&M Contract Phase, review and update each time the document is impacted.</p>	<p>Purpose/Description: The Infrastructure Configuration Specifications contains the detailed specifications needed to configure the State’s technical environments that will be used to host Solution.</p> <p>Quality Specifications: Detailed instructions for setting up servers and other components of the technical environment the State will use to host Solution if the Agency selects a State-hosting option.</p>
24	<p>Vendor Recommendation for Technical Training for State IT Support Personnel</p> <p>Delivery Provisions: The date defined in the approved Vendor Project Schedule</p>	<p>Purpose/Description: The Vendor Recommendation for Technical Training for State IT Support Personnel describes any technical training State staff will need to support the technical environment for hosting the Solution or to support the Solution in any way.</p>
25	<p>Configured State Technical Environments (for State-Hosting Option)</p> <p>Delivery Provisions: The date defined in the approved Vendor Project Schedule</p>	<p>Purpose/Description: Vendor will assist the State to install and configure all hardware and software needed to set up the technical environments needed at the State for the purposes of hosting and supporting the Solution, including all environments needed to support Agency testing, training, production, reporting and disaster recovery technical environments for the Solution and reporting. The Vendor will provide this Deliverable if the Agency selects a State-hosting option.</p>
26	<p>Technical Skills Transfer</p> <p>Delivery Provisions: The date defined in the</p>	<p>Purpose/Description: Vendor will transfer any technical skills needed during the installation and configuration of the technical environments to State staff if any component of the Solution is to be hosted by the State.</p>

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	approved Vendor Project Schedule. Project Execution Contract Phase Duration, with final updates during the Implementation Stage.	
27	<p>Base Product and Base Product Installation Instructions (for COTS products with State-Hosting Option)</p> <p>Delivery Provisions: Within fifteen (15) State Business Days of the Contract award.</p>	<p>Purpose/Description: The Base Product and Base Product Installation Instructions provide the Agency with the Vendor's commercial off-the-shelf (COTS) product without any Customizations or Configurations, and directions on how to install the Base Product in a hosting environment. Vendor will provide this Deliverable if the Agency selects a State-hosting option.</p> <p>Quality Specifications:</p> <ul style="list-style-type: none"> (a) Base Product(s) will include all Vendor licensed products to provide the Agency with the Solution. (b) Base Product Installation Instructions will include: <ul style="list-style-type: none"> (i) Specifications for the technical environment in which the installation will take place; and (ii) Step-by-step instructions to install each Base Product.
28	<p>Design Review Sessions</p> <p>Delivery Provisions: The date defined in the approved Vendor Project Schedule. As needed to design Solution Changes.</p>	<p>Purpose/Description: During the Configuration of and any Changes to of the Vendor's product(s) to develop the Solution, the Vendor will conduct Design Review Sessions with the Agency as needed to reach agreement on design issues related to designing the Solution.</p>
29	<p>Test Cases and Test Scripts</p> <p>Delivery Provisions: The date defined in the approved Vendor Project Schedule. Contract Duration in O&M Contract Phase, review and update each time</p>	<p>Purpose/Description: Test Cases describe a set of conditions or variables under which a tester will determine whether the Solution satisfies system specifications and requirements and works correctly. Test Cases are written for every type of testing that will occur for Solution. Each system specification and requirement will be mapped to one or more Test Case.</p> <p>A Test Script is a set of instructions written in a programming language that are used to perform automated or manual tests on Solution.</p> <p>The Vendor will provide the Test Scripts and Test Cases in a format that is compatible with OpenText Quality Center.</p> <p>Quality Specifications:</p> <ul style="list-style-type: none"> (a) Test Case identifier; (b) Test Case name;

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		<ul style="list-style-type: none"> (c) Objectives; (d) Test conditions/setup; (e) Input data criteria; (f) Test steps/procedures; and (g) Expected results.
30	<p>System Test Results Report</p> <p>Delivery Provisions: Upon the completion of System Testing by the date defined in the approved Vendor Project Schedule for the Vendor, and the Agency if the Agency selects a State-hosting option. Project Execution Contract Phase Duration, with final Test Results during the Implementation Stage if additional testing is needed. Contract Duration in O&M Contract Phase, review and update each time testing occurs.</p>	<p>Purpose/Description: System Test Results Report provides a summarized and detailed report to the Agency about the results of the Vendor's System Testing. Separate test results are provided for testing performed in the Vendor's Test environment and, if the Agency selects a State-hosting option or if any component is hosted by the State, the State's Test environment. The format of the Test Results document will be agreed upon by Vendor and the Agency. For every Test Case, actual test results will be documented, including any necessary re-testing.</p> <p>Quality Specifications:</p> <ul style="list-style-type: none"> (a) Executive summary of test results; (b) Executed Tests Cases; and (c) Detailed results of the executed Test Cases.
31	<p>Regression Test Results Report</p> <p>Delivery Provisions: During User Acceptance Testing by the completion of UAT by the date defined in the approved Vendor Project Schedule for the Agency. Project Execution Contract Phase Duration, with final Test Results during the Implementation Stage if additional testing is needed. Contract Duration in O&M Contract Phase, review and update each time testing occurs.</p>	<p>Purpose/Description: Regression Test Results Report provides a summarized and detailed report to the Agency about the results of the Vendor's regression system testing to ensure that no changes happened to approved functionality because of a Solution Change to or defect remediation in the Solution. Testing will occur in the Vendor test environment. Testing will also occur in the State-hosting environment if the Agency selects a State-hosting option. The format of the Test Results document will be agreed upon by Vendor and the Agency. For every Test Case identified for regression testing, actual test results will be documented, including any necessary re-testing.</p> <p>Quality Specifications:</p> <ul style="list-style-type: none"> (a) Executive summary of test results; (b) Executed Tests Cases; and (c) Detailed results of the executed Test Cases.

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32	<p>Integration Test Results Report</p> <p>Delivery Provisions: During User Acceptance Testing by the completion of UAT by the date defined in the approved Vendor Project Schedule for the Agency. Project Execution Contract Phase Duration, with final Test Results during the Implementation Stage if additional testing is needed. Contract Duration in O&M Contract Phase, review and update each time testing occurs.</p>	<p>Purpose/Description: The Integration Test Results Report provides a summarized and detailed report regarding testing conducted by the Vendor and external system support staff (i.e., Agency /NCDHHS and/or other vendor) of all interfaces between the Solution and external systems. Testing will be performed in the Vendor’s Test environment. Retesting is required when Defects are remediated or Solution Changes have been made. The format of the Test Results document will be agreed upon by the Vendor and the Agency. For every Test Case, actual test results will be documented, including any necessary re-testing.</p> <p>Quality Specifications:</p> <ul style="list-style-type: none"> (a) Executive summary of test results; (b) Executed Tests Cases; and (c) Detailed results of the executed Test Cases.
33	<p>Accessibility Test Results Report</p> <p>Delivery Provisions: Upon the completion of Accessibility Testing by the date defined in the approved Vendor Project Schedule. Project Execution Contract Phase Duration, with final Test Results during the Implementation Stage if additional testing is needed. Contract Duration in O&M Contract Phase, review and update each time the document is impacted.</p>	<p>Purpose/Description: The Accessibility Test Results Report provides a summarized and detailed report to the Agency about the results of the Vendor’s testing of accessibility features in Solution. Testing will be performed in the State’s Test environment. The format of the Test Results document will be agreed upon by Vendor and the Agency. For every Test Case, actual test results will be documented, including any necessary re-testing.</p> <p>Quality Specifications:</p> <ul style="list-style-type: none"> (a) Executive summary of test results; (b) Executed Tests Cases; and (c) Detailed results of the executed Test Cases.
34	<p>Demonstration of Tested System</p> <p>Delivery Provisions: The date defined in the approved Vendor Project Schedule.</p>	<p>Purpose/Description: Vendor provides the Agency with a Demonstration of Tested System once the Solution is fully Configured/Customized, and all testing by Vendor has been completed (technical), i.e., prior to Performance Testing and UAT prior to each phased deployment. Demonstrations of the Tested System can also occur at the end of each Sprint.</p>

#	Deliverable and Delivery Provisions	Deliverable Purpose and Content
35	<p>General Backup and Recovery Plan</p> <p>Delivery Provisions: The date defined in the approved Vendor Project Schedule. Project Execution Contract Phase Duration. Contract Duration in O&M Contract Phase, reviewed and updated every twelve (12) months or when impacted.</p>	<p>Purpose/Description: The General Backup and Recovery Plan contains the strategy and plan to back up Solution at regular intervals, and to recover Solution from backups for normal operations.</p> <p>Quality Specifications:</p> <ul style="list-style-type: none"> (a) Back up procedures for all data, configuration and log files, and modules of Solution; (b) Schedules/frequency for all back-ups; (c) Restore procedures that provide the ability to restore lost data and bring failed IT services back to normal operation within a period specified in the SLA; (d) Plan to ensure minimal or no interference to regular business operation; (e) Scalability to meet growing data backup and recovery demand; and (f) Data retention schedule for backups per State policy. Refer to: https://archives.ncdcr.gov/information-technology/download?attachment
36	<p>Disaster Recovery Plan</p> <p>Delivery Provisions: The date defined in the approved Vendor Project Schedule. Project Execution Contract Phase Duration, revise as applicable at least once every six (6) months; Contract Duration in O&M Contract Phase, review and update every twelve (12) months or when impacted.</p>	<p>Purpose/Description: The Disaster Recovery (DR) Plan details the processes and procedures used to recover Solution due to loss of service, whether due to unplanned events/interruptions, such as natural disaster, or malicious intent. The DR Plan covers all locations that host any component of the Solution.</p> <p>Quality Specifications:</p> <ul style="list-style-type: none"> (a) The recovery point objective (RPO) and the recovery time objective (RTO) for the Solution; (b) Summary of the Solution; (c) Technical support information; (d) Recovery strategies; (e) Detailed instructions on how to recover the Solution and its databases; (f) Notification process, contacts, chain of command, roles, and responsibilities; (g) Test plan for the DR Plan; and (h) Test schedule/frequency.
37	<p>Performance Test Plan</p>	<p>Purpose/Description: The Performance Test Plan provides the Agency’s load and stress testing strategy to test the performance of the Solution for the initial deployment, and subsequent for each</p>

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	<p>Delivery Provisions: The date defined in the approved Vendor Project Schedule. Project Execution Phase, review and update each time the document is impacted. Contract Duration, O&M Contract Phase, review, and update prior to performance testing.</p>	<p>remaining deployment phase. The Agency intends to test the Solution under full-load and no-load conditions during normal and peak performance periods.</p> <p>Quality Specifications:</p> <ul style="list-style-type: none"> (a) Test scope; (b) Test goals; (c) Entry and exit criteria; (d) Acceptance criteria; (e) Test data criteria; (f) Preparation activities, including environment specifications and set up; (g) Testing activities and tasks; (h) Roles and responsibilities to conduct testing; (i) Automated testing tool (specific release and version of the product); (j) Tools and mechanisms to track and report test results; and (k) Formats and information to be included in test results reports, and the frequency of reports. The Vendor will work with the Agency to define the format of the Performance Test Results.
38	<p>Performance Test Cases and Test Scripts</p> <p>Delivery Provisions: The date defined in the approved Vendor Project Schedule. Project Execution Phase, review and update each time the document is impacted. Contract Duration, O&M Contract Phase, review, and update prior to performance testing.</p>	<p>Purpose/Description: Performance Test Cases describe a set of conditions or variables under which a tester will determine whether Solution satisfies performance specifications and requirements. Each performance specifications and requirement will be mapped to one or more test cases. A Performance Test Script is a set of instructions written in a programming language that is used to perform automated tests on Solution. Test Scripts are developed to perform the testing specified by a Test Case.</p> <p>Quality Specifications:</p> <ul style="list-style-type: none"> (a) Test Case identifier; (b) Test Case name; (c) Objectives; (d) Test conditions/setup; (e) Input data criteria; (f) Test steps/procedures; and (g) Expected results.

#	Deliverable and Delivery Provisions	Deliverable Purpose and Content
39	<p>Performance Test Readiness Report</p> <p>Delivery Provisions: The date defined in the approved Vendor Project Schedule. Project Execution Phase, review and update each time the document is impacted. Contract Duration, O&M Contract Phase, review, and update prior to performing performance testing</p>	<p>Purpose/Description: The Performance Test Readiness Report validates that each Performance Test environment has been adequately prepared for performance testing for Solution, including set up of test data.</p> <p>Quality Specifications:</p> <ul style="list-style-type: none"> (a) Confirms set up of Performance Test environment per the Performance Test Plan; and (b) Confirms set up of data needed to perform the performance test; and (c) Confirms the setup of the tool(s) to be used for Performance Testing.
40	<p>Performance Test Results Report</p> <p>Delivery Provisions: Upon the completion of Performance Testing by the date defined in the approved Vendor Project Schedule. Execution and Build Stage and/or Implementation Phase review and update each time the document is impacted with pre-deployment performance test. Contract Duration, O&M Contract Phase, review, and update during performance testing.</p>	<p>Purpose/Description: The Performance Test Results Report provides an executive summary and the detailed documented output of the execution of every test case for performance testing. For every test case, actual test results will be documented, including any necessary re-testing. The Performance Test Results Report generated for the Agency. Performance Testing will be done in either the Vendor's or the State's technical environment depending on the hosting option the Agency selects.</p> <p>The Vendor will gain Agency Approval of Performance to confirm that Solution is meeting or exceeding the performance specifications and requirements documented in the Contract. Performance Testing will be done prior to the first phase of deployment and revalidated for each deployment phase thereafter.</p> <p>Quality Specifications:</p> <ul style="list-style-type: none"> (a) Executive summary of test results; (b) Executed Tests Cases; (c) Detailed results of the executed Test Cases; (d) Clarification on where stress boundaries on the Solution exist; and (e) Qualification of Solution performance in terms of meeting or exceeding the approved acceptance criteria.
41	<p>Data Conversion and Migration Plan</p> <p>Delivery Provision: The date defined in the approved Vendor Project</p>	<p>Purpose/Description: The Configuration and Release Management Plan explains the methodology and strategy for converting and migrating data from the legacy system to the new Solution.</p>

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	<p>Schedule. Contract Duration, review and update each time the plan is impacted.</p>	<p>Quality Specifications:</p> <ul style="list-style-type: none"> (a) Data conversion strategies and approach; (b) Data conversion activities and milestones; (c) The roles and responsibilities to conduct data conversion; (d) Security considerations; (e) Hardware, software, or facilities needed to support the conversion; (f) Data quality assurance and control, including a description of how the data will be validated; (g) Conversion risk factors: (h) Risks associated with the data conversion at the data element level; and (i) Resolution of risks as agreed to by the State; (j) Applicable data cleansing rules; (k) Acceptable conversion error rates as agreed to by the State; and (l) Detailed data conversion specifications, including source, source data element, destination, target data element, transformation/cleansing rules, and any notes.
42	<p>Data Map</p> <p>Delivery Provisions: The date defined in the approved Vendor Project Schedule. Project Execution Contract Phase Duration, final revisions after completion of Data Conversion and Migration tasks</p>	<p>Purpose/Description: The Data Map crosswalks each legacy file/table from the legacy applications to the new file/table in the Solution.</p> <p>Quality Specifications:</p> <ul style="list-style-type: none"> (a) For each legacy file/table to be converted, a crosswalk to the Solution file/table; (b) Crosswalk of each legacy data element to the Solution data element; and (c) Applicable business rules for data cleansing.
43	<p>Data Conversion and Migration Software/Scripts</p> <p>Delivery Provision: The date defined in the approved Vendor Project Schedule. Contract Duration, review and update each time the plan is impacted.</p>	<p>Purpose/Description: The Data Conversion and Migration Software/Scripts are used to convert and migrate data from legacy applications to the Solution. These scripts may be automated.</p>

