

STATE OF NORTH CAROLINA Department of Transportation Division of Motor Vehicles	REQUEST FOR PROPOSAL NO. PR14549	
	Contract Name: DMV Administrative Hearings Management System	
	Bid Opening Date: 04/16/25	
Refer <u>ALL</u> inquiries regarding this RFP to: Thomas J. Busshart tjbusshart@ncdot.gov	Issue Date: 03/31/2025	
	Commodity Code: 432300	
	Purchasing Agency: NCDOT – Division of Motor Vehicles	
	Requisition No.: PR14549	

OFFER

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

EXECUTION

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

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

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

Offer valid for one hundred eighty (180) days from date of offer opening unless otherwise stated here: ____ days

ACCEPTANCE OF OFFER

If any or all parts of this offer are accepted, an authorized representative of the NC Department of Transportation (NCDOT) shall affix a 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.

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

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1.0 Anticipated Procurement Schedule

The NC Department of Transportation will make every effort to adhere to the following schedule:

Action	Responsibility	Date
Request For Proposal Issued	NC Department of Transportation	03/31/2025
Written Questions Deadline	Potential Offerors	04/07/2025
Agency's Response to Written Questions/ RFP Addendum Issued	NC Department of Transportation	04/11/2025
Offer Opening Deadline (No Later Than)	Offeror(s)	04/16/2025
Offer Evaluation	Evaluation Committee	TBD
Selection of Finalists	Evaluation Committee	TBD
Oral Presentations by Finalists	Selected Offeror(s)	TBD
Negotiations with Finalists	Evaluation Committee designees and selected Offeror(s)	TBD
Best and Final Offers Deadline from Finalists	Selected Offerors	TBD
Contract Award	NC Department of Transportation	TBD
Protest Deadline	Responding Offerors	15 days after award

1.1 Questions Concerning this RFP

All inquiries regarding this RFP must be submitted via email.

Written questions will be received until **April 7, 2025 at 12:00 pm Eastern Time.**

Note that Vendor contact regarding this RFP with anyone other than the individual listed on Page One of this RFP may be grounds for rejection of said Vendor's offer.

1.2 RFP Addenda

Any and all amendments or revisions to this RFP Solicitation document shall be made by written addendum from the Agency Procurement Office. For questions received in accordance with Section 1.1, the Agency will issue an Addendum in response to questions.

The Agency may issue an Addenda as needed to modify the RFP schedule, specifications/requirements, terms and conditions, etc. If either a unit price or extended price is obviously in error and the other is obviously correct, the incorrect price will be disregarded.

All Addenda will be posted on NC eVP site and shall become Addenda to this RFP.

Critical information may be included in these Addenda. It is important that all Vendors bidding on this RFP periodically check the NC eVP site for any Addenda that may be issued prior to the bid opening date.

The Agency may require Vendors to sign an Addendum and include the signed copy with their Offer. Vendors who fail to include an executed copy of an Addendum with their Offer may be deemed non-responsive and their Offers may be rejected.

1.3 Offer Submittal

Email Delivery of Offer
Email to: Thomas Busshart tjbusshart@ncdot.gov by April 16, 2025 at 12:00 PM ET

The offer must be submitted in two parts:

- Technical Proposal: addresses Section 3.4 Business Requirements and Specifications; **limited to 400 pages**. Cost Proposal: addresses costs outlined in Section 4.0.
- File names should identify the Vendor name, solicitation number, and document in that order (Vendor Name - RFP PR14549 - Proposal; Vendor Name - RFP PR14549 - Financial Statements, etc.).
- Files must **NOT** be password protected, must be in .PDF, .JPEG, .DOC or .XLS format, and must be capable of being copied to other sources. Inability by the State to open the Vendor's files may result in rejection of the Vendor's offer.
- If the Vendor's proposal contains any confidential information (as defined in Section 8.10 – Confidentiality of Offers and Attachment B, Section 1, paragraph 18) Confidentiality), the Vendor must provide one (1) redacted copy of its proposal in addition to the original signed copy.
- **Email files are limited to 50 mb and that includes the headers, body, recipients, and attachments. If sending more than one email, label as 1 of 2, 1 of 3 etc.**

The 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. **It is the Vendor's sole responsibility to ensure its proposal has been delivered by the specified date and time of opening. Any proposal delivered after the proposal deadline will be rejected.**

2.0 Purpose of RFP

2.1 Introduction

NCDMV's Customer Compliance Services (CCS) Division and License and Theft Unit are responsible for conducting administrative hearings for driver license violations, license and theft, liability insurance, ignition interlock, and State inspections, among others.

See <https://www.ncdot.gov/dmv/offices-services/administrative-hearings/Pages/default.aspx> for details.

With respect to license and theft hearings, CCS currently utilizes an Administrative Hearings Solution (AHS) that is built on the VERIFI SaaS platform proprietary to Vanguard Direct, Inc. This SaaS platform significantly reduces the need to interface directly with legacy mainframe applications including the Liability Insurance Tracking and Enforcement System (LITES), Motor Vehicle Inspection and Law Enforcement System (MILES) /Vehicle Information Database (VID), State Automated Drivers License System (SADLS), and State Titling and Registration System (STARS).

NCDMV seeks to expand and enhance AHS to build a consolidated administrative hearing management solution that will centralize the administrative hearing process and increase the efficiency of operations.

The Solution must integrate with AHS to improve the following functions:

1. Recording Violations: automation will expedite the creation and recording of violation notices and the generation of correspondence to be sent to the customer.
2. Collecting Payments: automation will expedite the process of collecting, refunding, and recording payments and providing customers with written confirmation of receipt of payment.
3. Scheduling Hearings: automation will simplify the process of scheduling hearings and sending appointment reminders to staff and customers.
4. Generating Correspondence: automation will expedite the process of generating and sending correspondence to customers.
5. Capturing Hearing Outcomes: staff will have enhanced functionalities for organizing hearing notes and documents. Upon the conclusion of a hearing, decision codes and supporting documentation will automatically be shared with the relevant parties and the applicable forms/correspondence will be generated automatically and distributed.

Vendor responsibilities will include:

- a. Customization and integration
- b. Support for testing, execution, and defect resolution
- c. Implementation and Operations and Maintenance support
- d. Training
- e. Hosting and maintenance of the Solution

2.2 Current System Information

a) Number of Users and Hearings

Below is information about the current system and its users:

Description	Count
Hearing Officers	14
Chief Hearing Officers	2
DMV Management and Supervisors	9
Hearing Locations	90
Driver Hearings Requested 2023	15,115
Driver Hearings Conducted 2023	13,296
License and Theft Hearings Requested 2023	145
License and Theft Hearings Conducted 2023	72
Liability Insurance Hearings Requested 2023	1496
Liability Insurance Hearings Conducted 2023	1358
Estimated Number of Form Templates	35
Estimated Number of Letter Templates	50

The conducted count is greater than requested because hearing requested at the end of previous year are held in new year.

b) Diagrams and Supplemental Documents

For documentation and NCDOT and State technical information, see Administrative Hearing System at [AHS Library Link](#).