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43	<p>Data Conversion and Migration Test Results Report</p> <p>Delivery Provision: The date defined in the approved Vendor Project Schedule. Contract Duration, review and update each time the plan is impacted.</p>	<p>Purpose/Description: The Data Conversion and Migration Test Results Report provides an executive summary and the detailed documented output of the execution of every test case for data conversion and migration testing. For every test case, actual test results will be documented, including any necessary re-testing. The Data Conversion and Migration Test Results Report generated for the Agency. Vendor will gain Agency Approval of Converted and Migrated Data to confirm that legacy data has been successfully converted and migrated to the new Solution.</p> <p>Quality Specifications:</p> <ul style="list-style-type: none"> (a) Executive summary of test results; (b) Executed Tests Cases; (c) Detailed results of the executed Test Cases; (d) Clarification on where stress boundaries on the Solution exist; and (e) Qualification of Solution performance in terms of meeting or exceeding the approved acceptance criteria.
45	<p>User Acceptance Test (UAT) Plan</p> <p>Delivery Provisions: The date defined in the approved Vendor Project Schedule. Contract Duration in O&M Contract Phase, review and update each time the document is impacted.</p>	<p>Purpose/Description: The UAT Plan describes the Agency's user acceptance testing strategy of the Solution and Solution Changes.</p> <p>Quality Specifications:</p> <ul style="list-style-type: none"> (a) Purpose and scope of UAT; (b) Preparation activities, including environment specifications and set up; (c) Test data criteria; (d) Testing activities and tasks; (e) Roles and responsibilities to conduct testing; (f) UAT schedule; (g) Stakeholder involvement and timeframes; (h) UAT entrance and exit criteria; (i) UAT acceptance criteria; (j) UAT procedures; (k) Defect reporting, tracking and resolution procedures; and (l) UAT support procedures.
46	<p>UAT Test Cases and Test Scripts</p>	<p>Purpose/Description: UAT Test Cases and Test Scripts describe a set of conditions or variables under which a UAT Tester</p>

#	Deliverable and Delivery Provisions	Deliverable Purpose and Content
	<p>Delivery Provisions: The date defined in the approved Vendor Project Schedule. Contract Duration in O&M Contract Phase, review and update each time impacted.</p>	<p>will determine whether the Solution or Solution Changes satisfies the Agency’s specifications or requirements and works correctly. A specification/requirement will be mapped to one or more test cases.</p> <p>Quality Specifications:</p> <ul style="list-style-type: none"> (a) Test Case identifier; (b) Test Case name; (c) Objectives; (d) Test conditions/setup; (e) Input data criteria; (f) Test steps/procedures; and (g) Expected results.
47	<p>UAT Training</p> <p>Delivery Provisions: The date defined in the approved Vendor Project Schedule. Contract Duration in O&M Contract Phase, review and update each time impacted.</p>	<p>Purpose/Description: Vendor will deliver role-based UAT Training to provide the UAT Testers with the appropriate skills to use or operate the Solution during UAT. Training materials may include role-based training guides, reference manuals, and evaluation materials.</p> <p>Quality Specifications:</p> <ul style="list-style-type: none"> 1 UAT Training Materials: <ul style="list-style-type: none"> (a) Overview of Solution functions and navigation; (b) Test Case elements and instruction on how to conduct tests; (c) Instructions for documenting test results and reporting defects; and (d) Contact information for support during UAT. 2 UAT Training: <p>The Vendor will:</p> <ul style="list-style-type: none"> (a) Conduct training classes (i.e., onsite or remotely as indicated in the Agency-approved Training Plan) on time per the approved Vendor Project Schedule prior to each deployment phase; and (b) Ensure that evaluation surveys are made available to UAT Testers that attend training.
48	<p>UAT Results Report</p> <p>Delivery Provisions: The date defined in the approved Vendor Project Schedule. Implementation</p>	<p>Purpose/Description: The UAT Results Report documents the outcome of all UAT. This documentation may be generated by and/or recorded in an automated tool such as the State’s OpenText Quality Center. The UAT Team identified by the Business Team performs UAT during the Execute and Build Stage and during the O&M Contract Phase for Solution Changes.</p>

#	Deliverable and Delivery Provisions	Deliverable Purpose and Content
	<p>Stage, for a limited UAT to validate deployment. Contract Duration in O&M Contract Phase, review and update each time the UAT is performed for new product releases by the Vendor impacting the Solution or Solution Changes.</p>	<p>Vendor is responsible to ensure that Agency Acceptance of Tested Solution is formally documented. Agency acceptance indicates that the Solution and changes made to the Solution have been tested and found to meet the agreed upon acceptance criteria. Deployment of the release/Solution cannot occur until Agency acceptance of the Tested Solution has been documented. User Acceptance Testing will be done prior to the first release or phase of deployment and revalidated for each deployment phase thereafter.</p> <p>Quality Specifications:</p> <ul style="list-style-type: none"> (a) Executive summary of test results; (b) Executed Tests Cases; and (c) Detailed results of the executed Test Cases.
49	<p>User Guides, Quick Reference Guides, and Online Help Documentation</p> <p>Delivery Provisions: The date defined in the approved Vendor Project Schedule. Contract Duration, Project Execution, final revisions during Implementation. Contract Duration in O&M Contract Phase, review and update each time the document is impacted by a new product release by the Vendor impacting the Solution or Solution Change; reviewed at least annually and updated as needed or per the SLA.</p>	<p>Purpose/Description: The User Guides, Quick Reference Guides, and Online Help Documentation includes any printed and displayed material that explains the functionality of the Solution in language that can be understood by a non-technical user of the software. An online version of this documentation will be created as Online Help that displays in the Solution.</p> <p>Quality Specifications:</p> <ul style="list-style-type: none"> (a) Unique identification data including documentation title, documentation version and date published; product and version; and the issuing organization; (b) Separate set of documents for each specific audience and/or role as defined in the Training Plan; (c) Critical information placed in a prominent location in the documentation; (d) General warnings or cautions that apply throughout the use of the documentation will appear in the beginning of the documentation; (e) Specific warnings and cautions will appear on the same page or screen and immediately before the procedure or step that requires care. (f) FAQs; and (g) An alphabetized glossary of terms. <p>Miscellaneous Provisions: Vendor will provide User Guides and Quick Reference Guides to the Agency in the formats specified in</p>

#	Deliverable and Delivery Provisions	Deliverable Purpose and Content
		the Contract. The Online Help will be integrated into the Solution and provided in any additional formats specified in the Contract.
50	<p>Technical and System Administration Documentation</p> <p>Delivery Provision: The date defined in the approved Vendor Project Schedule. Contract Duration, Project Execution Phase, final revisions during Implementation. Contract Duration in O&M Contract Phase, review and update each time the document is impacted by a new product release by the Vendor impacting the Solution or Solution Changes; reviewed at least annually and updated as needed or per the SLA.</p>	<p>Purpose/Description: Technical and System Administration Documentation provides details about the Solution as necessary to provide technical support and to perform system administration tasks. Documentation will be used by State Technical Support Staff, Operations Support Staff, System Administrators (State and External Agency), and Trainers.</p> <p>Quality Specifications: Detailed technical information and procedures necessary to perform technical and administrative support functions for the Solution.</p>
51	<p>Service Level Agreement(s)</p> <p>Delivery Provisions: Submitted as part of the Vendor Proposal. Contract duration, at no cost to the Department, review and update each time the SLA is impacted by a change. If no changes, review with State Contractual Point of Contact every twelve (12) months.</p>	<p>Purpose/Description: The SLA is the portion of a service contract where the level of service is formally defined between Vendor and the Agency for the delivered product(s) and/or services. The SLA will define the performance and availability commitments throughout this Contract and during any renewals. The SLA will address all elements specified in RFP and will be governed by the terms and conditions in this RFP.</p> <p>Quality Specifications:</p> <ul style="list-style-type: none"> (a) Commitment statements and associated performance measures pertaining to the Solution setup, testing, maintenance, uptime, response time, redundancy/failover, and Vendor support availability specifications and requirements stated in this RFP for the demonstration, development, testing, UAT, role-based training, maintaining production environments, and expectations for tracking and reporting; (b) Commitment statements and associated performance measures regarding the turnaround times for software application fixes, maintenance, and modifications during deployment, maintenance, and support, and during and after the introduction of any modifications, enhancements, and new releases, and expectations for maintenance of

#	Deliverable and Delivery Provisions	Deliverable Purpose and Content
		<p>technical architecture and system design documentation, role-based training materials, technical and user documentation, and online help; testing; tracking; and reporting;</p> <p>(c) If applicable, commitment statements and performance measures ad hoc reports, queries, and/or file extracting;</p> <p>(d) Commitment statements and performance measures pertaining to the Help Desk support to include a description and definition of Help Desk Support, including definitions for Tier 1, Tier 2, and Tier 3 level of support; expected hours of support; expected response times; Help Desk procedures and escalation; Help Desk Roles and Responsibilities; the mechanisms for receiving service requests; and expectations for tracking and status reporting;</p> <p>(e) Commitment statements and performance measures to assist the State with scheduled maintenance, changes to schedule maintenance, hardware refresh, operating system (OS) updates, enterprise-level software updates, security, audits, incident response, disaster recovery (including maximum restore time and maximum fail-over time), and expectations for tracking and reporting;</p> <p>(f) Commitment statements and performance measures to assist the State with Solution performance and availability, including hours of normal operations, maintenance windows, online backup time ranges, batch time ranges, maximum planned downtime per week, maximum unplanned downtime during normal business hours per month, hours of Solution availability, state of emergency hours of operation, average retention period for online data, and offline backup time range, and expectations for tracking and reporting;</p> <p>(g) Definitions of service requests and problem categories;</p> <p>(h) Escalation procedures for each problem category;</p> <p>(i) A description of the procedures, monitoring tools, and reports used to ensure compliance with these commitments. The report will use a format agreed upon by the State;</p> <p>(j) Service credits for Vendor's noncompliance with the terms of the SLA.</p>
52	<p>Training Materials</p> <p>Delivery Provisions: The date defined in the</p>	<p>Purpose/Description: Vendor will develop Training Materials for approval by the Agency prior to delivering training to users, State trainers, and technical support groups. Training Materials will be role-based and targeted to the following types of users and</p>

#	Deliverable and Delivery Provisions	Deliverable Purpose and Content
	<p>approved Vendor Project Schedule. Contract Duration in Project Execution, final revisions Implementation Stage. Contract Duration in O&M Contract Phase, review and update each time the document is impacted.</p>	<p>support groups: end users (including super users), System Administrators, State trainers, and IT support personnel. Training material will cover the functionality supported by the Solution for the Agency and External Agencies, to include but not limited to, accessing the functions, security features, and detailed explanations of the screens and functions provided by the Solution. Training Materials will include a high-level function summary sheet that will be given to each trainee to facilitate knowledge transfer.</p> <p>Quality Specifications:</p> <ul style="list-style-type: none"> (a) Training materials for each identified role; (b) Using generally accepted adult education principles, for each type of training and user group provide: (c) Course outline with time allocations for each topic; (d) Methods by which training will be conducted; (e) Training aids; (f) Any special training accommodations; (g) Examples of practical exercises to be used during each training session; and (h) A high-level function summary sheet to facilitate knowledge transfer during training; (i) Training-the-Trainer training materials that include role-play scripts and training exercises that can measure a Trainer’s understanding of the Trainers’ materials: (j) Training metrics and feedback survey sheet for measuring effectiveness of overall training. <p>Miscellaneous Provisions: Training guides and aids will be provided in an editable softcopy format as determined by the Training Plan.</p>
53	<p>Training Delivery</p> <p>Delivery Provisions: The dates defined in the approved Vendor Project Schedule for each deployment phase. Contract Duration in O&M Contract Phase, review and update each time the document is impacted.</p>	<p>Purpose/Description: Vendor will deliver Training based on roles to end users (including super users), System Administrators, State trainers, and IT support personnel in advance of deployment. The State will perform training registration, and update Vendor on the number of registered attendees for each training session.</p> <p>Miscellaneous Provisions: The Vendor will:</p> <ul style="list-style-type: none"> (a) Conduct training sessions on time per the approved Vendor Project Schedule;

#	Deliverable and Delivery Provisions	Deliverable Purpose and Content
		<p>(b) Conduct training sessions using the State-approved Training Materials; and</p> <p>(c) Assist the State in ensuring that training feedback surveys are made available to training attendees.</p>
54	<p>Operations and Maintenance Plan</p> <p>Delivery Provisions: The date defined in the approved Vendor Project Schedule. Contract Duration, review at least once every 12 months and update each time the document is impacted.</p>	<p>Purpose/Description: If the Agency selects a State-Hosting option, the Vendor will document an O&M Plan to define the roles and responsibilities of each party involved in the support of Solution and making Solution Changes and defines the transition from Project Execution Phase to the O&M Contract Phase for Solution support. The O&M Plan will conform to the terms defined in the Agency -approved SLA.</p> <p>Quality Specifications:</p> <ul style="list-style-type: none"> (a) Organization Chart of the Vendor’s Support Team that identifies lines of communication and aligns with the Vendor O&M Staffing Plan; (b) Organization Chart of the Agency and State’s Support Team that identifies lines of communication; (c) O&M communications plan and matrix; (d) Description of each support function, resource, and role mapped to each support team and Help Desk; (e) Staffing levels for each function for O&M; (f) Support transition and activities; (g) Description of O&M Kick-Off; (h) Rules governing the interaction and the responsibilities of each organization and their staff members to include: (i) The issue/defect severity/category level handled by the Agency Help Desk, the criteria, the severity, and the point in the process where an issue/defect is transferred to the Vendor Help Desk; (j) The Agency Help Desk issue interface, logging, and Vendor issue/defect resolution procedure; and (k) Descriptions of access methods, Agency Help Desk resource permissions, access keys and access credentials, and password reset for identified Agency Help Desk personnel; (l) Schedule of meetings between Vendor and Agency /State staff members for support, issue/problem resolution, and Solution Change and test results walkthroughs;

#	Deliverable and Delivery Provisions	Deliverable Purpose and Content
		<ul style="list-style-type: none"> (m) Description of the Defect management process; (n) Description of the O&M release management process; (o) Description of the Vendor support library/repository; (p) Description of the on-going training criteria for Vendor and Agency and State support staff; (q) System administration; (r) Solution architecture, if additional information is needed beyond what is in the Detailed Design Specification Document and Technical Architecture Diagrams; (s) Approach to detailed system requirements will be defined, designed, and developed for approved Solution Changes; (t) Test strategies and approaches for O&M; (u) Asset management; (v) Availability management; (w) Build management; (x) Capacity management; (y) Change management; (z) Configuration and release management; (aa) Database administration; (bb) Network administration; (cc) Security management as needed to support or supplement the Security Plan for the Solution; (dd) Service level management; (ee) Storage management; (ff) System administration; (gg) References to the General Backup and Recovery Plan and the Disaster Recovery Plan for the Solution for those procedures; Vendor support provided during deployment readiness and deployment, and whether Vendor support is required to be onsite or could be provided remotely; (hh) Documentation management (all documentation defined in <u>Section 3.6.3 Vendor Deliverables</u> and this Attachment); and (ii) Status reporting.

#	Deliverable and Delivery Provisions	Deliverable Purpose and Content
55	<p>Release/Deployment Readiness Checklist</p> <p>Delivery Provisions: The date defined in the approved Vendor Project Schedule. Contract Duration in O&M Contract Phase, review and update each time the document is impacted.</p>	<p>Purpose/Description: The Deployment Readiness Checklist validates that deployment preparation activities are complete prior to deployment of a release.</p> <p>The Vendor and the Agency will work together to document the Completed Deployment Readiness Checklist, thereby validating that deployment preparation activities are complete for each deployment phase. Agency approval of the Completed Deployment Readiness Checklist is required prior to the first release or phase of deployment and revalidated for each release/deployment phase thereafter.</p> <p>Quality Specifications:</p> <ol style="list-style-type: none"> 1 Deployment Readiness Checklist: <ol style="list-style-type: none"> (a) All Testing and State Acceptance of Tested Solution Tasks; (b) Training; (c) Communication tasks identified in the Deployment Plan and coordination with all technical teams to ensure engagement during deployment; (d) Tasks to ensure that the Production environment is ready for install; (e) Creation of install and configuration scripts as needed; (f) Disabling of debugging and testing code from the Solution software (including disabling assertions); (g) Vulnerability scans and security assessments; (h) Creation of releasable software media (CD-ROM, downloadable JAR file, etc.) required to perform the deployment; (i) Virus scan of all release media; (j) Tagging and branching the source code repository; (k) Assurance of empirical evidence that the release criteria have been met; (l) Verify that all user documentation (User Guides, Quick Reference Guides, and Online Help) and Technical and System Administrator Documentation matches current release; (m) Contingency/rollback plans defined; (n) Disaster Recovery Plan and Business Continuity Plan developed;

#	Deliverable and Delivery Provisions	Deliverable Purpose and Content
		<ul style="list-style-type: none"> (o) O&M Plan developed; (p) "ReadMe" text file with installation instructions created; (q) "Known Issues" list documented; and (r) All other tasks needed to prepare for deployment. <p>2 Completed Deployment Readiness Checklist:</p> <ul style="list-style-type: none"> (a) Verification that each checklist task has been completed or not applicable for the current deployment; (b) Date each task was completed; and (c) Name of the individual that completed the task.
56	<p>Vendor Operations and Maintenance Staffing Plan</p> <p>Delivery Provisions: Submitted as part of the Vendor Proposal with final plan submitted during Project Execution, as part of Operations and Maintenance Plan. Project Execution Contract Phase Duration updated weekly two (2) days prior to next scheduled Project Status Meeting; ad hoc as requested by the Agency. Updated as needed during Contract Duration in O&M Contract Phase</p>	<p>Purpose/Description: The Vendor O&M Staffing Plan contains the amounts of Vendor labor resources needed to accomplish tasks during the O&M Contract Phase of the Contract.</p> <p>Quality Specifications:</p> <ul style="list-style-type: none"> (a) Identify each person who will be assigned during the O&M Contract Phase as required to ensure the SLA can be met, including any subcontractors; (b) Roles and responsibilities for Vendor and subcontractors; (c) Vendor organizational information, including an organizational chart (if different from organization information submitted with the Vendor Project Staffing Plan); (d) The number of dedicated FTEs and the percentage of each resource's time during the O&M Contract Phase; (e) The estimated hours per resource; (f) How long each resource will work during the O&M Contract Phase; (g) A matrix of required skills/roles for each resource; (h) Vendor's specifications for State resources and the duration and type of each State resource needed; (i) Other Vendor resources available to the Agency during O&M.
57	<p>Validation Test Results Report</p> <p>Delivery Provision: The date defined in the approved Vendor Project</p>	<p>Purpose/Description: Validation Test Results Report provides a summarized and detailed report to the Agency about the results of the Vendor's testing to ensure that the deployed system is functioning as expected in the Production environment for the Agency. Vendor will use an approved subset of system Test Cases/Scripts identified as necessary to test key functions.</p>

#	Deliverable and Delivery Provisions	Deliverable Purpose and Content
	Schedule. Contract Duration in O&M Contract Phase for each deployment.	<p>Quality Specifications:</p> <ul style="list-style-type: none"> (a) Executive summary of test results; (b) Executed Tests Cases; and (c) Detailed results of the executed Test Cases.
58	<p>Deployment UAT Results Report</p> <p>Delivery Provision: The date defined in the approved Vendor Project Schedule. Contract Duration in O&M Contract Phase for each deployment.</p>	<p>Purpose/Description: Vendor will assist the Agency in producing a Deployment UAT Results Report that summarizes and details the results of the Agency’s UAT conducted to ensure that the deployed Solution is functioning as expected in the Production environment for the Agency. The Agency will use a subset of System Test Cases/Scripts deemed necessary to test key functions. The Agency will perform Validation Testing for each deployment phase.</p> <p>Vendor is responsible to ensure that Agency Acceptance of Deployment UAT Results is formally documented for each deployment phase in the Project Execution Phase, and for any deployment that occurs during the O&M Contract Phase. The Agency’s final acceptance during the Project Execution Phase indicates that the Solution has been deployed for the Agency and is ready to enter the Stabilization Period. The Agency’s acceptance during the O&M Contract Phase indicates that Solution Changes have been deployed.</p> <p>Quality Specifications:</p> <ul style="list-style-type: none"> (a) Executive summary of test results; (b) Executed Tests Cases; and (c) Detailed results of the executed Test Cases.
59	<p>Vendor Support during the Stabilization Period</p> <p>Delivery Provisions: When Solution is in the Stabilization Period as defined by the Contract</p>	<p>Purpose/Description: Vendor will provide Vendor Support during the Stabilization Period during the Stabilization Period defined by the Contract. Solution will be deemed “stable” when it has been operated continuously during any block of 90 consecutive days following Deployment without any Category1 or Category2 defects, as defined by the Contract, so that users can successfully log into Solution and perform their daily work without frequent Solution lockups, freezes, or shutdowns.</p> <p>The Vendor is responsible to ensure that Agency Acceptance of the Stabilized Solution is formally documented. The Agency’s acceptance indicates that Solution has been stabilized and is ready to enter the O&M Contract Phase of the Contract.</p>

#	Deliverable and Delivery Provisions	Deliverable Purpose and Content
		<p>Quality Specifications:</p> <ul style="list-style-type: none"> (a) Defect resolution and tracking; (b) Regression Testing; and (c) Assisting the Agency with UAT of remediated defects.
60	<p>Project Status Meetings</p> <p>Delivery Provisions: Bi-weekly for the Project Execution Contract Phase Duration, starting the week after the Project Kick-Off Meeting. Due two (2) days before Project Status Meeting. Ad hoc Project Status Reports may be requested and reporting schedules may be increased upon request by the Agency and may be reduced by the Agency during the Closeout Stage.</p>	<p>Purpose/Description: The Project Status Meeting is held bi-weekly, or as needed, to discuss status and plans with all team members and external stakeholders when requested (e.g., for a project peer review). The State Project Manager will facilitate this meeting.</p> <p>Quality Specifications:</p> <ul style="list-style-type: none"> (a) Status of each pending Deliverable including, but not limited to, any changes to the time, quantity, or quality of that Deliverable; (b) Accomplishments during the reporting period; (c) Problems encountered and proposed/actual resolutions; (d) Work to be accomplished during the next reporting period; (e) Issues and Risks to be addressed, including contractual; (f) Status of Solution Changes; (g) Status of release management; and (h) Strategy discussions.
61	<p>Project Status Reports</p> <p>Delivery Provisions: Bi-weekly for the Project Execution Contract Phase Duration, starting the week after the Project Kick-Off Meeting. Due two (2) days before Project Status Meeting. Ad hoc Project Status Reports may be requested, and reporting schedules may be increased upon request by the Agency and may be reduced by the Agency</p>	<p>Purpose/Description: The Project Status Report provides the Agency with information concerning the Vendor's progress on the project, planned activities, and any items identified as risks or issues.</p> <p>Quality Specifications:</p> <ul style="list-style-type: none"> (a) Status reports contain information as defined by the Agency using a format that is approved by the Agency. (b) Weekly status reports will contain the following: (c) Overall completion status of the Project in terms of the Agency -approved Project Management Plan and Project Schedule; (d) Status of each pending Deliverable including, but not limited to, any changes to the time, quantity, or quality of that Deliverable; (e) Accomplishments during the reporting period; (f) Problems encountered and proposed/actual resolutions; (g) Work to be accomplished during the next reporting period;

#	Deliverable and Delivery Provisions	Deliverable Purpose and Content
		<ul style="list-style-type: none"> (h) Status of existing issue resolution and risk management assigned, as well as new risks and issues to be addressed, including contractual; (i) Quality Assurance status; (j) Change Request status; (k) Identification of schedule slippage and strategy for resolution; (l) Agency resources required for activities during the next time period; and (m) Resource allocation percentages including planned versus actual by Project Sprint Cycles/Modules/Milestones. <p>Ad hoc status reports contain status information requested by the Agency using a format that is approved by Agency.</p>
62	<p>Sprint Reports</p> <p>Delivery Provisions: At the end of each Sprint for the Contract duration.</p>	<p>Purpose/Description: The Sprint Report provides the Agency with information concerning the Sprint that has just been completed</p> <p>Quality Specifications:</p> <ul style="list-style-type: none"> (a) Sprint number; (b) Goal of the Sprint; (c) Number of User Stories planned for the Sprint; (d) List of User Stories and tasks completed in the Sprint, to include for each: <ul style="list-style-type: none"> (e) ID number; (f) Description; and (g) Number of Points assigned; (h) List of tasks completed during the Sprint with an ID number and description; (i) List of User Stories or tasks not completed, including: <ul style="list-style-type: none"> (i) ID number; (ii) Description; and (iii) Reason why the User Story or task was not completed; (j) Notes from Sprint Retrospective ceremony and resulting action items; (k) List of Defects encountered during testing; (l) Plans for the next Sprint;

#	Deliverable and Delivery Provisions	Deliverable Purpose and Content
		(m)Sprint Burn-Down Chart; and Velocity Chart.
63	<p>Operations and Maintenance Status Reports</p> <p>Delivery Provisions: As determined by the SLA for the O&M Contract Phase. O&M status reporting schedules may be altered upon request by the Agency.</p>	<p>Purpose/Description: The O&M Status Report provides the Agency with information concerning the Vendor's progress on O&M activities, Solution Changes, and any items identified as risks or issues during the O&M Contract Phase.</p> <p>Quality Specifications: Status reports contain information as defined by the Agency using a format that is approved by the Agency. Status reports may contain the following:</p> <ul style="list-style-type: none"> (a) Status of each pending Deliverable including, but not limited to, any changes to the time, quantity, or quality of that Deliverable; (b) Accomplishments during the reporting period; (c) Problems encountered and proposed/actual resolutions; (d) Work to be accomplished during the next reporting period; (e) Issues and risks to be addressed, including contractual; (f) Status of Solution Changes; (g) Status of release management; (h) Availability reporting; and (i) Metrics on all service requests such as number of tickets opened/closed, status, Response Time, Diagnosis Time, Resolution Time, and other appropriate statistics as requested by the Agency. <p>Ad hoc status reports contain status information requested by the Agency using a format that is approved by Agency.</p>
64	<p>Executed Escrow Agreement and Escrowed Solution Source Code (COTS product or custom proposals)</p> <p>Delivery Provision: Within thirty (30) State Business Days of the Effective Date of the Contract. The final Escrow Agreement will be executed ten (10) days after Agency approval, and the Base Product(s) escrowed. Escrow</p>	<p>Purpose/Description: The Escrow Agreement is a contractual agreement between the Agency, Vendor and a third-party Escrow Agent that has data storage hardware physically located within the State of North Carolina. The Escrow Agreement will specify the delivery schedule ongoing management of Vendor's delivered Base Product in escrow. The Vendor will then Escrow the Base Product(s) and certify the escrowed Solution Changes made to create the Solution (i.e., Solution Source Code).</p> <p>Quality Specifications:</p> <ul style="list-style-type: none"> (a) Subject and scope of the escrow; (b) Obligation of the licensor to put updated versions of the software in escrow at specific intervals; (c) Conditions that must be met for the Escrow Agent to release the source code to the licensee;

#	Deliverable and Delivery Provisions	Deliverable Purpose and Content
	Updates: Contract duration.	(d) Rights obtained by the licensee with respect to the source code after the release of the software; (e) Services provided by the Escrow Agent beyond a simple custody of the source code; (f) Non-compete clauses in the license agreement as appropriate; and Fees due to the Escrow Agent for its services.

ATTACHMENT K: BUSINESS ASSOCIATE ADDENDUM

NORTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES BUSINESS ASSOCIATE ADDENDUM

1. BACKGROUND

- a. Covered Entity and Business Associate are parties to a contract entitled **County Administration Replacement System Modernization Project** whereby Business Associate agrees to perform certain services for or on behalf of Covered Entity.
- b. Covered Entity is an organizational unit of the North Carolina Department of Health and Human Services (the “Department”) that has been designated in whole or in part by the Department as a health care component for purposes of the HIPAA Privacy Rule.
- c. The relationship between Covered Entity and Business Associate is such that the Parties believe Business Associate is or may be a “business associate” within the meaning of the HIPAA Privacy Rule.
- d. The Parties enter into this Business Associate Addendum to the Contract with the intention of complying with the HIPAA Privacy Rule provision that a covered entity may disclose protected health information to a business associate and may allow a business associate to create or receive protected health information on its behalf, if the covered entity obtains satisfactory assurances that the business associate will appropriately safeguard the information.

2. DEFINITIONS

Unless some other meaning is clearly indicated by the context, the following terms shall have the following meaning in this Agreement:

- a. “Electronic Protected Health Information” shall have the same meaning as the term “electronic protected health information” in 45 C.F.R. § 160.103.
- b. “HIPAA” means the Administrative Simplification Provisions, Sections 261 through 264, of the Federal Health Insurance Portability and Accountability Act of 1996, Public Law 104-191, as modified and amended by the Health Information Technology for Economic and Clinical Health (“HITECH”) Act, Title XIII of Division A and Title IV of Division B of the American Recovery and Reinvestment Act of 2009, Public Law 111-5.
- c. “Individual” shall have the same meaning as the term “individual” in 45 C.F.R. § 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 C.F.R. § 164.502(g).
- d. “Privacy Rule” shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. Part 160 and Part 164.
- e. “Protected Health Information” shall have the same meaning as the term “protected health information” in 45 C.F.R. § 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity.
- f. “Required By Law” shall have the same meaning as the term “required by law” in 45 C.F.R. § 164.103.
- g. “Secretary” shall mean the Secretary of the United States Department of Health and Human Services or the person to whom the authority involved has been delegated.
- h. Unless otherwise defined in this Agreement, terms used herein shall have the same meaning as those terms have in the Privacy Rule.

3. OBLIGATIONS OF BUSINESS ASSOCIATE

- a. Business Associate agrees to not use or disclose Protected Health Information other than as permitted or required by this Agreement or as Required by Law.
- b. Business Associate agrees to use appropriate safeguards and comply, where applicable, with subpart C of 45 C.F.R. Part 164 with respect to electronic protected health information, to prevent use or disclosure of the Protected Health Information other than as provided for by this Agreement.
- c. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of Protected Health Information by Business Associate in violation of the requirements of this Agreement.
- d. Business Associate agrees to report to Covered Entity any use or disclosure of the Protected Health Information not provided for by this Agreement of which it becomes aware, including breaches of unsecured protected health information as required by 45 C.F.R. § 164.410.
- e. Business Associate agrees, in accordance with 45 C.F.R. § 164.502(e)(1) and § 164.308(b)(2), to ensure that any subcontractors that create, receive, maintain, or transmit protected health information on behalf of Business Associate agree to the same restrictions and conditions that apply to Business Associate with respect to such information.
- f. Business Associate agrees to make available protected health information as necessary to satisfy Covered Entity's obligations in accordance with 45 C.F.R. § 164.524.
- g. Business Associate agrees to make available Protected Health Information for amendment and incorporate any amendment(s) to Protected Health Information in accordance with 45 C.F.R. § 164.526.
- h. Unless otherwise prohibited by law, Business Associate agrees to make internal practices, books, and records relating to the use and disclosure of Protected Health Information received from or created or received by Business Associate on behalf of, Covered Entity available to the Secretary for purposes of the Secretary determining Covered Entity's compliance with the Privacy Rule.
- i. Business Associate agrees to make available the information required to provide an accounting of disclosures of Protected Health Information in accordance with 45 C.F.R. § 164.528.

4. PERMITTED USES AND DISCLOSURES

- a. Except as otherwise limited in this Agreement or by other applicable law or agreement, if the Contract permits, Business Associate may use or disclose Protected Health Information to perform functions, activities, or services for, or on behalf of, Covered Entity as specified in the Contract, provided that such use or disclosure:
 - 1) would not violate the Privacy Rule if done by Covered Entity; or
 - 2) would not violate the minimum necessary policies and procedures of the Covered Entity.
- b. Except as otherwise limited in this Agreement or by other applicable law or agreements, if the Contract permits, Business Associate may disclose Protected Health Information for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate, provided that:
 - 1) the disclosures are Required by Law; or
 - 2) Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and will be used or further disclosed only as Required by Law or for the purpose for which it was disclosed to the person, and the person notifies the Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.

- c. Except as otherwise limited in this Agreement or by other applicable law or agreements, if the Contract permits, Business Associate may use Protected Health Information to provide data aggregation services to Covered Entity as permitted by 45 C.F.R. § 164.504(e)(2)(i)(B).
- d. Notwithstanding the foregoing provisions, Business Associate may not use or disclose Protected Health Information if the use or disclosure would violate any term of the Contract or other applicable law or agreements.