2.3 Terms, Acronyms or Abbreviations

Term/Acronym	Description
Customer	Individual and/or business entity requesting a hearing
DMV	NC Division of Motor Vehicles
DRA	Disaster Recovery Assessment
FedRAMP	Federal Risk and Authorization Management Program
HITRUST	Health Information Trust Alliance
IPCS	Inova Payment Card System
ISO	International Organization for Standards
L&TB	License & Theft Bureau is the law enforcement arm of DMV
LITES	Liability Insurance Tracking and Enforcement System
MILES/VID	Motor Vehicle Inspection and Law Enforcement System (MILES)/Vehicle Information Database (VID)

Term/Acronym	Description
NCDIT	NC Department of Information Technology
NCDIT PMO	NCDIT Project Management Office
NC DIT Project Manager	NCDIT Project Manager
NCDOT	NC Department of Transportation
NCID	North Carolina ID System
Offeror	A vendor who submits a proposal in response to a solicitation
PaaS	Platform as a Service
PCI	Payment Card Industry – standard for payment data security
PMO	Project Management Office
SaaS	Software as a Service
SADLS	State Automated Driver License System provides a means of administering and managing electronic data for all NC citizens who apply for identification cards or driver licenses (classified, commercial driver license (CDL), or permits). This is a mainframe application.
SDLC	System Development Life Cycle
SISM	Statewide Information Security Manual
SOAP	Simple Object Access Protocol
SOC2	Service Organization Control Type 2
STARS	The State Titling and Registration System provides owner and registered vehicle information. This is a mainframe application.

2.4 Contract Term

A contract awarded pursuant to this RFP shall have an effective date as provided in the Notice of Award. The term shall be for three (3) years and will expire upon the anniversary date of the effective date unless otherwise stated in the Notice of Award, or unless terminated earlier.

2.5 Effective Date

This solicitation, including any Exhibits, or any resulting contract or amendment shall not become effective nor bind the State until the appropriate State purchasing authority/official or Agency official has signed the document(s), contract or amendment; the effective award date has been completed on the document(s), by the State purchasing official, and that date has arrived or passed. The State shall not be responsible for reimbursing the Vendor for goods provided nor Services rendered prior to the appropriate signatures and the arrival of the effective date of the Agreement. No contract shall be binding on the State until an encumbrance of funds has been made for payment of the sums due under the Agreement.

2.6 Contract Type

Fixed priced Contract – This request is for a fixed priced contract for Administrative Hearings Management System solution that satisfies requirements and specifications, and includes implementation, administrative and operations and maintenance services.

The State reserves the right to make partial, progressive or multiple awards where it is advantageous to award separately by items; where more than one supplier is needed to provide the contemplated

specifications as to quantity, quality, delivery, service, geographical areas; or where other factors are deemed to be necessary or proper to the purchase in question.

3.0 RFP Requirements and Specifications

3.1 General Requirements and Specifications

a. Requirement

Requirement means, as used herein, a function, feature, or performance that the System must provide. **If the Offer cannot meet the requirements, it will not be evaluated.**

b. Specification

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

The apparent silence of the specifications as to any detail, or the apparent omission of detailed description concerning any point, shall be regarded as meaning that only the best commercial practice is to prevail and that only processes, configurations, materials and workmanship of the first quality may be used. Upon any notice of noncompliance provided by the State, Vendor shall supply proof of compliance with the specifications. The 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 the 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.

3.1.1 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.

3.1.2 Equivalent Items

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

3.1.3 Enterprise Licensing

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

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

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

3.2 Security Specifications

3.2.1 Solutions Hosted on State Infrastructure – Reserved.

3.2.2 Solutions Not Hosted on State Infrastructure

The Solution will be required to receive and securely manage data that is classified as **Highly Restricted**.

Refer to the North Carolina Statewide Data Classification and Handling policy for more information regarding data classification: <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) solution which will handle data classified as High Risk (Highly Restricted) data.

- A. The Vendor shall provide a completed Vendor Readiness Assessment Report - Non-State Hosted Solutions (VRAR) with its proposal.

This report is located at <https://it.nc.gov/documents/vendor-readiness-assessment-report>

- B. Upon request, Vendors shall provide a current independent third-party assessment report in accordance with the following subparagraphs (i)-(iii) prior to contract award. However, Vendors are encouraged to provide a current independent third-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 third-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.

3.3 Enterprise Specifications

Vendors should refer to the Vendor Resources Page (<https://it.nc.gov/resources/statewide-it-procurement/vendor-engagement-resources>) for information on the State's standards for architecture, security, strategy, data quality, digital services, and identity and access management.

3.3.1 Architecture Diagrams

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

If Vendor is providing software or a SaaS solution, describe or diagram, both the Network Architecture and Technology Stack for the offered Software or SaaS products. Diagrams may be provided in lieu of, or in addition to, descriptions.

The agency may request additional architectural diagrams after contract award. This will be communicated to the Vendor by the agency as needed during the project.

3.3.2 Solution Roadmap

A Solution Roadmap defines the vision and strategic elements of the solution. The Solution Roadmap is a plan of action for how a Solution will evolve over time. The minimum content should include:

- Vision for the solution
- High-level functionality expected for each solution release into production environment
- High-level timeline
- Description of how customer feedback is collected and incorporated into solution enhancements

Describe the solution roadmap for your product. Include content on release strategies for functionality, roadmap for technical architecture, how scalability of solution is planned.

3.3.3 Identity and Access Management

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

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

3.3.4 Integration Approach

Describe proposed solution capabilities to interoperate with other solutions. Identify the standards supported, integrations platforms, adaptors, APIs, and the like.

3.3.5 Disaster Recovery and Business Continuity – Reserved.

3.3.6 Data Migration

Describe approaches available for data conversion and/or data migration to load current data into proposed solution.

3.3.7 Application Management

- Describe how the proposed solution monitors and reports the metrics on system performance.
- Describe how the proposed solution manages user administration.
- Describe the audit capabilities of proposed solution related to management of the application.

3.3.8 Accessibility

Describe how the proposed solution complies with industry accessibility standards.

Describe how the proposed solution is digitally accessible or if not fully accessible, describe the roadmap with the timeline for remediation. Product documentation demonstrating how the proposed solution is digitally acceptable may be provided in lieu of, or in addition to, a description.

Standards include:

1. W3C Web Accessibility Initiative - Web Content Accessibility Guidelines (WCAG) 2.1: <https://www.w3.org/TR/WCAG21/>
2. Section 508: <https://www.section508.gov/>
3. Voluntary Product Accessibility Template (VPAT®): <https://www.itic.org/policy/accessibility/vpat>

3.4 Business Requirements and Specifications

The Vendor's proposal - address each of the following Requirements and Specifications.

3.4.1 Security Requirement

ID	Description
ISO-SEC- REQUIREMENT-1	<p>The Vendor must include the following statement in its Offer: "We affirm and explicitly acknowledge that the Vendor's proposed solution at time of award and for the duration of the contract is subject to all applicable State policies, guidelines, standards, practices, procedures, and safeguards as defined in the North Carolina Department of Information Technology Statewide Information Security Manual (SISM)."</p> <p>SISM introduction and individual SISM control family policy locations:</p> <p>https://it.nc.gov/documents/statewide-information-security-manual</p> <p>https://it.nc.gov/resources/cybersecurity-risk-management/initiatives/information-security-policies</p>

3.4.2 Security Specifications

ID	Description
ISO-SEC-SPECIFICATION-1	<p>Describe your approach for meeting the following Maximum Tolerable Downtime (MTD) and Recovery Point Objective (RPO):</p> <p>MTD = four (4) hours</p> <p>RPO = four (4) hours</p> <p>a) If your Solution is recoverable, describe in detail how it will be recoverable via a non-State hosted (e.g. Vendor, third-party, subcontractor, partner, cloud) or any other solution scenario.</p> <p>b) The Vendor should provide a Disaster Recovery Assessment (DRA) in Microsoft Excel format if requested.</p> <p>See</p>
ISO-SEC-SPECIFICATION-2	<p>Describe your Incident Response Policy and your approach for:</p> <p>a) responding to a suspected security incident or security breach involving or impacting State data; and</p> <p>b) notifying NCDOT and NCDIT within twenty-four (24) hours of confirmation of a security incident and/or breach.</p>

Describe in detail how your Solution will integrate with the current Administrative Hearing Solution (AHS) to accomplish the following Functional Specifications:

3.4.3 Data Maintenance Specifications

ID	Description
FDAT_001	<p>Maintain (add, update, delete and change) hearing codes for all existing hearing types and any new hearing types established. Existing hearing types include:</p> <ul style="list-style-type: none"> a) Driver License Hearings b) Liability Hearings c) Safety Responsibility Hearings d) Ignition Interlock Hearings. e) License & Theft <p>See Attachment I, Hearing Codes Reference Table.</p>
FDAT_002	Maintain (add, update, delete and change) hearing decisions for all existing types of hearings and any new hearing types established.
FDAT_003	Maintain (add, update, delete and change) denial reasons. See Attachment K, Waiver Denial Reasons.
FDAT_004	Maintain (add, update, delete and change) Refund Codes. See Attachment L, Refund Codes.