5. TERM AND TERMINATION

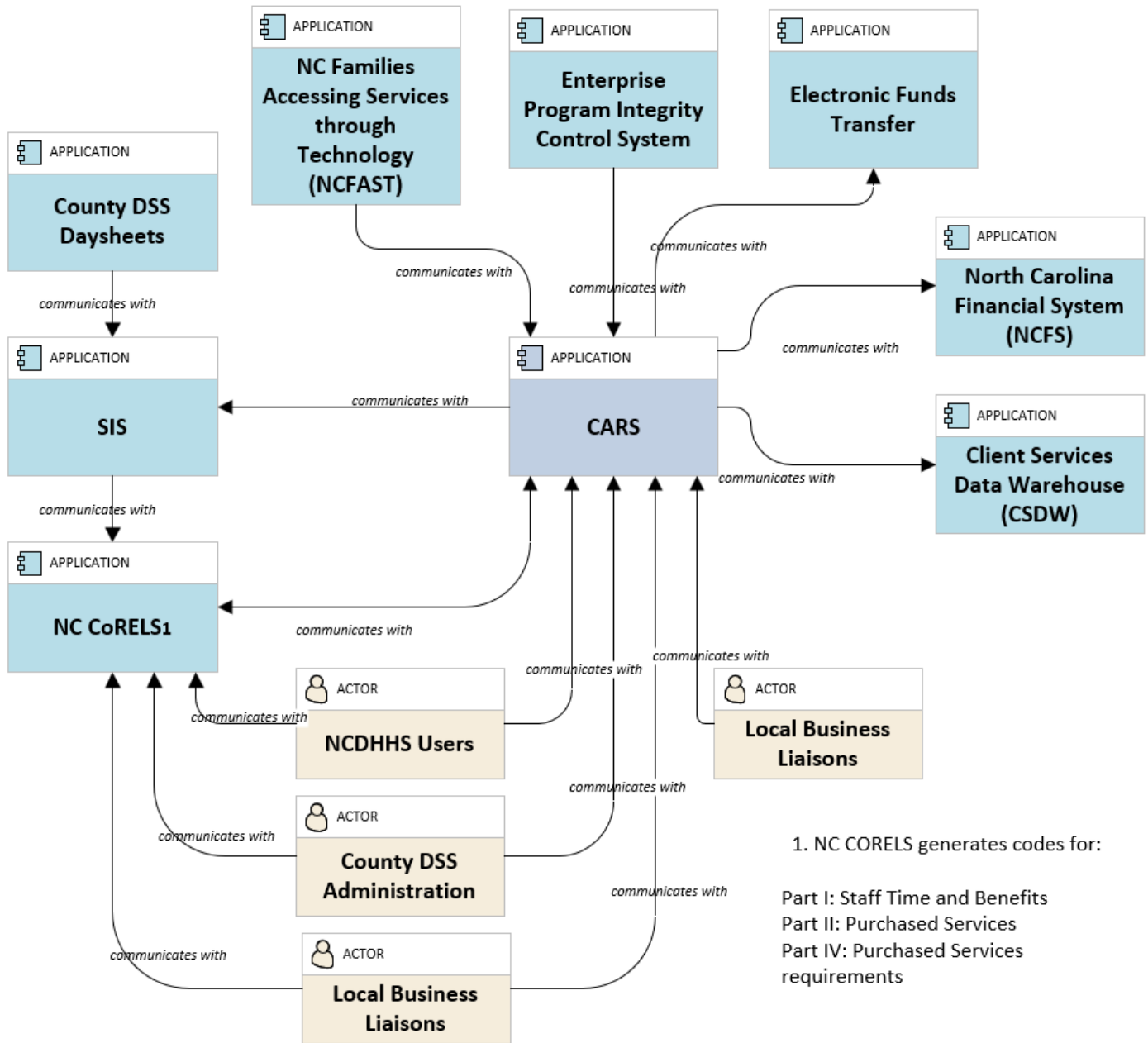
- a. Term. This Agreement shall be effective as of the effective date stated above and shall terminate when the Contract terminates.
- b. Termination for Cause. Upon Covered Entity's knowledge of a material breach by Business Associate, Covered Entity may, at its option:
 - 1) Provide an opportunity for Business Associate to cure the breach or end the violation, and terminate this Agreement and services provided by Business Associate, to the extent permissible by law, if Business Associate does not cure the breach or end the violation within the time specified by Covered Entity.
 - 2) Immediately terminate this Agreement and services provided by Business Associate, to the extent permissible by law; or
 - 3) If neither termination nor cure is feasible, report the violation to the Secretary as provided in the Privacy Rule.
- c. Effect of Termination
 - 1) Except as provided in paragraph (2) of this section or in the Contract or by other applicable law or agreements, upon termination of this Agreement and services provided by Business Associate, for any reason, Business Associate shall return or destroy all Protected Health Information received from Covered Entity or created or received by Business Associate on behalf of Covered Entity. This provision shall apply to Protected Health Information that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the Protected Health Information.
 - 2) In the event that Business Associate determines that returning or destroying the Protected Health Information is not feasible, Business Associate shall provide to Covered Entity notification of the conditions that make return or destruction not feasible. Business Associate shall extend the protections of this Agreement to such Protected Health Information and limit further uses and disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such Protected Health Information.

6. GENERAL TERMS AND CONDITIONS

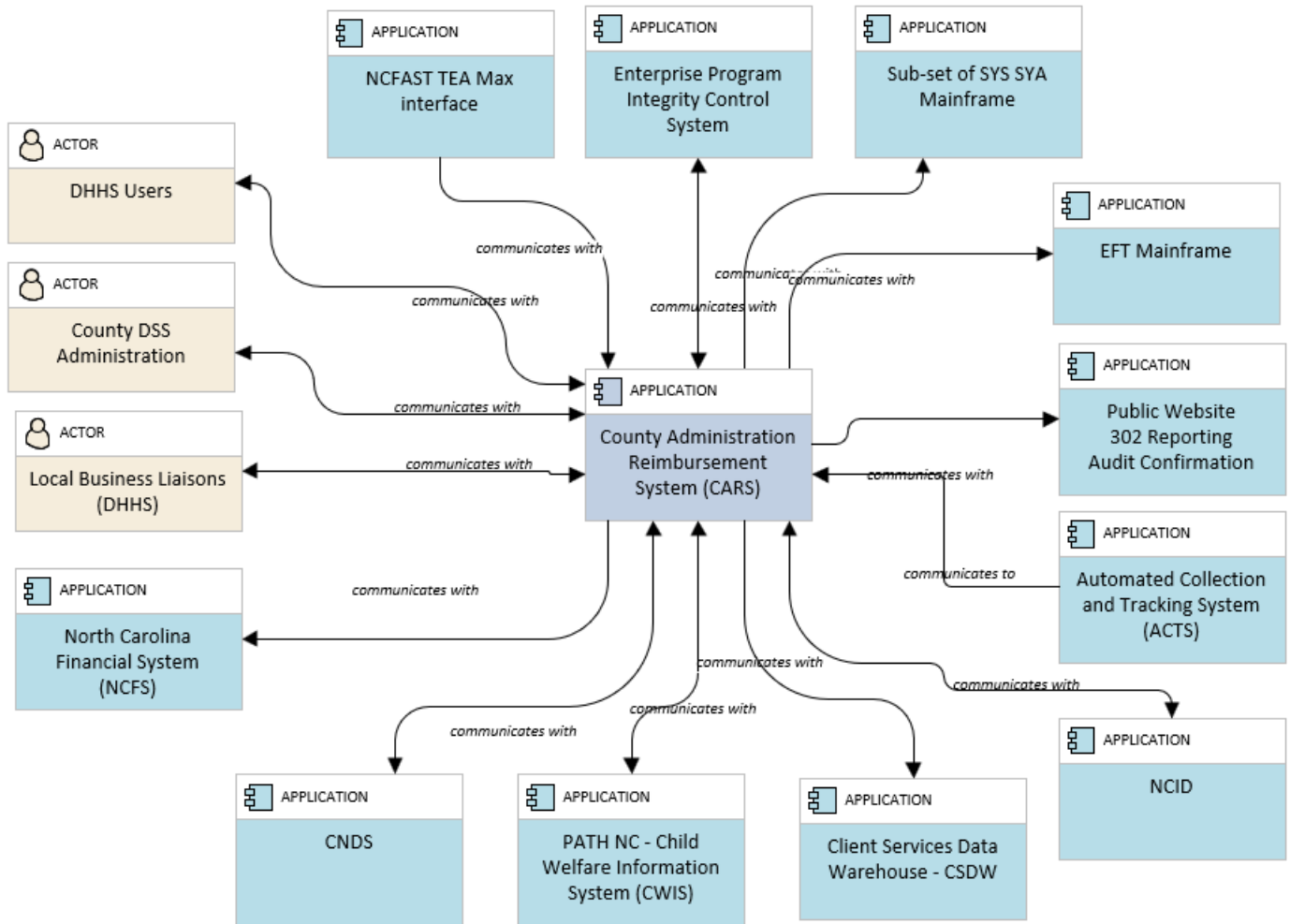
- a. This Agreement amends and is part of the Contract.
- b. Except as provided in this Agreement, all terms and conditions of the Contract shall remain in force and shall apply to this Agreement as if set forth fully herein.
- c. In the event of a conflict in terms between this Agreement and the Contract, the interpretation that is in accordance with the Privacy Rule shall prevail. In the event that a conflict then remains, the Contract terms shall prevail so long as they are in accordance with the Privacy Rule.
- d. A breach of this Agreement by Business Associate shall be considered sufficient basis for Covered Entity to terminate the Contract for cause.

ATTACHMENT L: CONTEXT DIAGRAMS

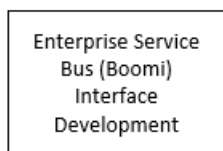
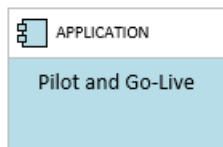
County Administration Reimbursement System Modernization (CARS) As-Is Context Diagram



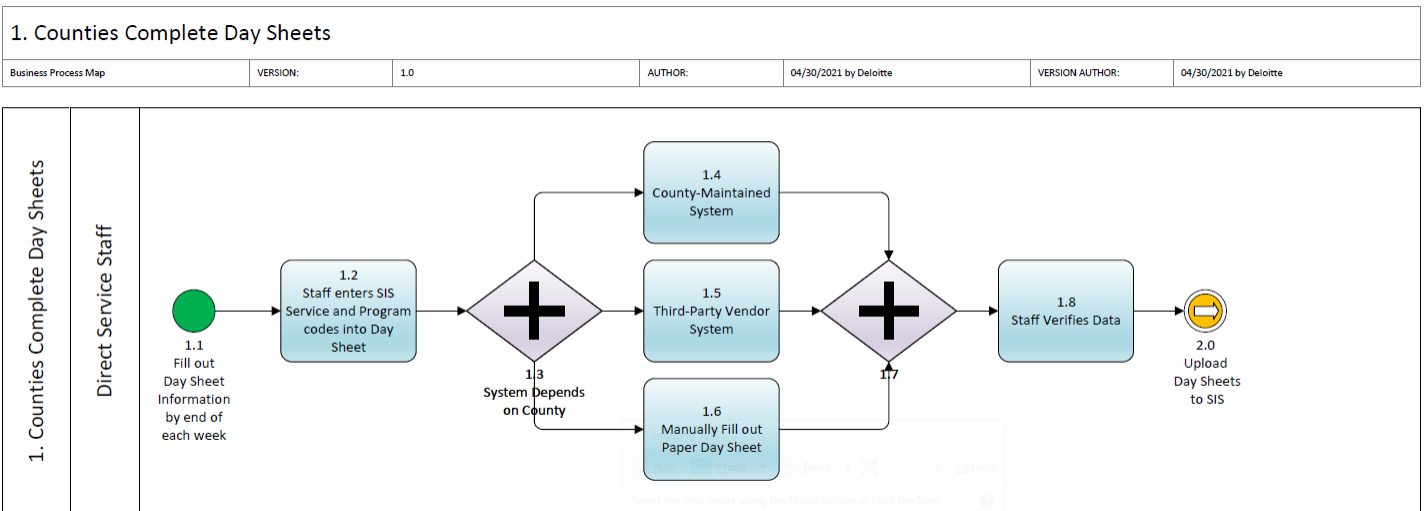
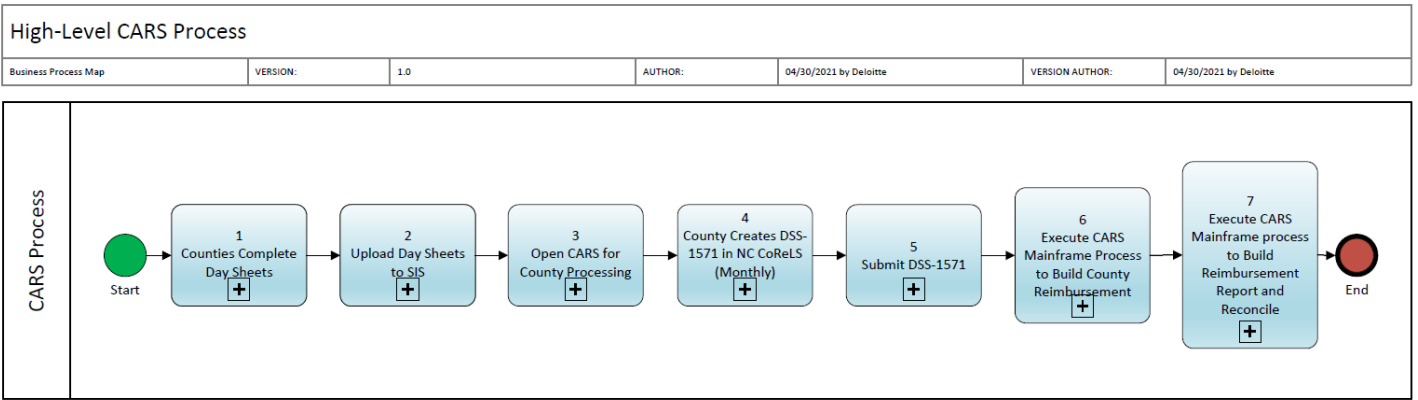
County Administration Reimbursement System Modernization (CARS) To-Be Context Diagram



Key:

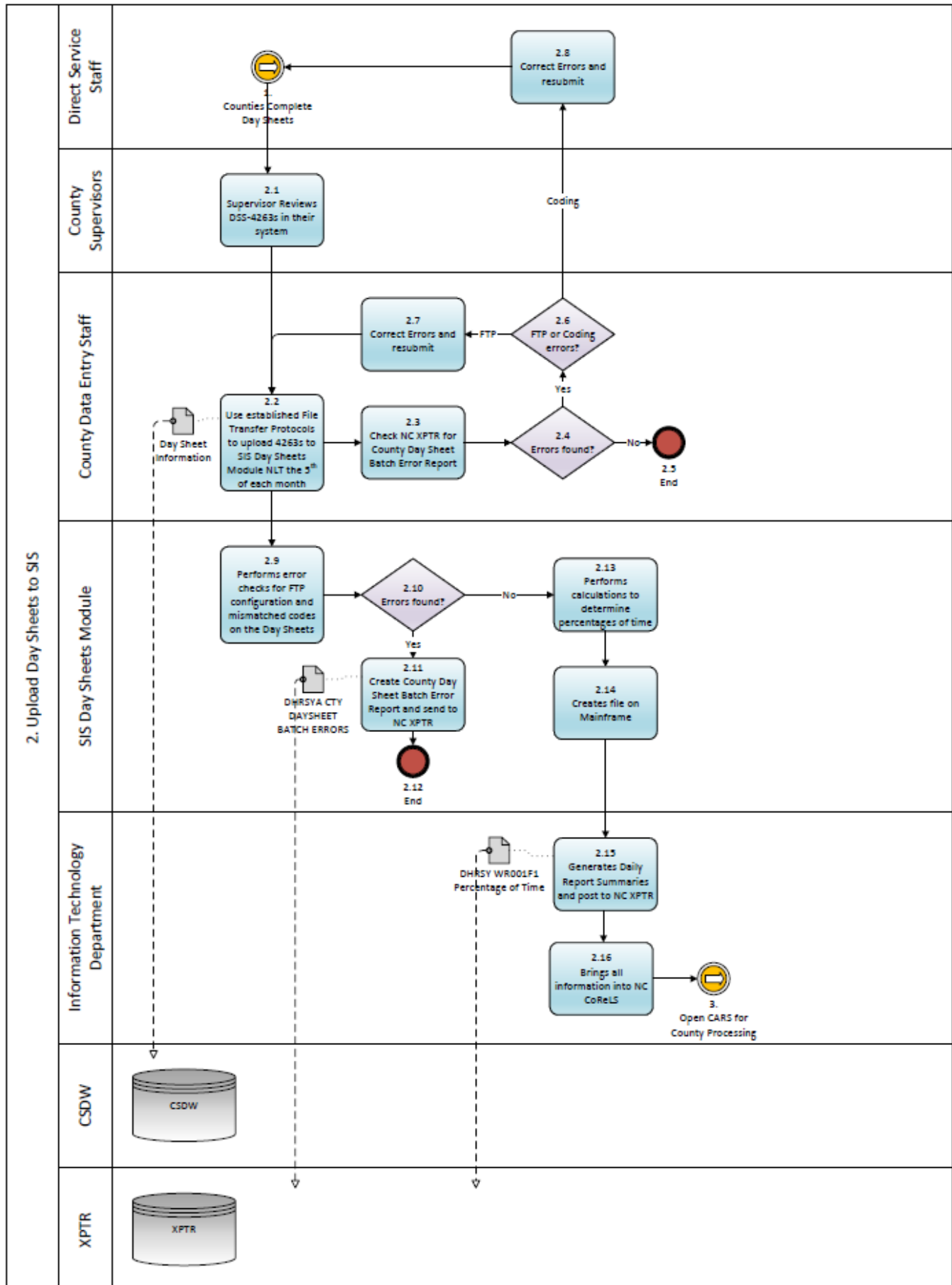


ATTACHMENT M: PROCESS FLOW DIAGRAMS (AS IS/CURRENT STATE)