3.4.4 Request Hearing Specifications

ID	Description
RHRG_001	Enable customers to request a hearing for one or more hearing types. At the time of request, the customer will pay the total administrative hearing fee.
RHRG_002	Allow DMV personnel to request a hearing for one or more hearing types.
RHRG_003	Allow DMV personnel to schedule, reschedule and cancel administrative hearings for civil cases.
RHRG_004	Allow customers to make online card payments for a hearing request fee via third-party software.
RHRG_005	Allow DMV personnel to accept personal check or certified check payment for hearing requests.
RHRG_006	Allow DMV personnel to process a cash or money orders payments for hearing requests.
RHRG_007	Allow DMV personnel to correct misapplied payments (payments applied to the wrong customer and/or case). This information will be passed to relevant legacy systems.
RHRG_008	Allow DMV personnel to update hearing codes for payments collected under incorrect hearing code(s).
RHRG_09	Track the time frame of the hearing from collection of the fee through the hearing decision.
RHRG_010	Capture the waiver status (approved or denied) for a hearing.
RHRG_011	Capture reasons for waiver denial (currently limited to five reason codes per waiver). See Attachment K, Waiver Denial Reasons.

3.4.5 Refunds Specifications

ID	Description
REF_001	Allow refunds of hearing request fees at any time during the hearing process. See Attachment L, Refund Codes.
REF_002	Capture whether the refund is to be sent to the remitter or the customer. The full name and address of the remitter or customer will be captured.

3.4.6 Cancel Hearing Specifications

ID	Description
CAN_001	Allow DMV personnel to cancel a hearing request at any time during the hearing process.
CAN_002	Allow customers to request a cancellation of a hearing request at any time during the hearing process.

3.4.7 Scheduling Specifications

ID	Description
SCH_001	Create, open, and close DMV users' hearings calendars by location.
SCH_002	Integrate with Outlook to create and maintain hearing schedules for each hearing officer.
SCH_003	Integrate with Microsoft Outlook calendars to schedule hearing appointments against hearing officers' calendars.
SCH_004	Allow customers to add preferences (day, date, time) to schedule or reschedule a hearing.
SCH_005	Allow DMV personnel to schedule, reschedule and cancel hearing appointments.
SCH_006	Send appointment notification messages via text, email, and letter to the customer for initial appointments, rescheduled appointments, and cancelled appointments.
SCH_007	Send appointment reminders via text and email to the customer at defined intervals.
SCH_008	Provide ability for customers to check-in online for their hearing appointment(s).

3.4.8 Conduct Hearings Specifications

ID	Description
CHRG_001	Allow DMV personnel to enter and categorize hearing data, such as notes, witness comments, pending charges, etc.
CHRG_002	Allow the selection of the hearing decision (outcome) and any or all of its associated components: <ul style="list-style-type: none">a) Probationsb) Conditional Restoration Agreementsc) Motionsd) Civil Penalties.
CHRG_003	Allow selection of any or all fees to be collected that are applicable to the hearing decision including, but not limited to: <ul style="list-style-type: none">a) Hearings (as defined in hearing codes table)b) Motionsc) Civil Penaltiesd) Assessments
CHRG_004	Allow customers to make card payments via third-party software and the IPCS sys for 'total administrative hearing fees' assessed from hearing decisions.
CHRG_005	Allow DMV personnel to process cash, money order, personal and certified check payments for 'total administrative hearing fees' assessed from the hearing decisions.
CHRG_006	Transfer hearing notes to the appropriate legacy system.
CHRG_007	Transfer hearing decision data to the appropriate legacy system.
CHRG_008	Generate the appropriate forms and orders based on the hearing decision.
CHRG_009	Allow DMV personnel to record and upload audio recordings from their conferencing platform or any audio files for administrative hearings.
CHRG_010	Integrate with DMV's current contracted transcribing service.

ID	Description
CHRG_011	Store and retrieve audio, video and transcriptions for the retention period as defined in the NC Retention Standards. https://archives.ncdcr.gov/government/state-government-agencies/functionalschedule/functional-schedule-overview

3.4.9 Correspondence Specifications

ID	Description
CORR_001	Create and maintain correspondence templates as well as allowing the customer to download documents related to their hearing(s) only.
CORR_002	Provide templates for existing correspondence.
CORR_003	Generate hearing correspondence (letters, forms, orders) in PDF form and send to the customer by mail, electronically or print for in-person delivery.
CORR_004	Integrate with the DMV third-party print solution for printing and mailing hearing correspondence.
CORR_005	Allow correspondence to be printed using a local printer.
CORR_006	Integrate with Microsoft SharePoint to store hearing correspondence.
CORR_007	Retrieve hearing correspondence from SharePoint for display and download to the user's local drive.
CORR_008	Retrieve/transmit the following data in order to generate the appropriate correspondence: <ul style="list-style-type: none"> a) retrieve customer data b) transmit hearing decision data c) transmit all fee payment data
CORR_009	Resend/re-print hearing correspondence.

3.4.10 Document Management Specifications

ID	Description
DOC_001	Allow customers to download and/or upload documents related to their hearing(s) only.
DOC_002	Date/timestamp documents that are uploaded.
DOC_003	Send notification to the assigned hearing officer when the customer uploads documents related to their hearing(s).
DOC_004	Provide authorized users with the ability to view and print documents uploaded for a hearing.
DOC_005	Store all documents uploaded, created in the solution, or generated by the solution in Microsoft SharePoint.

3.4.11 Integration Specifications

ID	Description
INT_001	Integrate and interface with systems using REST or SOAP based Web Services.
INT_002	Integrate with SADLS to: <ul style="list-style-type: none"> a) retrieve customer data b) transmit hearing decision data c) transmit all fee payment data d) transmit hearing in progress data
INT_003	Integrate with LITES to: <ul style="list-style-type: none"> a) retrieve customer data b) transmit hearing decision data c) transmit all fee payment data d) transmit hearing in progress data
INT_004	Integrate with MILES to: <ul style="list-style-type: none"> a) retrieve station data b) retrieve technician data c) retrieve civil process history d) transmit hearing decision data e) transmit all fee payment data f) transmit hearing in progress data
INT_005	Integrate with STARS to: <ul style="list-style-type: none"> a. retrieve customer data b. transmit vehicle insurance data c. transmit hearing decision data d. transmit updated status data
INT_006	Provide customers with online access to third-party software to make card payments for hearing fees.
INT_007	Integrate with the DMV print solution for printing and mailing hearing correspondence.
INT_008	Integrate with the North Carolina Identity Management System (NCID) for secure authentication for all system users. The NCID Integration will be accomplished using SAML v2 -NCID SAMLv2 Authentication. Refer to NCID website for more information: https://itservices.nc.gov/services/security-privacy/nc-identity-management-ncid
INT_009	Receive data from the Return Check System for hearing payments received as non-sufficient funds.