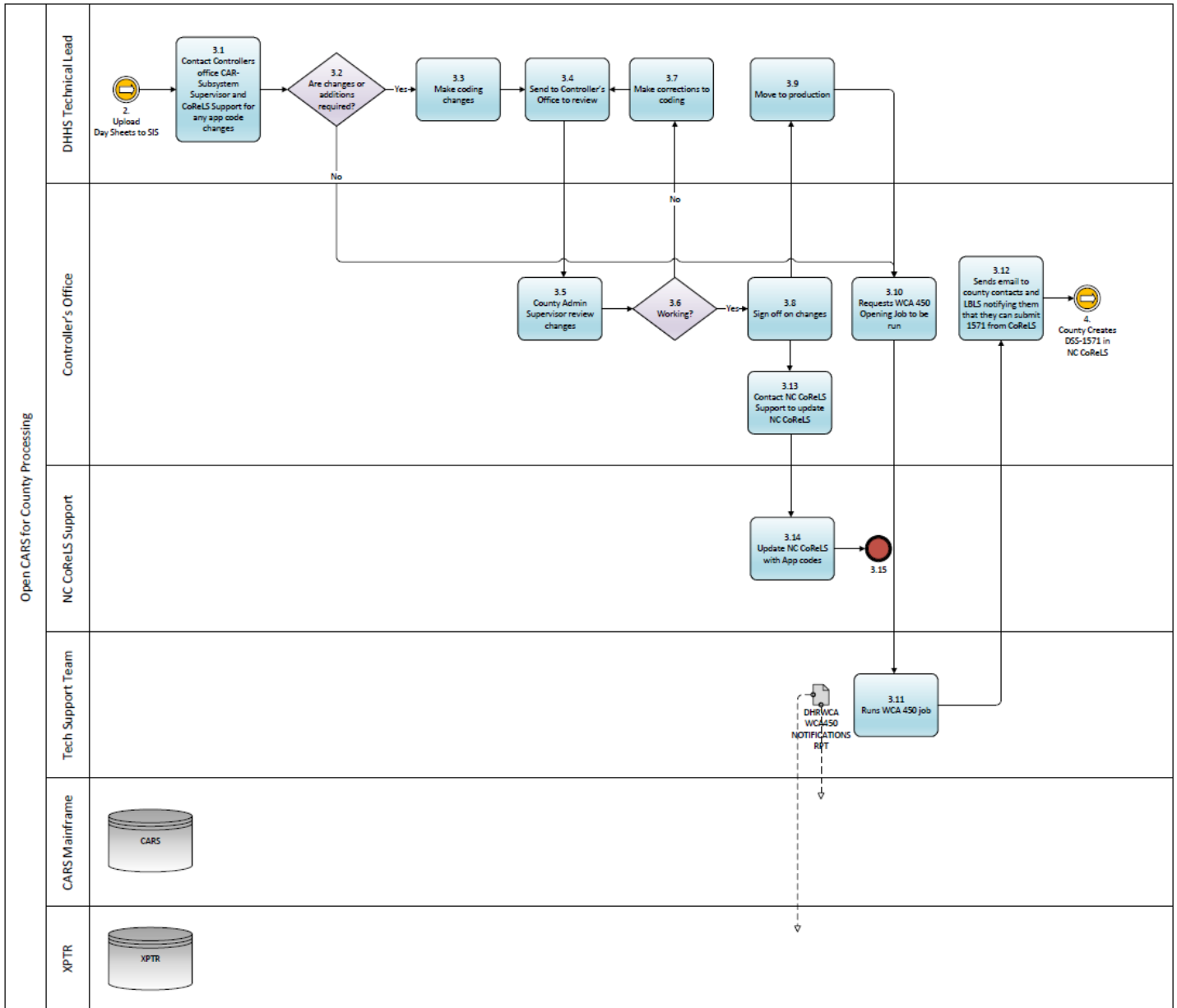
2. Upload Day Sheets to SIS

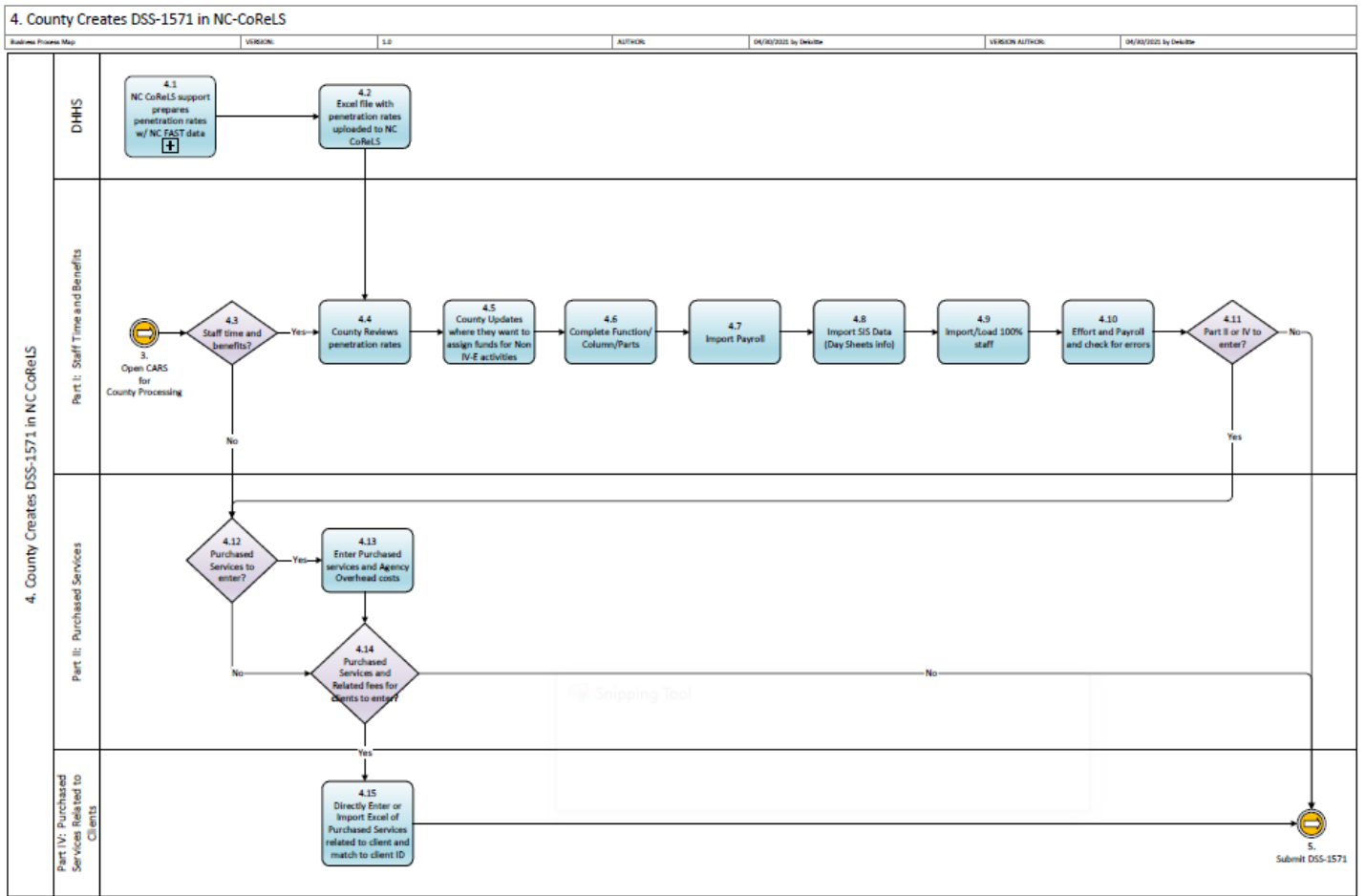
Business Process Map	VERSION:	L.0	AUTHOR:	04/30/2021 by Deloitte	VERSION AUTHOR:	04/30/2021 by Deloitte
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3. Open CARS for County Processing

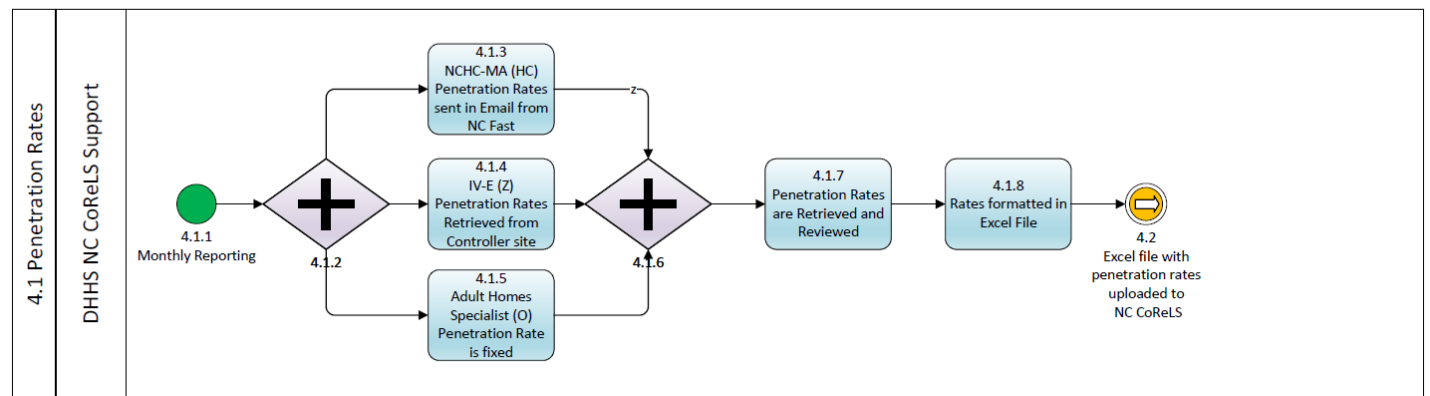
Business Process Map VERSION: 1.0 AUTHOR: 04/30/2021 by Deloitte VERSION AUTHOR: 04/30/2021 by Deloitte





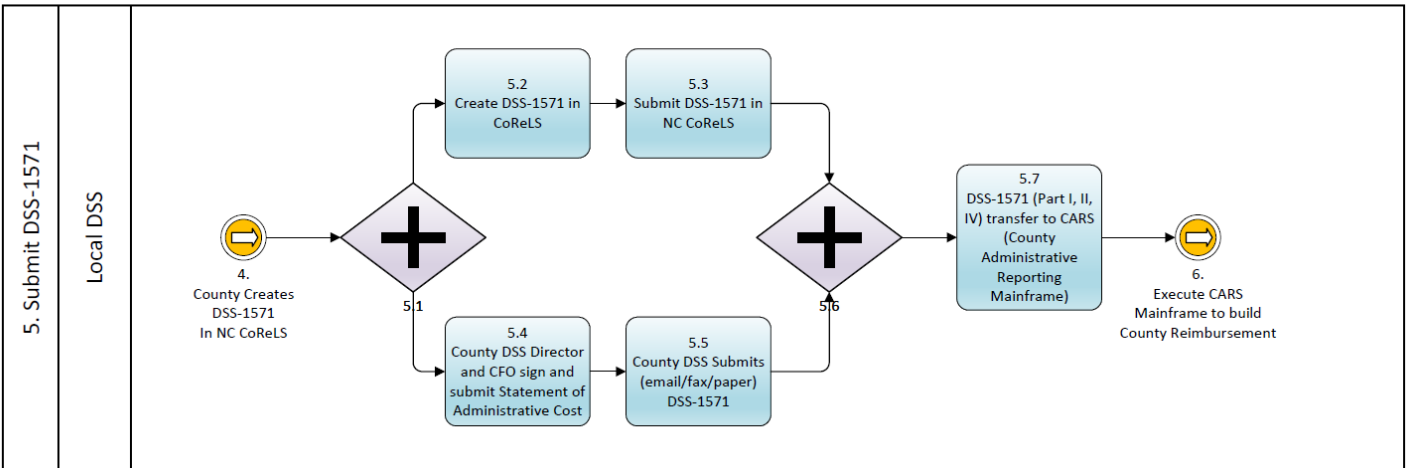
4.1 Penetration Rates

Business Process Map VERSION: 1.0 AUTHOR: 04/30/2021 by Deloitte VERSION AUTHOR: 04/30/2021 by Deloitte