3.4.12 Reporting Specifications

ID	Description
RPT_001	Generate predefined reports (currently the system generates an estimated 40 reports).
RPT_002	Create, update, and delete ad hoc reports.
RPT_003	Schedule reports to be generated and emailed to one or more DMV personnel.
RPT_004	Provide dashboard reporting and metrics, such as Performance Metrics, Hearings Metrics and Scheduling Metrics.

3.4.13 Workflow Specifications

ID	Description
WKF_001	Track the progress of each hearing case.
WKF_002	Route documents for review and approval.
WKF_003	Allow and retain electronic signatures on documents routed for review and approval.
WKF_004	Track the review documents through the approval process.

3.4.14 User Interface Specifications

ID	Description
UI_001	Be accessible through multiple client platforms and devices such as laptops, desktops (Windows, Mac, Chromebook), tablets, smart phones (iPhone, Android) and other mobile devices.
UI_002	Support modern browsers (current version and one (1) previous version). Provide a list of all web browsers supported by the solution.
UI_003	Provide a responsive design for mobile user access.

3.4.15 Identity and Access Management Specifications

ID	Description
IAM_001	Externalize identity and access management for internal DMV users.
IAM_002	Externalize identity and access management for external customers.
IAM_003	Allow user access based on user role criteria – including the permissions for each role.
IAM_004	Provide the ability for authorized users to manage user access to the solution.

3.4.16 Project Management Specifications

ID	Description
PMO_1	<p>The State prefers an approach that provides value and rapid project delivery. Describe your Project Management Plan with an emphasis on the following:</p> <ol style="list-style-type: none"> 1. Overall methodology (e.g., waterfall, iterative, agile) 2. Work Breakdown Structure <ol style="list-style-type: none"> a. Describe the resource requirements, phases, activities, tasks, milestones. b. Describe your approach for providing an updated Project Schedule (in collaboration with the State) within ninety (90) days of the project kick-off meeting. 3. <u>Staffing Plan and Organizational Chart</u>: describe (i) all key personnel (title, function, role, responsibilities, allocation and authority). Key personnel minimally include the proposed Project Manager, Senior Business Analyst, and Technical Lead; (ii) proposed State staff with function, role, and responsibilities; and (iii) an organizational chart including key personnel. <ol style="list-style-type: none"> a. The State prefers the Project Manager to have PMP certification and at least five (5) years of experience in managing large-scale IT projects and demonstrated knowledge of the System Development Life Cycle (SDLC). Describe the proposed PM's qualifications. A resume is acceptable in lieu of a description, or to supplement a description. b. The State prefers the Senior Business Analyst to have at least five (5) years of demonstrated knowledge and skills in business analysis, requirements management, test management and technical writing, and working with large, complex application deliveries in a fast-paced environment. Describe the proposed Senior Business Analyst's qualifications. A resume is acceptable in lieu of a description, or to supplement a description. c. The State prefers the Technical Lead to have at least five (5) years of demonstrated knowledge and skills in leading a development team, ensuring quality of technical deliverables, and working with large, complex application deliveries in a fast-paced environment. Describe the proposed Technical Lead's qualifications. A resume is acceptable in lieu of a description, or to supplement a description. 4. <u>Issues Management</u>: describe how issues will be identified, monitored, and resolved. 5. <u>Risk Management</u>: describe how risks will be identified and managed throughout the life of the project. 6. <u>Quality Management</u>: describe quality requirements and/or standards, deliverables, and approach for ensuring compliance with those requirements and/or standards. 7. <u>Change Management</u>: describe how changes in scope, cost and schedule will be handled and escalated throughout the project lifecycle; how changes will be identified,

tracked, and classified; and how changes will be incorporated into the project or deferred.

8. Testing Strategy: describe the approach for collaborating with the State PM to develop a Testing Strategy Plan for:
 - a. Verifying the effectiveness of State's System Integration Test (SIT) Plan to test all system functionality and configurations, compliance with requirements and design, and interfaces with external systems; and documenting and remediating SIT defects reported by the State.
 - b. Documenting and remediating User Acceptance Test (UAT) defects reported by the State.
 - c. Supporting the State in establishing and loading data into test environments for SIT and UAT testing (providing test cases, core user licenses for SIT environment, application user guide, etc.).
 - d. Documenting application performance (including performance standards which may be presented in test results or certifications).
 - e. Performing Hardware Configuration Testing, System Integration Testing, and Stress and Load Testing.
 - f. Testing accessibility based on Web Accessibility Initiative best practices and accessibility by screen reading devices before delivering it and testing any updates or patches going forward.
9. Operations and Transition: describe the approach for supporting the transition from the development and testing environment where the Vendor will implement changes to the production environment where the State implements changes and provides the day-to-day operational support.
10. Implementation: describe the actions that the project team will need to perform for a successful project implementation including the development of the following items:
 - a. System Requirements Document that includes mock-up screens and workflows
 - b. Acceptance Criteria for requirements, design, and user acceptance of the Solution
 - c. Deployment Plan in collaboration with the State PM
 - d. Production Cutover Plan (including a production back-out plan) in collaboration with the State PM
 - e. Final Project Report that describes accomplishments, open issues, lessons learned and recommendations for future projects.
11. Training: describe the approach for training business staff, Operations Support staff, and trainers on all aspects of the Solution including, at a minimum, the training methodology, expected learning outcomes, and a sample training schedule.

	<p>12. <u>Communications</u>: describe what information is needed by certain individuals, how frequently the information should be delivered, format for delivering information (formal report, meeting, etc.), and the entity or person responsible for ensuring delivery of the communication.</p> <ul style="list-style-type: none"> a. Describe your approach for collaborating with the State PM to schedule a project kick-off meeting within ten (10) days of contract award and providing meeting notes and follow-up action items within two (2) business days of the kick-off meeting. b. Describe your approach for ensuring the PM, Technical Lead, and Senior Business Analyst's attendance at the project kick-off meeting, gap analysis session, requirements gathering session, and other key meetings. c. Describe your approach for preparing and submitting weekly status reports (preferably beginning ten (10) days following project kick off) with brief comments on overall project progress, milestones progress and next steps, recommended solution or mitigation steps for any issues/risks. d. Describe your approach for providing (i) an updated Project Management Plan within sixty (60) days of the project kick-off meeting for State review and approval; and (ii) on-going Project Management Plan updates when significant changes occur. <p>13. <u>Maintenance and Support</u>: describe your approach for (i) providing help desk/call support to the State teams each workday and on weekends from 7:00 AM to 6:00 PM ET during and after Solution implementation; and (ii) assisting in identifying, reporting, tracking, and correcting and resolving software defects and problems.</p>
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3.4.17 Service Level Agreement

System errors or anomalies reported by the State shall be in keeping with the Response Times in the table below. Describe whether Vendor can provide these Service Levels and if not, explain why not and provide the Vendor's proposed options.

Priority	Response Target	Resolution Target	Nature of Resolution
Critical	One (1) Hour	Four (4) Hours or Less	Workaround and product patch is provided; fix incorporated into future release
High	Two (2) Hours	Eight (8) Hours or Less	Workaround and product patch is provided; fix incorporated into future release
Medium	Upon Request	Twenty-Four (24) Hours or Less	Answer to Inquiry(ies) and workaround provided; fix incorporated into future release
Low	Upon Request	Three (3) Business Days	Answer to Inquiry(ies) and/or workaround or fix is provided

Priority Definitions

Critical: Interruption making critical functionality inaccessible or a complete network interruption causing a severe impact on services availability. This is no possible alternative.

High: Functionality or network access interrupted, degraded or unusable, having a severe impact on services availability. No acceptable alternative is possible.

Medium: Non-critical function or procedure, unusable or hard to use having an operational impact but with no direct impact on services availability. A workaround is available.

Low: Application or personal procedure unusable, where a workaround is available or a repair is possible.

4.0 Cost of Vendor's Offer

4.1 Offer Cost

The Vendor must list, itemize, and describe any applicable offer costs in **Attachment D – Cost Form**.

4.2 Payment Schedule

The Vendor shall propose its itemized payment schedule based on the content of its Offer. All payments must be based upon acceptance of one (1) or more Deliverables.

4.3 Milestones and Deliverables

The following table defines the milestones and Deliverables for the Solution.

Milestone	Reference	Deliverables	Due Date
1. Project Management			
a.	PMO_1, Item 12.a	Draft Kick-Off Meeting Agenda and Presentation	Within Ten (10) Days of Contract Award
b.	PMO_1, Item 12.b	Key Vendor Personnel Attend Project Kickoff Meeting	Within Ten (10) Days of Contract Award
c.	PMO_1, Item 12.a	Project Kick-Off Meeting Notes and Action Items	Within Two (2) days After Project Kick-Off Meeting
d.	PMO_1, Item 2.b	Updated Project Schedule	Within Ninety (90) Days of Project Kick- Off
e.	PMO_1, Item 12.c	Weekly Project Status Reports	Weekly

Milestone	Reference	Deliverables	Due Date
f.	PMO_1, Item 12.d	Updated Project Management Plan: a. Change Management Plan b. Risk Management Plan c. Quality Management Plan d. Staffing Plan and Organization Chart e. Communications Plan f. Operations and Transition Plan g. Training Plan h. Issues Management Plan i. Implementation Plan	Within Sixty (60) Days of Project Kick- Off
2. License & Theft Requirements, Development, and Implementation			
a.	PMO_1, Item 10.a	Approved System Requirements Document (includes Mock-Up Screens and Workflows)	Per approved project schedule
b. Test Planning and Environment Setup			
	PMO_1, Item 8.a	Testing Strategy Plan including the review and feedback process used to verify effectiveness of System Integration Test	Per approved project schedule
	PMO_1, Item 8.c	SIT Environment Readiness (include core user licenses for SIT and application user guide); SIT Test Data	Per approved project schedule
	PMO_1, Item 8.a	SIT Defect Tracking Report & Resolution process	Per approved project schedule
	PMO_1, Item 8.b	UAT Defect Tracking Report & Resolution process	Per approved project schedule
	PMO_1, Item 8.d	Application Performance Documentation	Per approved project schedule
	PMO_1, Item 8.e	Plan for performing hardware configuration testing, system integration, stress and load testing	Per approved project schedule
c. Acceptance Testing			
	PMO-1, Item 10.b	Acceptance Criteria for requirements specification, design, and UAT	Per approved project schedule
		Successful completion of UAT	Per approved project schedule
d. User Training			
	PMO_1, Item 11	Documentation, hands-on, video, classroom training	NLT 15 days prior to training commencement
e. Implementation			
	PMO_1, Item 13	Maintenance and Support Plan	Per approved project schedule
	PMO-1, Item 10.c	Final Deployment Plan	Per approved project schedule
	PMO-1, Item 10.d	Production Cutover Plan (includes Backout Plan)	Per approved project schedule

Milestone	Reference	Deliverables	Due Date
3. Requirements, Development, and Implementation Initial Phase (License & Theft)			
4. Requirements, Development, and Final Implementation			
5. Retainage and Final Acceptance			
	PMO_1, Item 10.e	Final Project Report (includes recommendations for future improvements and lessons learned)	Per Approved Project Schedule

5.0 Evaluation

5.1 Source Selection

A trade-off/ranking method of source selection will be utilized to award this RFP to the Vendor providing the Best Value and recognizing that Best Value may result in an 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, the Vendor's Offer must substantially conform to the intent of all specifications. Compliance with the intent of all specifications will be determined by the State. Offers that do not meet the full intent of all specifications listed in this RFP may be deemed deficient. Further, a serious deficiency in the Offer regarding any one (1) factor may be grounds for rejection regardless of overall rank.
- c) The Evaluation Committee may request clarifications, an interview with or presentation from any or all Vendors as allowed by 9 NCAC 06B.0307. However, the State may refuse to accept, in full or partially, the response to a clarification request given by any Vendor. Vendors are cautioned that the evaluators are not required to request clarifications; therefore, all offers should be complete and reflect the most favorable terms. Vendors should be prepared to send qualified personnel to Raleigh, North Carolina to discuss technical and contractual aspects of the Offer.
- d) Vendors are advised that the State is not obligated to ask for or accept after the solicitation closing date data that is essential for a complete and thorough evaluation of the Offer.
- e) Vendors may be disqualified from any evaluation or award if they or any proposed key personnel have 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.

5.2 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.

Offers will be evaluated on the following criteria listed in order of importance:

- 1) How well the Vendor's offer conforms to the Specifications
- 2) How each Vendor's Offer compares with other Vendors' offers
- 3) Total Cost of Ownership
- 4) Vendor Schedule / Timeline for completing work
- 5) Strength of references relevant or material to technology area or Specifications
- 6) Risks associated with Vendor's offer

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 (i.e., 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 the contract, award information will be posted in the North Carolina electronic Vendor Portal (eVP) at <https://evp.nc.gov>. 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 the Vendor discovers an inconsistency, error, or omission in this solicitation, it 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 its proposed hardware, product, and software solution(s) along with costs thereof. Vendors are encouraged to present explanations of benefits and merits of their proposed solutions together with any accompanying Services, maintenance, warranties, value added Services, or other criteria identified herein.

6.1.2 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.

6.1.3 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, 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.

6.1.4 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.

6.1.5 Non-Responsive Offers

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

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

6.1.6 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.

6.1.7 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 the 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.

6.1.8 Modifications to Offer

An Offer may not be unilaterally modified by the Vendor.

6.1.9 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.

6.1.10 Vendor Registration with the Secretary of State

Vendors do not have to be registered with the NC Secretary of State to submit an offer but must be registered in order to receive an award/contract with the State. Registration information is posted at <https://www.sosnc.gov>.

6.1.11 Vendor Registration and Solicitation Notification System

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

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

6.1.12 NC eProcurement

This is not an eProcurement solicitation. Paragraphs 38 a) and b), Section 1 of the North Carolina Department of Information Technology Terms and Conditions have been reserved.

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

- a) Information on eProcurement can be found at <http://eprocurement.nc.gov/>
- b) Within two (2) days after notification of award of a contract, the Vendor must register in eProcurement at <http://eprocurement.nc.gov/Vendor.html>
- c) As of the RFP submittal date, the Vendor must be current on all E-Procurement fees. If the Vendor is not current on all E-Procurement fees, the State may disqualify the Vendor from participation in this RFP.

6.1.13 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>. This information may not be available for several weeks depending on the complexity of the acquisition and the length of time to complete the evaluation process.

6.1.14 Protest Procedures

Protests of awards exceeding \$25,000.00 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 the RFP award and provide specific reasons and any supporting documentation for the protest. All protests are governed by Title 9, Department of Information Technology, Subchapter 06B Sections .1101 - .1121.