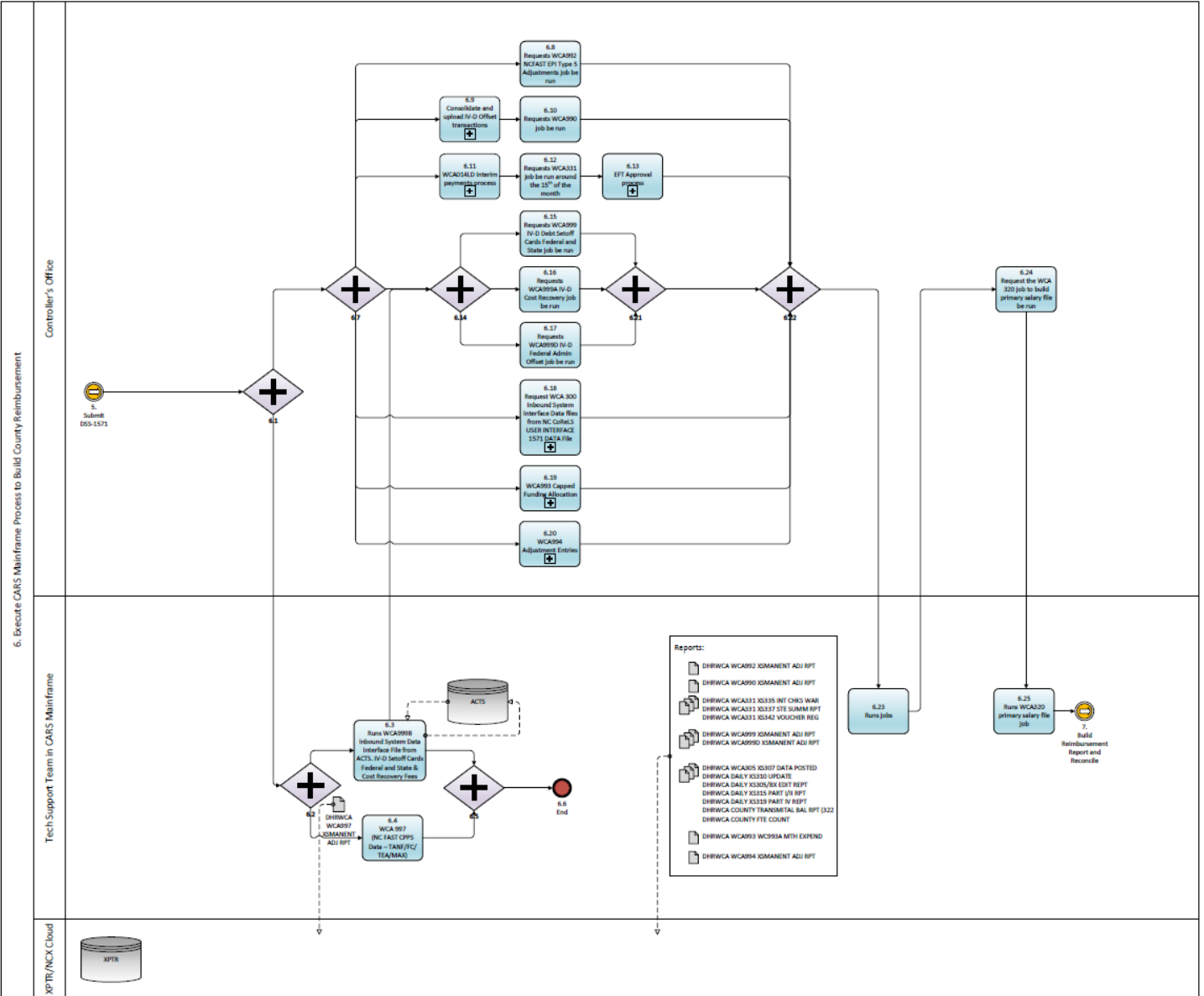
5. Submit DSS-1571

Business Process Map	VERSION:	1.0	AUTHOR:	04/30/2021 by Deloitte	VERSION AUTHOR:	04/30/2021 by Deloitte
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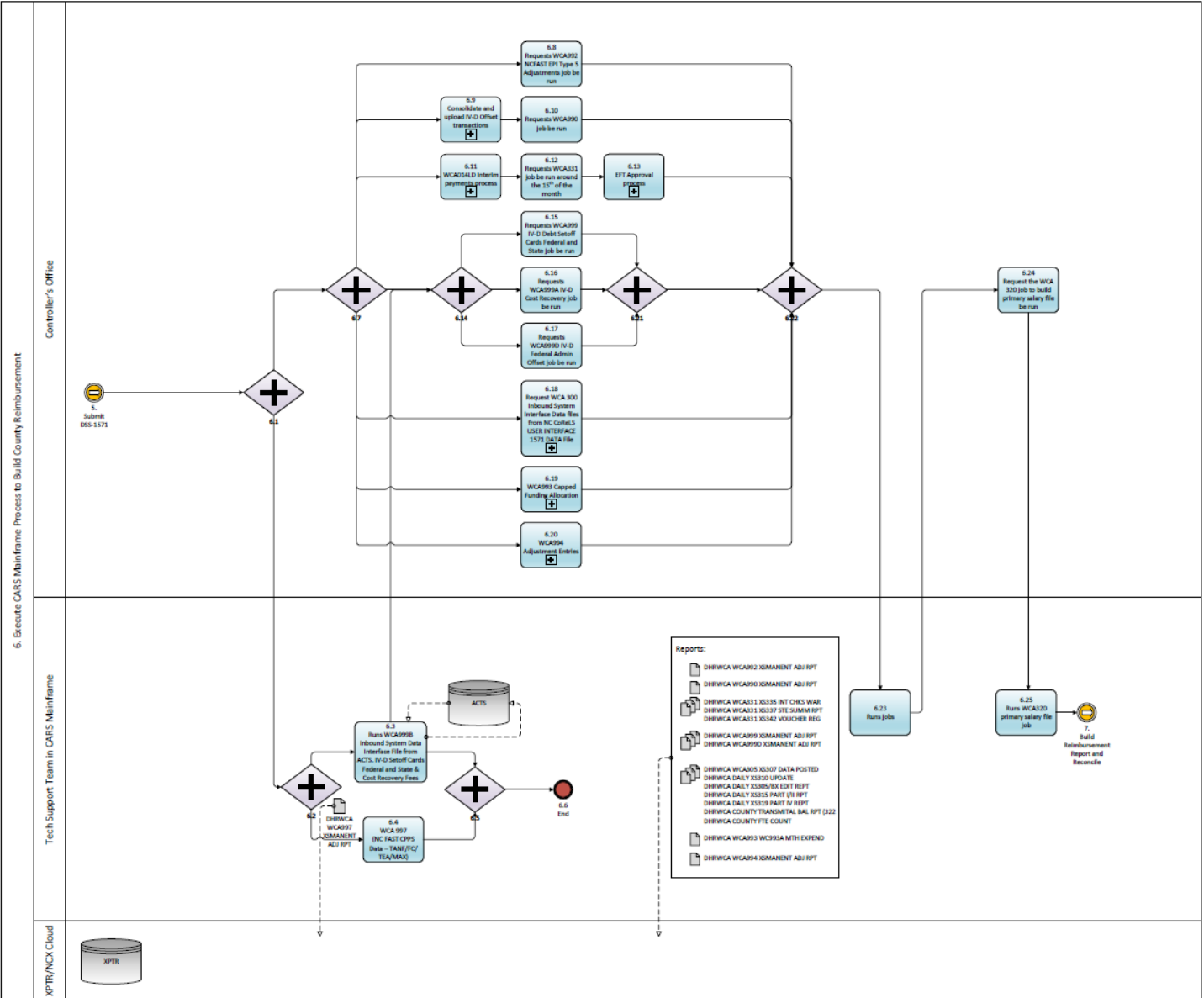
6. Execute CARS Mainframe Process to Build County Reimbursement

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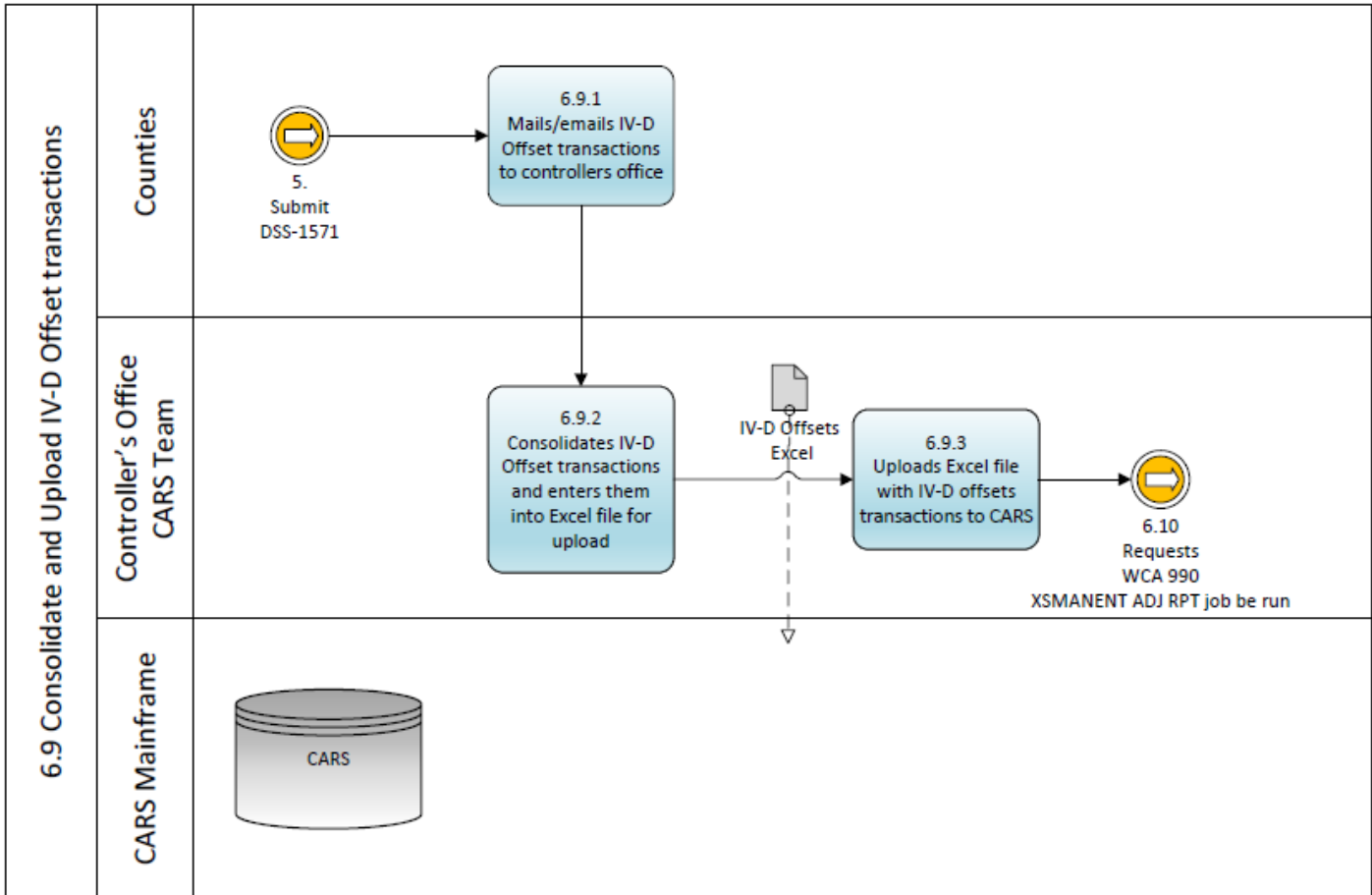
6. Execute CARS Mainframe Process to Build County Reimbursement

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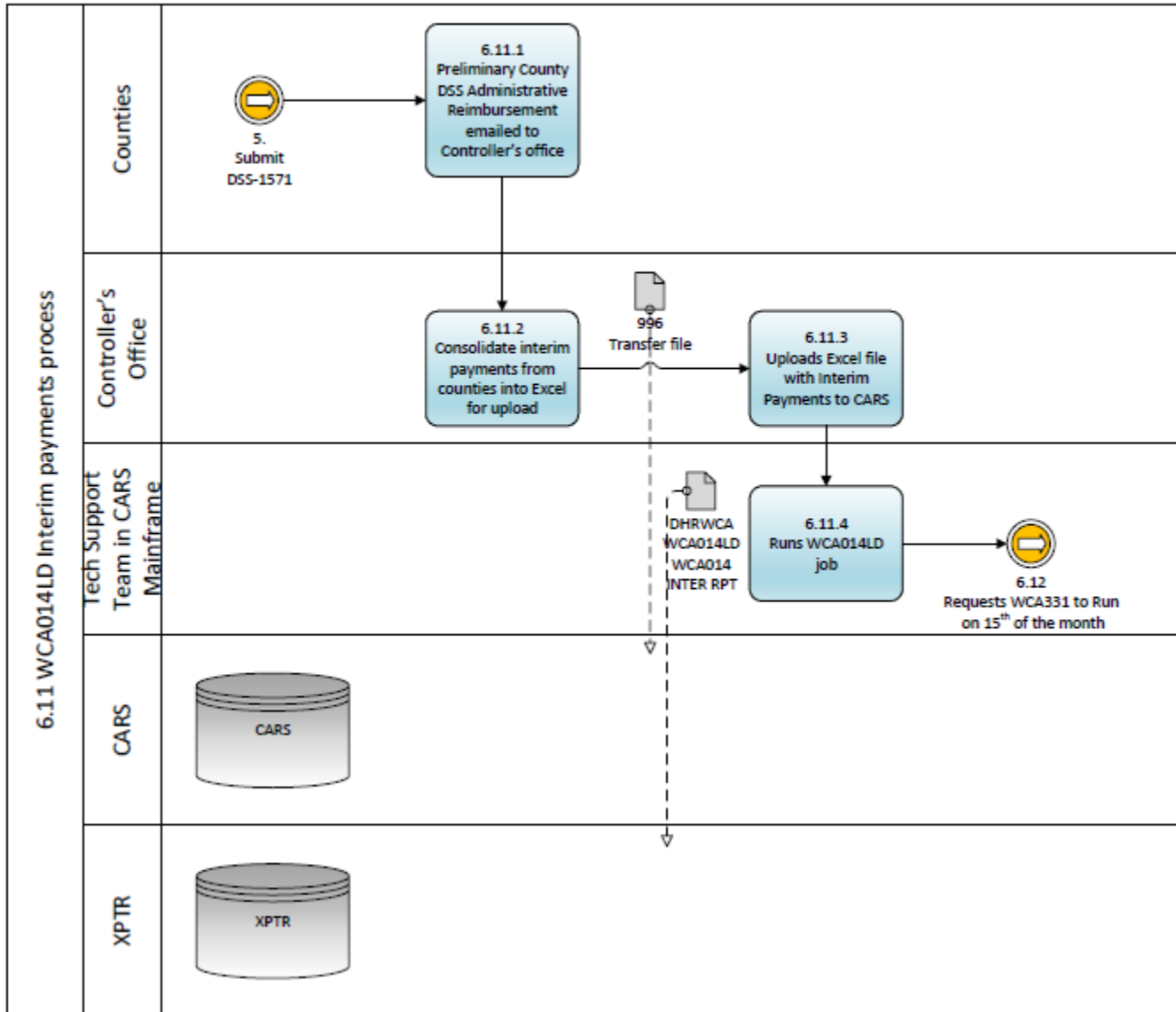
6.9 Consolidate and Upload IV-D offset transactions

Business Process Map	VERSION:	1.0	AUTHOR:	04/30/2021 by Deloitte	VERSION AUTHOR:	04/30/2021 by Deloitte
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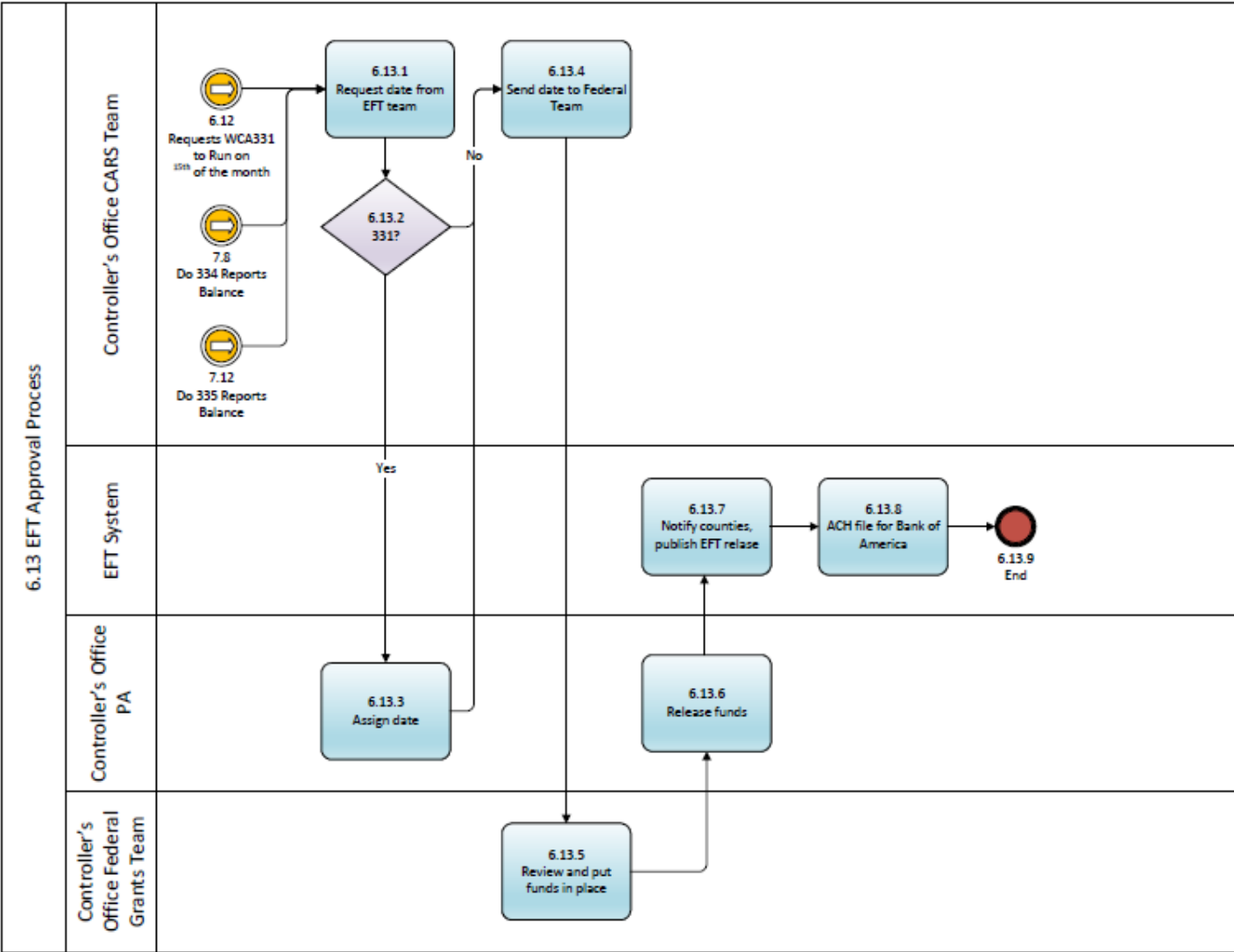
6.11 WCA014LD Interim payments process