6.2 Instructions for Offer Submission

6.2.1 General Instructions

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 and 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 a 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.

6.2.2 Offer Organization

Within each section of its Offer, the 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.

1. Signed Execution Page AND all pages of this solicitation document in ONE (1) PDF. This includes:
 - a. Attachments A and B
 - b. completed Attachment C: Description of Offeror Submitting Offer
 - c. completed Attachment D: Cost Form and detailed cost itemization
 - d. completed Attachment E: Vendor Certification Form
 - e. completed Attachment F: Location of Workers Utilized by Vendor
 - f. completed Attachment G: References
 - g. completed Attachment H: Financial Review Form and detailed Financial Statements
 - h. Attachments I through L
2. Signed copies of Addenda, if required
3. Vendor Response to Specifications and Requirements
4. Vendor Readiness Assessment Report (VRAR)

5. Architecture Diagrams
6. Detailed Project Timeline
7. Errata and Exceptions, if any
8. Vendor's License and Maintenance Agreements, if any
9. The 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.

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 in its RFP response the manner in which it intends to utilize resources or workers. The State of North Carolina will evaluate the additional risks, costs, and other factors associated with such utilization prior to making an award for any such Vendor's offer.

Complete **Attachment F - Location of Workers Utilized by Vendor** and submit with your Offer.

7.2 Financial Statements

The Vendor must provide evidence of financial stability by including with its offer (1) completed Financial Review Form (**Attachment H**) and (2) copies of Financial Statements as described below. 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 a 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 (1) year. If less than three (3) years are provided, 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 must be provided.
- 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

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

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

7.5 Resellers – Reserved.

7.6 Disclosure of Litigation

- a) 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.
- b) The Vendor shall notify the State in its offer, if it, or any of its subcontractors, or its 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.
- c) 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.
- d) 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 this 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, such Vendor shall be prohibited from entering into a contract for goods or Services with any department, institution or agency of the State.

7.8 Security and Background Checks

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

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

7.9 Assurances

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

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

7.10 Confidentiality of Offers

All offers and any other RFP responses shall be made public as required by the NC Public Records Act and N.C.G.S. § 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; or (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.

Attachment A: Definitions

- 1) **24x7:** A statement of availability of systems, communications, and/or supporting resources every hour (24) of each day (7 days weekly) throughout every year for periods specified herein. Where reasonable downtime is accepted, it will be stated herein. Otherwise, 24x7 implies NO loss of availability of systems, communications, and/or supporting resources.
- 2) **Cybersecurity Incident (N.C.G.S. § 143B-1320):** An occurrence that:
 - a. Actually or imminently jeopardizes, without lawful authority, the integrity, confidentiality, or availability of information or an information system; or
 - b. Constitutes a violation or imminent threat of violation of law, security policies, privacy policies, security procedures, or acceptable use policies.
- 3) **Deliverables:** Deliverables, as used herein, shall comprise all Hardware, Vendor Services, professional Services, Software and provided modifications to any Software, and incidental materials, including any goods, Software or Services access license, data, reports and documentation provided or created during the performance or provision of Services hereunder. Deliverables include “Work Product” and means any expression of Licensor’s findings, analyses, conclusions, opinions, recommendations, ideas, techniques, know-how, designs, programs, enhancements, and other technical information; but not source and object code or software.
- 4) **Goods:** Includes intangibles such as computer software; provided, however that this definition does not modify the definition of “goods” in the context of N.C.G.S. § 25-2-105 (UCC definition of goods).
- 5) **NCDIT or DIT:** The NC Department of Information Technology.
- 6) **Open Market Contract:** A contract for the purchase of goods or Services not covered by a term, technical, or convenience contract.
- 7) **Reasonable, Necessary or Proper:** As used herein, shall be interpreted solely by the State of North Carolina.
- 8) **Request for Proposal (RFP):** The RFP is a formal, written solicitation document typically used for seeking competition and obtaining offers for more complex services or a combination of goods and services. The RFP is used when the value is over \$10,000. This document contains specifications of the RFP, instructions to bidders and the standard IT Terms and Conditions for Goods and Related Services. User should add Supplemental Terms and Conditions for Software and Services, when applicable.
- 9) **Security Breach:** As defined in N.C.G.S. § 75-61.
- 10) **Significant Cybersecurity Incident (N.C.G.S. § 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 N.C.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.

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

Attachment B: NC Department of Information Technology Terms and Conditions

Section 1: General Terms and Conditions Applicable to All Purchases

1) **DEFINITIONS:** As used herein

- a) Agreement means the contract award pursuant to this RFP.
- b) 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.
- c) Purchasing State Agency or Agency shall mean the Agency purchasing the goods or Services.
- d) Services shall mean the duties and obligations undertaken by the Vendor under, and to fulfill, the specifications, requirements, terms, and conditions of the Agreement.
- e) State shall mean the State of North Carolina, the NC Department of Information Technology (NCDIT), 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. The 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 ninety (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, the 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 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. The 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 the 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, the 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:** The 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. The 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. The Vendor and its 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 the 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 the Vendor. If the Agreement is terminated under this paragraph, the 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 the Vendor in writing ten (10) 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 the Vendor's Product Warranties and technical representations. The State shall have the obligation to notify the 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 N.C.G.S. § 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 the 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: The 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: The 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, the Vendor shall state the projected delivery time and date. In the event the delay projected by the Vendor is unsatisfactory, the Agency shall so advise the 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 this Contract or to costs charged to this Contract. The Vendor shall retain any such books, records, and accounts for a minimum of three (3) years after the completion of this Contract. 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. The Joint Legislative Commission on Governmental Operations and the legislative employees whose primary responsibility is to provide professional or administrative services to the Commission may audit the records of the Vendor during and after the term of this Agreement to verify accounts and data affecting fees or performance in accordance with Chapter 120, Article 13.

15) ASSIGNMENT: The Vendor may not assign the Agreement or its obligations hereunder except as permitted by 09 NCAC 06B.1003 and this Paragraph. The 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. At 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. The 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 the 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 the Vendor with respect to the disclosure of the 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: The 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. The 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) The Vendor warrants that all its employees and any approved third party contractors or subcontractors are subject to a non-disclosure and confidentiality agreement enforceable in North Carolina. The Vendor will, upon request of the State, verify and produce true copies of any such agreements. Production of such agreements by the Vendor may be made subject to applicable confidentiality, non-disclosure, or privacy laws provided that the 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 the 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 N.C. Department of Information Technology or the N.C. Department of Revenue pursuant to future statutory or regulatory requirements.
- c) Non-disclosure: The Vendor agrees and specifically warrants that it, its officers, directors, principals and employees, and any subcontractors, shall hold all information received during performance of the Agreement in the strictest confidence and shall not disclose the same to any third party without the express written approval of the State.

- d) The Vendor shall protect the confidentiality of all information, data, instruments, studies, reports, records, and other materials provided to it by the Agency or maintained or created in accordance with this Agreement. No such information, data, instruments, studies, reports, records, and other materials in the possession of the 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 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 subject to a perpetual, royalty free, non-exclusive 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 the 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 the 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 the Vendor, and by such notice require performance assurance measures pursuant to N.C.G.S. § 143B-1340(f). The 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 the Vendor's performance is conditioned, the Vendor shall not be in default for any delay, cost increase or other consequences resulting from the State's failure. The 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) The 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 **Error! Reference source not found.** of the NCDIT 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 the 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 exercising 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 30) 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 the Vendor, the State may cancel and procure the articles or Services from other sources holding the 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. The Vendor shall not be relieved of liability to the State for damages sustained by the State arising from the 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 the 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. The 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. The Vendor shall not be responsible for any damages that arise from (i) misuse or modification of the Vendor's Software by or on behalf of the State, (ii) the State's failure to use corrections or enhancements made available by the 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 the 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 (2) times the value of the Contract.
- c) The foregoing limitation of liability shall not apply to claims covered by other specific provisions including, but not limited to, Service Level Agreement or Deliverable/Product Warranties pursuant to Section II, 2) of these Terms and Conditions or to claims for injury to persons or damage to tangible personal property, gross negligence or willful or wanton conduct. This limitation of liability does not apply to contributions among joint tortfeasors under N.C.G.S. § 1B-1 *et seq.*, the receipt of court costs, or attorney's fees that might be awarded by a court in addition to damages after litigation based on the Agreement. For avoidance of doubt, the Parties agree that the Service Level Agreement and Deliverable/Product Warranty Terms in the Contract are intended to provide the sole and exclusive remedies available to the State under the Contract for the Vendor's failure to comply with the requirements stated therein.

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

- a) The Vendor shall be liable for damages arising out of personal injuries and/or damage to real or tangible personal property of the State, employees of the State, persons designated by the State for training, or person(s) other than agents or employees of the Vendor, designated by the State for any purpose, prior to, during, or subsequent to delivery, installation, acceptance, and use of the Deliverables either at the Vendor's site or at the State's place of business, provided that the injury or damage was caused by the fault or negligence of the Vendor.
- b) The Vendor agrees to indemnify, defend and hold the Agency and the State and its Officers, employees, agents and assigns harmless from any liability relating to personal injury or injury to real or personal property of any kind, accruing or resulting to any other person, firm or corporation furnishing or supplying work, Services, materials or supplies in connection with the performance of the Agreement, whether tangible or intangible, arising out of the ordinary negligence, wilful or wanton negligence, or intentional acts of the Vendor, its officers, employees, agents, assigns or subcontractors.
- c) The 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: The Vendor and its employees, officers and executives, and subcontractors, if any, shall be independent contractors 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. The 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) Reserved.

b) Reserved.

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) The Vendor agrees at all times to maintain the confidentiality of its username and password for the Statewide E-Procurement Services. If the Vendor is a corporation, partnership, or other legal entity, the Vendor may authorize its employees to use its password. The Vendor shall be responsible for all activity and all charges for such employees. The 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, the Vendor shall immediately change its password and notify the Supplier Manager of the security breach by e-mail. The 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) The 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) The 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 the Vendor. The State hereby grants the Vendor a royalty-free, fully paid, worldwide, perpetual, non-exclusive license for

the 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 the 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 the 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 the Vendor less any reasonable amount for use or damage.
- e) The 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 the 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:
 - i. 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
 - ii. Terminate the work authorization, or
 - iii. Alter the scope of the work authorization in order to define tasks that can be accomplished within the remaining estimated work hours.
 - iv. 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 the Vendor for cause at any time requiring the 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 the 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. General Terms and Conditions Applicable to SaaS

1) DEFINITIONS

- a) "Data" includes 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) "Deliverable/Product Warranties" shall mean and include the warranties provided for products or deliverables licensed to the State as included in these Terms and Conditions unless superseded by the Vendor's Warranties pursuant to the Vendor's License or Support Agreements.
- c) "Services" shall mean the duties and tasks undertaken by the Vendor to fulfill the requirements and specifications of this solicitation including, without limitation, providing web browser access by authorized users to certain Vendor online software applications identified herein, and to related services, such as Vendor hosted Computer storage, databases, Support, documentation, and other functionalities, all as a Software as a Service ("SaaS") solution.
- d) "State" shall mean the State of North Carolina, the NC Department of Information Technology as an agency, or the agency identified in this solicitation as the Purchasing Agency and Award Authority.

- e) "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 right to access 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 right of access 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 the 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. The Vendor has a limited, non-exclusive license to access and use the State Data as provided to the Vendor but solely for performing its obligations under this Agreement and in confidence as provided herein.
- c) The Vendor or its suppliers shall, at a 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 Agreement 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, or 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; REMEDIES

- 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.
- b) Should any Services supplied by the Vendor become the subject of a claim of infringement of a patent, copyright, Trademark, or a trade secret in the United States, the Vendor shall, at its option and expense, either procure for the State the right to continue using the Services or replace or modify the same to become non-infringing. If neither of these options can reasonably be taken in the Vendor's judgment, or if further use shall be prevented by injunction, the Vendor agrees to cease provision of any affected Services and refund any sums the State has paid the Vendor and make every reasonable effort to assist the State in procuring substitute Services. If, in the sole opinion of the State, the cessation of use by the State of any such Services due to infringement issues makes the retention of other items acquired from the Vendor under this Agreement impractical, the State shall then have the option of terminating the Agreement, or applicable portions thereof, without penalty or termination charge and the Vendor agrees to refund any sums the State paid for unused Services.
- 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 supplied by the Vendor, their use or operation, infringes on a patent, copyright, trademark or violates a trade secret in the United States. The Vendor

shall pay those costs and damages finally awarded or agreed in a settlement against the State in any such action. 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) The 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 results from the State's material alteration of any Vendor-branded Services, or from the continued use of the good(s) or Services after receiving notice they infringe on a trade secret of a third party.

4) ACCESS AVAILABILITY; REMEDIES

- a) The Vendor warrants that the Services will be in good working order and operating in conformance with the 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 herein. 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 the 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 (12)-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 ten percent (10%) service credit will be deducted from the invoice in the month immediately following the third month, and the ten percent (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, the 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 the Vendor's written instructions relating to the Services provided to the State;
 - iii) Force Majeure conditions set forth hereinbelow; or
 - 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 the 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

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

11) TRANSPORTATION: Reserved.

12) TRAVEL EXPENSES: Reserved.

13) PROHIBITION AGAINST CONTINGENT FEES AND GRATUITIES: Reserved.

14) AVAILABILITY OF FUNDS: Reserved

15) PAYMENT TERMS

- 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

- a) Initial acceptance testing is required for all Vendor supplied Services before going live 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 the Vendor's technical representations. Acceptance of Services may be controlled by additional written terms as agreed by the parties.
- b) After initial acceptance of Services, the State shall have the obligation to notify the Vendor in writing and within ten (10) days following provision of any Deliverable described in the contract if it is not acceptable. The notice shall specify in reasonable detail the reason(s) a Deliverable is unacceptable. Acceptance by the State of any Vendor re-performance or correction shall not be unreasonably withheld but may be conditioned or delayed as required for confirmation by the State that the issue(s) in the notice have been successfully corrected.

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 or 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 the 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 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.
- f) Security Breach. "Security Breach" under the NC Identity Theft Protection Act (N.C.G.S. § 75-60 *et seq.*) means (1) any circumstance pursuant to which applicable Law requires notification of such breach to be given to affected parties or other activity in response to such circumstance (e.g., N.C.G.S. § 75-65); or (2) any actual, attempted, suspected, threatened, or reasonably foreseeable circumstance that compromises, or could reasonably be expected to compromise, either Physical Security or Systems Security (as such terms are defined below) in a fashion that either does or could reasonably be expected to permit unauthorized Processing (as defined below), use, disclosure or acquisition of or access to any the State Data or state confidential information. "Physical Security" means physical security at any site or other location housing systems maintained by the 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 the 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. The Vendor shall provide such notification within twenty-four (24) hours after the Vendor reasonably believes there has been such a disaster or catastrophic failure. In the notification, the Vendor shall inform the State of:
 - 1) The scale and quantity of the State Data loss;
 - 2) What the 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 the Vendor has taken or will take to prevent future State Data and Services loss.
- 4) If the 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.