Business Process Map	VERSION:	1.0	AUTHOR:	04/30/2021 by Deloitte	VERSION AUTHOR:	04/30/2021 by Deloitte
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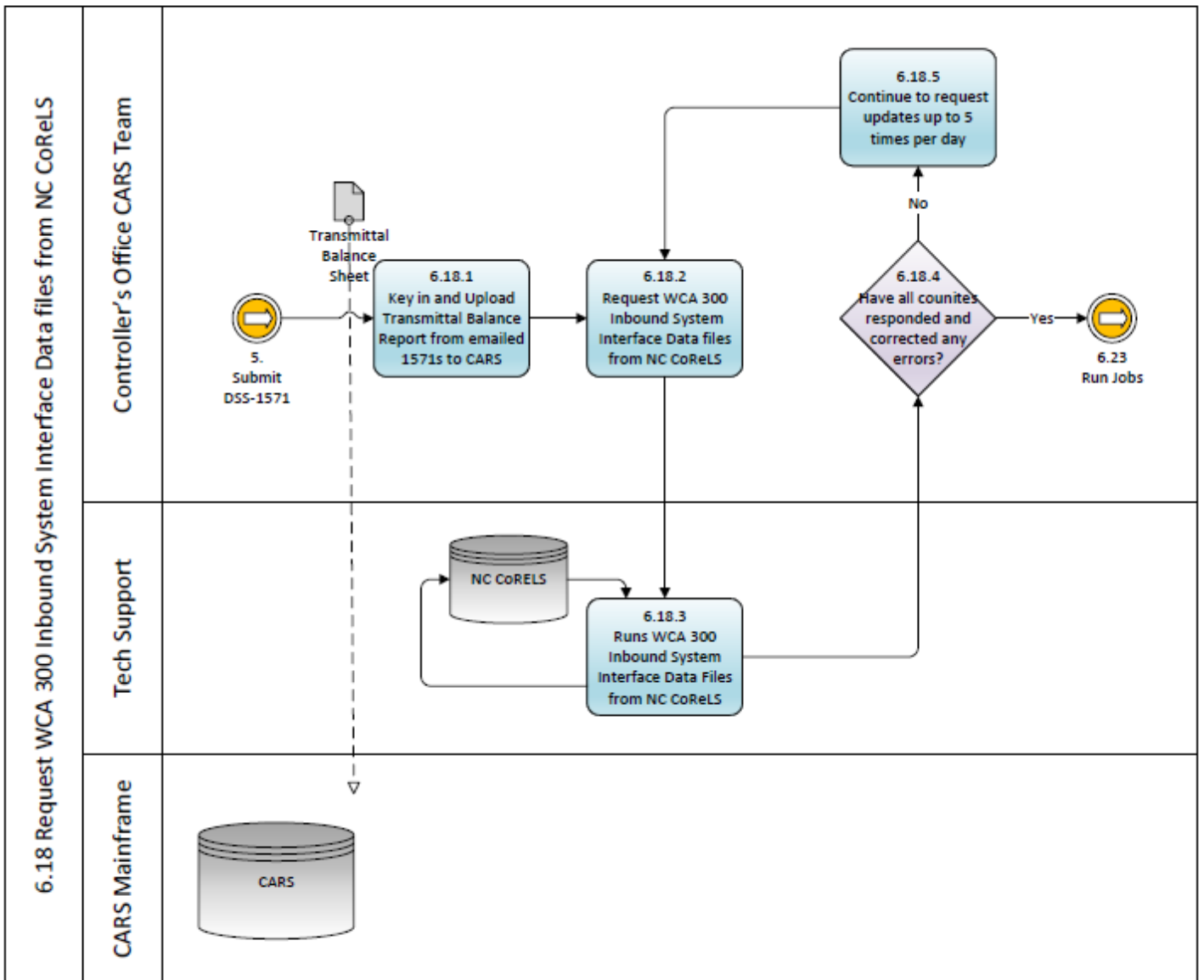
6.13 EFT Approval Process

Business Process Map	VERSION:	1.0	AUTHOR:	04/30/2021 by Deloitte	VERSION AUTHOR:	04/30/2021 by Deloitte
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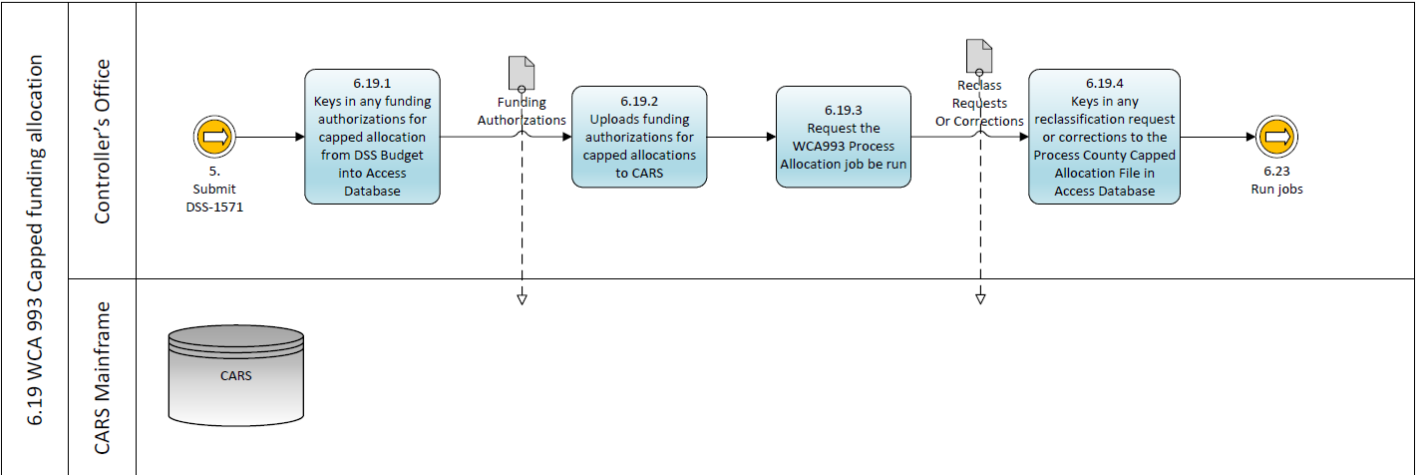
6.18 Request WCA 300 Inbound System Interface Data files from NC CoReLS

Business Process Map VERSION: 1.0 AUTHOR: 04/30/2021 by Deloitte VERSION AUTHOR: 04/30/2021 by Deloitte



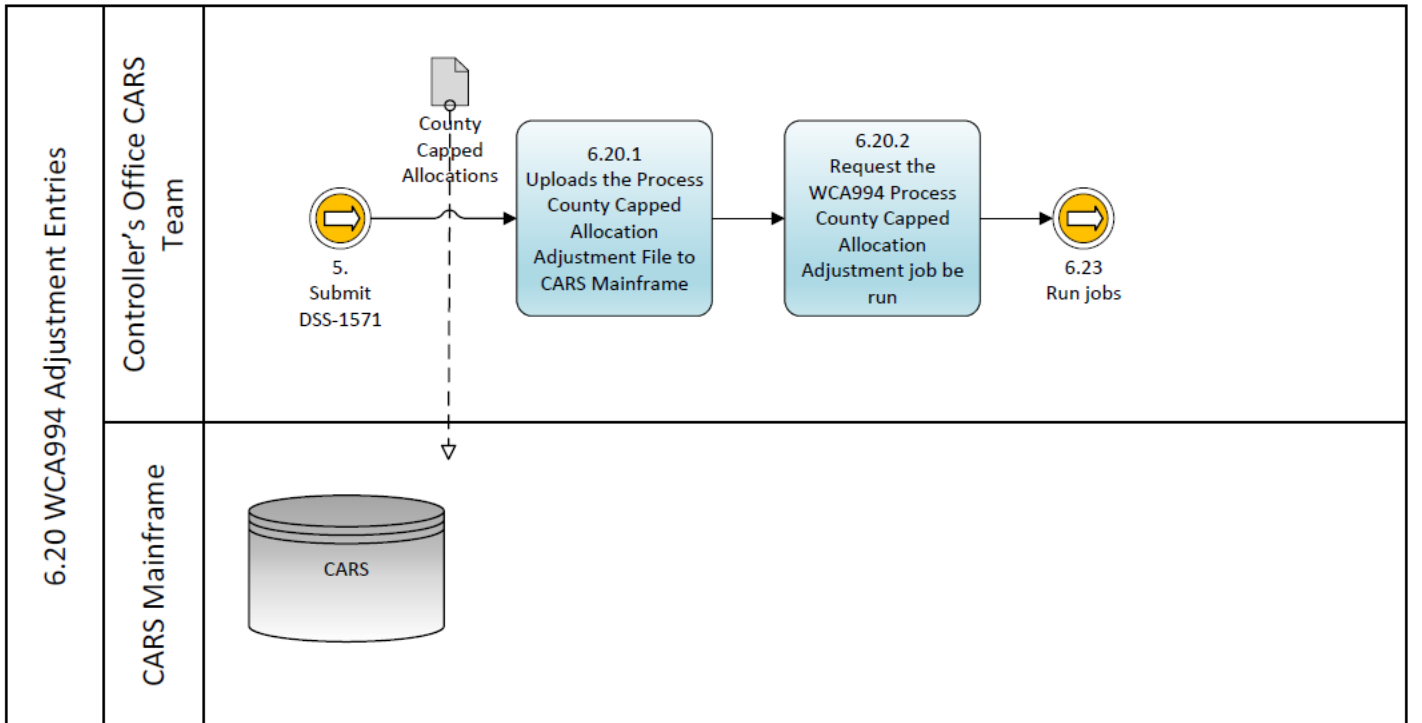
6.19 WCA 993 Capped funding allocation

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6.20 WCA994 Adjustment Entries

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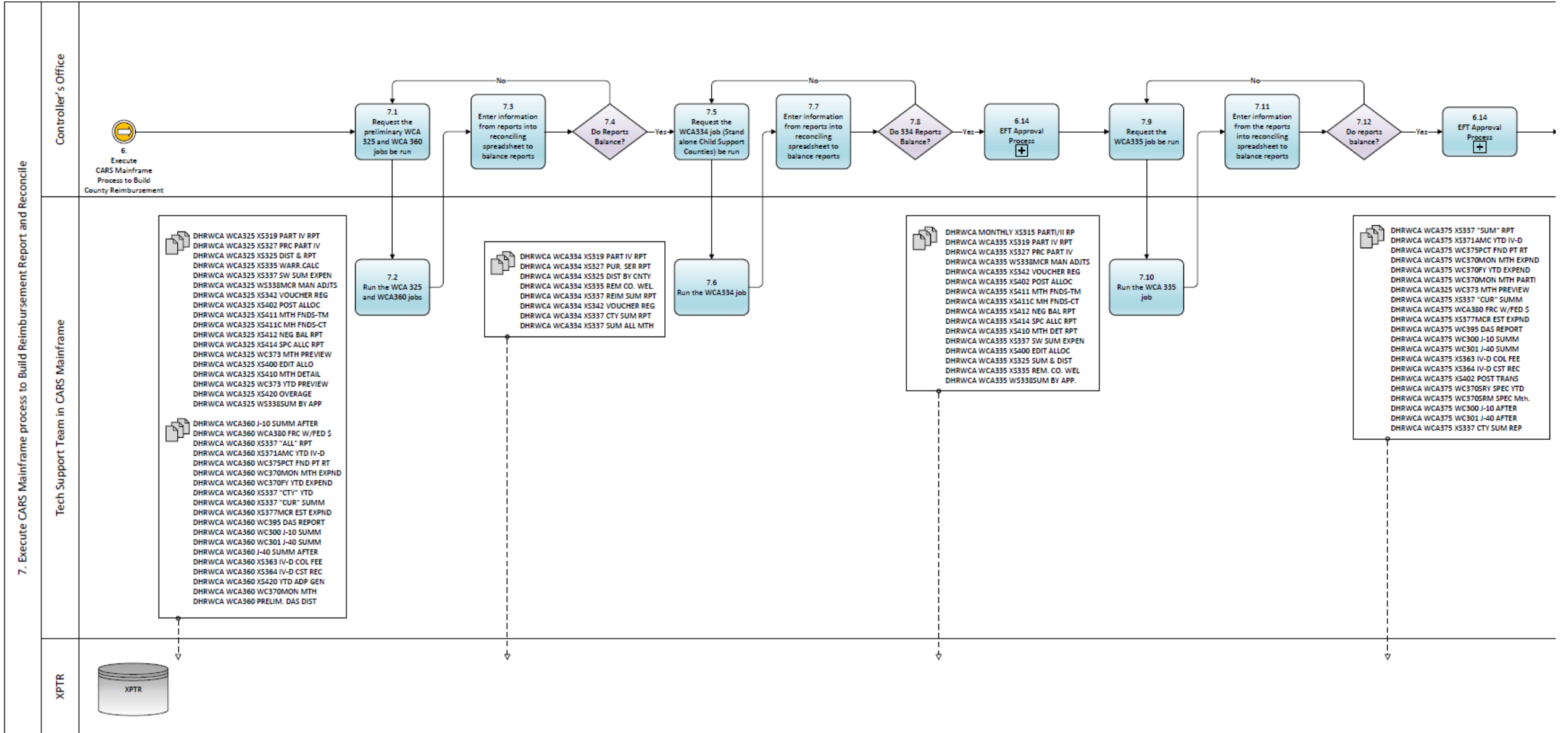


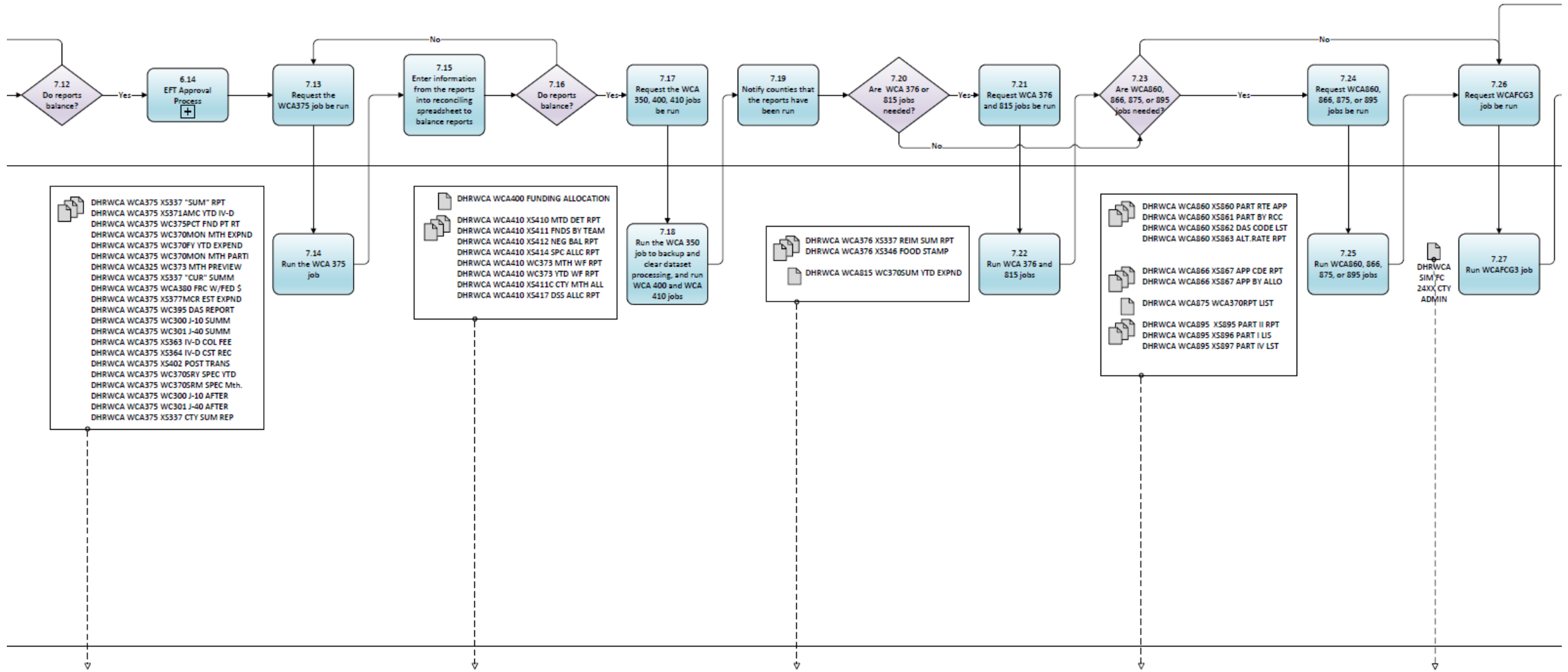
7. Execute CARS Mainframe Process to Build Reimbursement Report and Reconcile

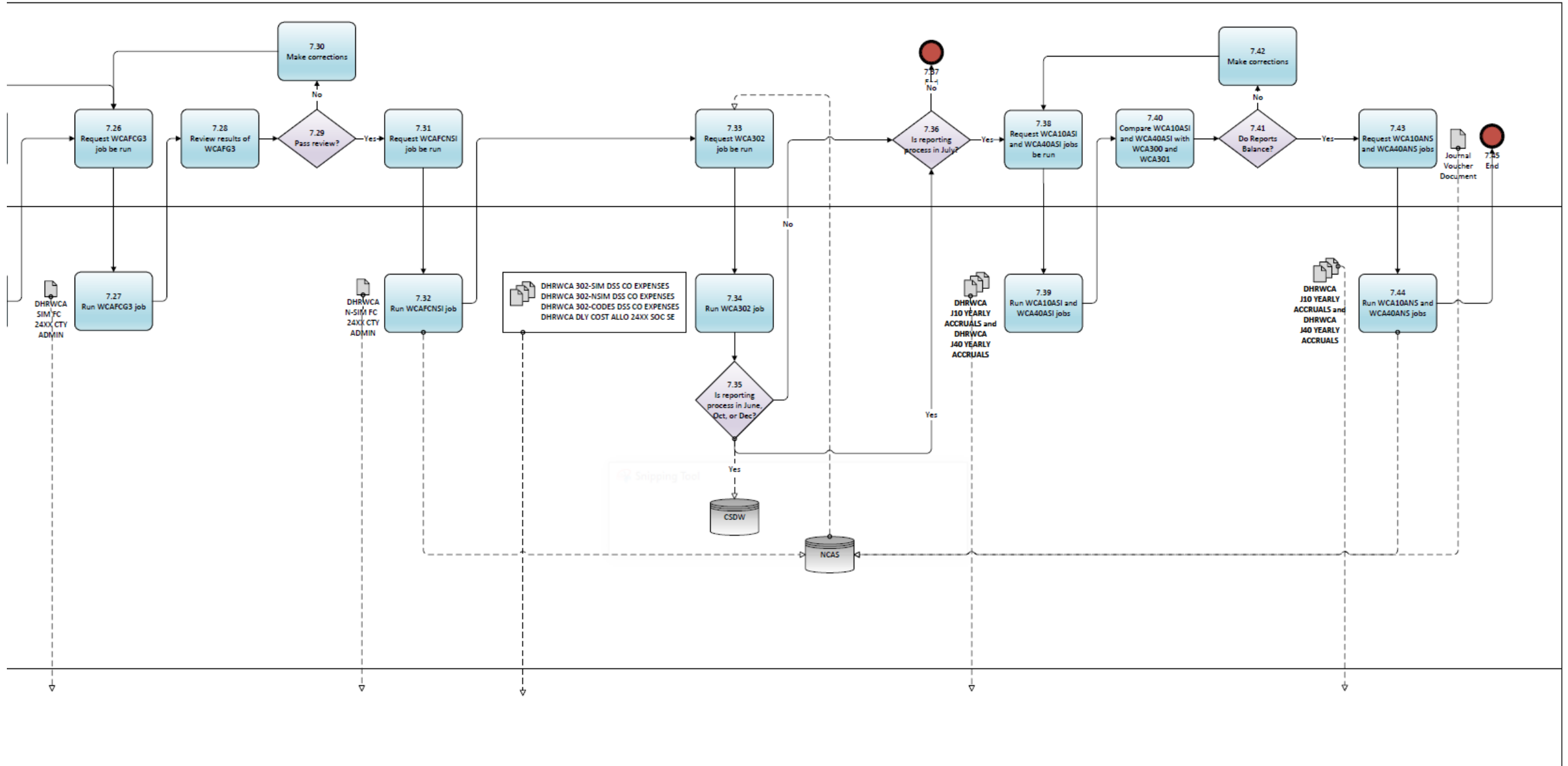
Business Process Map

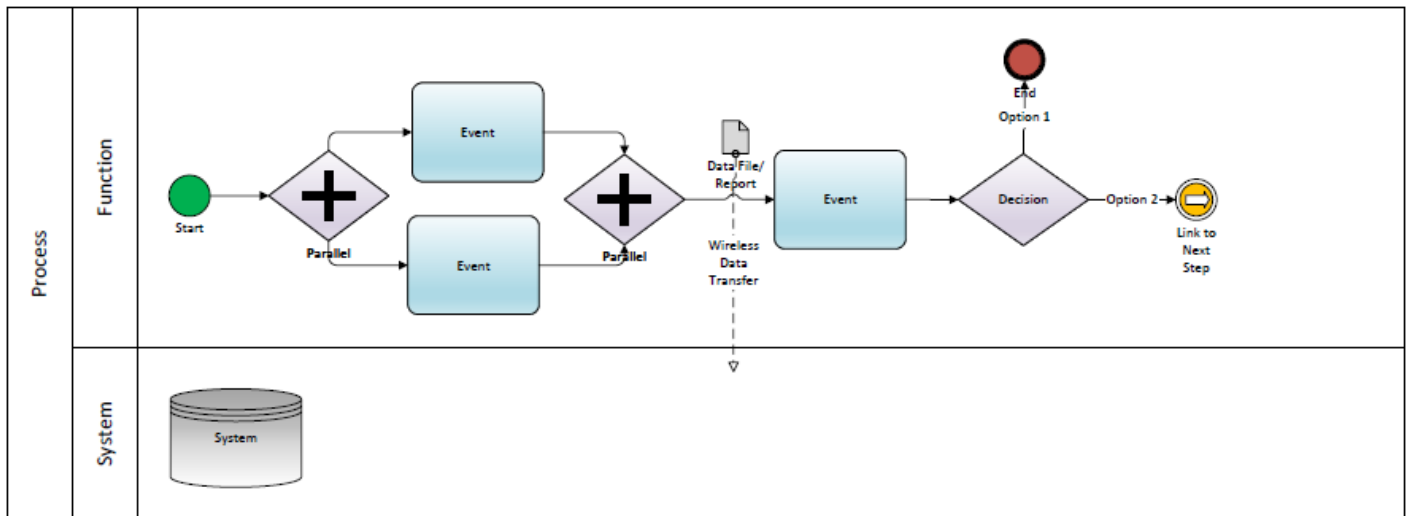
VERSION:

1.0









ATTACHMENT N: HHS ACF OCSE REQUIRED FEDERAL CLAUSES AND PROVISIONS

HHS ACF OCSE Required Federal Clauses and Provisions - Full Length Checklist

The contractor must comply with the following clauses and provisions. Contract Provisions for Non-Federal Entity Contracts Under Federal Awards. Numbers 1-9 falls under (45 CFR Appendix II to Part 75) - *As prescribed by 45 CFR 75.335.* [eCFR :: Appendix II to Part 75, Title 45 -- Contract Provisions for Non-Federal Entity Contracts Under Federal Awards](#) Numbers 10-18 falls under different federal regulations.

1. Equal Employment Opportunity:

- a. “Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of “federally assisted construction contract” in 41 CFR Part 60-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, “Equal Employment Opportunity” (30 FR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, “Amending Executive Order 11246 Relating to Equal Employment Opportunity,” and implementing regulations at 41 CFR part 60, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.”

2. Davis-Bacon Act, as amended (40 U.S.C. 3141-3148)

- a. “When required by Federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act ([40 U.S.C. 3141-3144](#), and [3146-3148](#)) as supplemented by Department of Labor regulations ([29 CFR Part 5](#), “Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction”). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-Federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency.”

3. The Copeland “Anti-Kickback” Act (40 U.S.C. 3145)

- a. “As supplemented by Department of Labor regulations ([29 CFR Part 3](#), “Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States”). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency.”

4. Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708)

- a. “Where applicable, all contracts awarded by the non-Federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.”

5. Rights to Inventions Made Under a Contract or Agreement

- a. “If the Federal award meets the definition of “funding agreement” under 37 CFR § 401.2 (a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency.”

6. The Clean Air Act, (42 U.S.C 7401-7671q) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as amended.

- a. “Contracts and subgrants of amounts in excess of \$150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).”

7. Debarment and Suspension (Executive Orders 12549 and 12689)

- a. “A contract award (see 2 CFR 180.220) must not be made to parties listed on the governmentwide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), “Debarment and Suspension.” SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.”

8. Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)

- a. “Contractors that apply or bid for an award exceeding \$100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.”

9. Procurement of Recovered Materials (45 CFR 75.331)

“A non-Federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.”

10. Access to Records (45 CFR 75.364)

- (a) **Records of non-Federal entities.** The HHS awarding agency, Inspectors General, the Comptroller General of the United States, and the pass-through entity, or any of their authorized representatives, must have the right of access to any documents, papers, or other records of the non-Federal entity which are pertinent to the Federal award, in order to make audits, examinations, excerpts, and transcripts. The right also includes timely and reasonable access to the non-Federal entity's personnel for the purpose of interview and discussion related to such documents.
- (b) **Only under extraordinary and rare circumstances would such access include review of the true name of victims of a crime.** Routine monitoring cannot be considered extraordinary and rare circumstances that would necessitate access to this information. When access to the true name of victims of a crime is necessary, appropriate steps to protect this sensitive information must be taken by both the non-Federal entity and the HHS awarding agency. Any such access, other than under a court order or subpoena pursuant to a bona fide confidential investigation, must be approved by the head of the HHS awarding agency or delegate.
- (c) **Expiration of right of access.** The rights of access in this section are not limited to the required retention period but last as long as the records are retained. HHS awarding agencies and pass-through entities must not impose any other access requirements upon non-Federal entities.

11. Access to Systems and Records (45 CFR 95.615)

“The State agency must allow the Department access to the system in all of its aspects, including pertinent state staff, design developments, operation, and cost records of contractors and subcontractors at such intervals as are deemed necessary by the Department to determine whether the conditions for approval are being met and to determine the efficiency, economy and effectiveness of the system.”

12. Software and Ownership Rights (45 CFR 95.617)

- (a) **“General.** The State or local government must include a clause in all procurement instruments that provides that the State or local government will have all ownership rights in software or modifications thereof and associated documentation designed, developed or installed with Federal financial participation under this subpart.
- (b) **Federal license.** The Department reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish, or otherwise use and to authorize others to use for Federal Government purposes, such software, modifications, and documentation.
- (c) **Proprietary software.** Proprietary operating/vendor software packages which are provided at established catalog or market prices and sold or leased to the general public shall not be subject to the ownership provisions in paragraphs (a) and (b) of this section. FFP is not available for proprietary applications software developed specifically for the public assistance programs covered under this subpart.”

13. Americans with Disabilities Act (28 CFR Part 35, Title II, Subtitle A)

1. *Application to State and Local Governments:* “Title II applies to State and local government entities, and, in subtitle A, protects qualified individuals with disabilities from discrimination on the basis of disability in services, programs, and activities provided by State and local government entities. Title II extends the prohibition on discrimination established by section 504 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. 794, to all activities of State and local governments regardless of whether these entities receive Federal financial assistance.”
 - a. Source: https://www.ada.gov/ada_title_II.htm
2. Purpose and Broad Coverage of the Americans with Disabilities Act (28 CFR 35.101)
 - (a) “Purpose. The purpose of this part is to implement subtitle A of title II of the Americans with Disabilities Act of 1990 (42 U.S.C. 12131-12134), as amended by the ADA Amendments Act of 2008 (ADA Amendments Act) (Pub. L. 110-325, 122 Stat. 3553 (2008)), which prohibits discrimination on the basis of disability by public entities.
 - (b) Broad coverage. The primary purpose of the ADA Amendments Act is to make it easier for people with disabilities to obtain protection under the ADA. Consistent with the ADA Amendments Act's purpose of reinstating a broad scope of protection under the ADA, the definition of “disability” in this part shall be construed broadly in favor of expansive coverage to the maximum extent permitted by the terms of the ADA. The primary object of attention in cases brought under the ADA should be whether entities covered under the ADA have complied with their obligations and whether

discrimination has occurred, not whether the individual meets the definition of “disability.” The question of whether an individual meets the definition of “disability” under this part should not demand extensive analysis.”

14. Drug Free Workplace Act of 1988 (48 CFR 52.223-6)(b - d) - As prescribed by 48 CFR 23.505

- (b) “The Contractor, if other than an individual, shall—within 30 days after award (unless a longer period is agreed to in writing for contracts of 30 days or more performance duration); or as soon as possible for contracts of less than 30 days performance duration—
- 1) Publish a statement notifying its employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition;
 - 2) Establish an ongoing drug-free awareness program to inform such employees about—
 - i. The dangers of drug abuse in the workplace;
 - ii. The contractor's policy of maintaining a drug-free workplace;
 - iii. Any available drug counseling, rehabilitation, and employee assistance programs; and
 - iv. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.
 - 3) Provide all employees engaged in performance of the contract with a copy of the statement required by subparagraph (b)(1) of this clause;
 - 4) Notify such employees in writing in the statement required by subparagraph (b)(1) of this clause that, as a condition of continued employment on this contract, the employee will—
 - i. Abide by the terms of the statement; and
 - ii. Notify the employer in writing of the employee's conviction under a criminal drug statute for a violation occurring in the workplace no later than 5 days after such conviction.
 - 5) Notify the Contracting Officer in writing within 10 days after receiving notice under subdivision (b)(4)(ii) of this clause, from an employee or otherwise receiving actual notice of such conviction. The notice shall include the position title of the employee;
 - 6) Within 30 days after receiving notice under subdivision (b)(4)(ii) of this clause of a conviction, take one of the following actions with respect to any employee who is convicted of a drug abuse violation occurring in the workplace:
 - i. Taking appropriate personnel action against such employee, up to and including termination; or
 - ii. Require such employee to satisfactorily participate in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency; and
 - 7) Make a good faith effort to maintain a drug-free workplace through implementation of subparagraphs (b)(1) through (b)(6) of this clause.
- (c) The Contractor, if an individual, agrees by award of the contract or acceptance of a purchase order, not to engage in the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance while performing this contract.
- (d) In addition to other remedies available to the Government, the Contractor's failure to comply with the requirements of paragraph (b) or (c) of this clause may, pursuant to FAR 23.506, render the Contractor subject to suspension of contract payments, termination of the contract for default, and suspension or debarment.”

15. CONFLICTS OF INTEREST STATEMENT

The Contractor shall comply with the federal Conflict of Interest requirements of 45 CFR 75.112, (a) & (b) 45 CFR 75.327, and 45 CFR 75.328.

HHS awarding agencies must establish conflict of interest policies for Federal awards. The [non-Federal entity](#) must disclose in writing any potential conflict of interest to the respective [HHS awarding agency](#) or [pass-through entity](#) in accordance with applicable [HHS awarding agency's policy](#). As a general matter, HHS awarding agencies' conflict of interest policies must:

- (1) Address conditions under which outside activities, relationships, or financial interests are proper or improper;
 - (2) Provide for advance notification of outside activities, relationships, or financial interests, and a process of review as appropriate; and
 - (3) Outline how financial conflicts of interest may be addressed.
- (b) Agencies with Public Health Service (PHS) funded [research](#) will ensure that any conflict of interest policies are aligned with the requirements of [42 CFR part 50](#), subpart F.

16. RIGHTS TO INVENTIONS MADE UNDER A CONTRACT OR AGREEMENT

The Contractor must comply with all applicable requirements of **(37 CFR Part 401)**, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the OEA. The interpretation of this clause and this Agreement is subject to the definitions located at **37 CFR § 401.14**.

- If the Federal award meets the definition of “funding agreement” under 37 CFR § 401.2 (a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency.”

17. Full and Open Competition (45 CFR 75.328)

- (a) All procurement transactions must be conducted in a manner providing full and open competition consistent with the [standards](#) of this section. In order to ensure objective [contractor](#) performance and eliminate unfair competitive advantage, [contractors](#) that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals must be excluded from competing for such procurements. Some of the situations considered to be restrictive of competition include but are not limited to:
 - (1) Placing unreasonable requirements on firms in order for them to qualify to do business;
 - (2) Requiring unnecessary experience and excessive bonding;

- (3) Noncompetitive pricing practices between firms or between affiliated companies;
 - (4) Noncompetitive [contracts](#) to consultants that are on retainer [contracts](#);
 - (5) Organizational conflicts of interest;
 - (6) Specifying only a “brand name” product instead of allowing “an equal” product to be offered and describing the performance or other relevant requirements of the procurement; and
 - (7) Any arbitrary action in the procurement process.
- (b) The [non-Federal entity](#) must conduct procurements in a manner that prohibits the use of statutorily or administratively imposed [state](#), local, or tribal geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. Nothing in this section preempts [state](#) licensing laws. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the [contract](#).
- (c) The [non-Federal entity](#) must have written procedures for procurement transactions. These procedures must ensure that all solicitations:
- (1) Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description must not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured and, when necessary, must set forth those minimum essential characteristics and [standards](#) to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a “brand name or equivalent” description may be used as a means to define the performance or other salient requirements of procurement. The specific features of the named brand which must be met by offers must be clearly stated; and
 - (2) Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.
- (d) The [non-Federal entity](#) must ensure that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. Also, the [non-Federal entity](#) must not preclude potential bidders from qualifying during the solicitation period.

18. 45 CFR § 75.330 - Contracting with small and minority businesses, women's business enterprises, and labor surplus area firms.

- (a) The [non-Federal entity](#) must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.
- (b) **Affirmative steps must include:**

- (1)** Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
- (2)** Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
- (3)** Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;
- (4)** Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;
- (5)** Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
- (6)** Requiring the prime [contractor](#), if subcontracts are to be let, to take the affirmative steps listed in paragraphs (b)(1) through (5) of this section.