19) ACCESS TO PERSONS AND RECORDS: The Vendor shall allow the State to audit conformance including contract terms, system security and data centers as appropriate. The State may perform this audit or contract with a third party at its discretion at the State's expense. Such reviews shall be conducted with at least thirty (30) days' advance written notice and shall not unreasonably interfere with the Service Provider's business.

20) ASSIGNMENT: Reserved.

21) NOTICES: Reserved.

22) TITLES AND HEADINGS: Reserved.

23) AMENDMENT: Reserved.

24) TAXES: Reserved.

25) GOVERNING LAWS, JURISDICTION, AND VENUE: Reserved.

26) DEFAULT: Reserved.

27) FORCE MAJEURE: Reserved.

28) COMPLIANCE WITH LAWS: Reserved.

29) TERMINATION: Reserved.

30) DISPUTE RESOLUTION: Reserved.

31) SEVERABILITY: Reserved.

32) FEDERAL INTELLECTUAL PROPERTY BANKRUPTCY PROTECTION ACT: Reserved.

33) ELECTRONIC PROCUREMENT: Reserved.

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

- 1) VENDOR'S REPRESENTATION:** The 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. The Vendor agrees that it will not enter any agreement with a third party that might

abridge any rights of the State under the Agreement. The 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 the Vendor may appear for purposes of convenience in Contract documents and shall not limit the Vendor's obligations hereunder. Such third-party subcontractors, if approved, may serve as subcontractors to the Vendor. The 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. The 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. The 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 the 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) The Vendor warrants that it has the financial capacity to perform and to continue to perform its obligations under the Contract; that the Vendor has no constructive or actual knowledge of an actual or potential legal proceeding being brought against the 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: The 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 the 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: The 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 the 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, the 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 the 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 such use does not conflict with:

- i) The terms, specifications or any amendments to the Agreement;
- ii) Any procurement law, regulation or policy; or
- iii) 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. 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 the 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) The Vendor will make every reasonable effort consistent with prevailing business practices to honor the specific requests of the State regarding assignment of the Vendor's employees. The 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 the Vendor's control, the Vendor will provide suitable personnel at no additional cost to the State.

d) The Agreement shall not prevent the Vendor or any of its personnel supplied under the Agreement from performing similar Services elsewhere or restrict the Vendor from using the personnel provided to the State provided that such use does not conflict with:

- i) The terms, specifications or any amendments to the Agreement;
- ii) Any procurement law, regulation or policy, or
- iii) Any non-disclosure agreement, or term thereof, by and between the State and the Vendor or the Vendor's personnel

Attachment C: Description of Offeror

Please provide the information requested below.

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 1st 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>

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

If yes, specify HUB classification: _____

Attachment D: Cost Form

These tables serve as a summary of the costs addressed in Section 5.1 – Offer Cost.

Vendors must fill in the table(s) below and provide on a separate sheet a detailed itemization of all costs in accordance with Section 5.1.

ITEM	DESCRIPTION	YEAR 1 COST	YEAR 2 COST	YEAR 3 COST
1	Customization and Integration			
2	Implementation Support			
3	Post-Implementation Support			
4	Training			
5	Hosting Services			
6	SaaS Subscription			
7	Other Costs: must be itemized and defined in detail			

TOTAL THREE-YEAR COST \$ _____

Attachment E: Vendor Certification Form

1) ELIGIBLE VENDOR

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

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

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

2) CONFLICT OF INTEREST

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

3) E-VERIFY

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

4) CERTIFICATE TO TRANSACT BUSINESS IN NORTH CAROLINA

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

Signature: _____ Date: _____

Printed Name: _____ Title: _____

Attachment F: Location of Workers Utilized by Vendor

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

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

Will Vendor perform any work outside of the United States?

☐ YES ☐ NO

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

Attachment G: References

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

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

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

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

Attachment H: Financial Review Form

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

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

	Latest complete fiscal year minus two years	Latest complete fiscal year minus one year	Latest complete fiscal year
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 I: Hearing Codes Reference Table

No.	Business Unit	Hearing Fee Code	Hearing Type	Hearing Description	Fee	Partial Refund
1.	LIC Theft	BCD		Hearing Bond Cancellation	\$200	\$150
2.	SADLS	CTS		Hearing Commercial Truck School	\$200	\$150
3.	SADLS	ISD		Inspection Station Denial	\$200	\$150
4.	SADLS	TLD		Insp. Station Technician License Denial	\$200	\$150
5.	SADLS	DLV		Hearing Dealer License Violation	\$200	\$150
6.	SADLS	HSV		Hearing Salesman Violation	\$200	\$150
7.	SADLS	HTV		Hearing Technician Violation	\$200	\$150
8.	SADLS	ISV		Hearing Inspection Station Violation	\$200	\$150
9.	SADLS	FDR		Hearing Franchise Dealer	\$600	\$550
10.	SADLS	ERD		Emissions and Registration Denial	\$200	\$150
11.	SADLS	MFH		Motion Filing Hearing (Under Franchise Dealer Hearing)	\$200	\$150
12.	SADLS	COF	5	Conference to determine eligibility to attend clinic conference	\$40	\$20
13.	SADLS	IIR	H	Ignition interlock mouth contaminant review	\$75	\$25
14.	SADLS	LSH	2	License Suspension/ revocation Hearing	\$100	\$50
15.	SADLS	ACR	B	Violation of Alcohol Concentration restriction	\$450	\$400
16.	SADLS	REF	8	Refusal to submit a chemical test	\$450	\$400
17.	SADLS	IIV	C	Violation of ignition interlock device	\$450	\$400
18.	SADLS	SRH	S	Safety responsibility hearing	\$200	\$150
19.	SADLS	CDL	1	CDL Disqualification hearing	\$100	\$50
20.	SADLS	LRR	D	Driving while license revoked/ moving violation hearing	\$200	\$150
21.	SADLS	INT	3	Driving while impaired interview hearing	\$225	\$175

No.	Business Unit	Hearing Fee Code	Hearing Type	Hearing Description	Fee	Partial Refund
22.	SADLS	DWI	F	Driving while impaired restoration hearing	\$425	\$375
24.	SADLS	DWR	I	Driving while license revoked/ moving violation hearing interview	\$200	\$150
25.	SADLS	COM	9	Compliance Hearing	\$220	\$170
26.	SADLS	IMA	H	Ignition Interlock Medical Accommodations	\$70	\$20
27.	SADLS	RVH		RV Dealer Hearing (Treated like Dealer Hearings)	\$200	\$150
28.	LITES	LLH		Lapse in Financial responsibility	\$60	\$10
29.	SADLS	WAV		Waiver Hearing	\$0	\$0
30.	SADLS	RPH	1	Pre-Hearing	\$100	\$50
31.	SADLS	NFH	4	No Fee Hearing – DWI Panel Hearing	\$0	\$0
32.	SADLS	NFH	6	No Fee Hearing - Interview	\$0	\$0
33.	SADLS	NFH	7	No Fee Hearing – Investigation	\$0	\$0
34.	SADLS	NFH	A	No Fee Hearing – Adm Hearing	\$0	\$0
35.	SADLS	NFH	E	No Fee Hearing – Modify	\$0	\$0
36.	SADLS	NFH	G	No Fee Hearing -DWI Restoration Conf Hearing	\$0	\$0
37.	SADLS	GHF		Generic hearing fee		
38.	SADLS /Medical	MEDICAL		Medical Hearings	\$0	\$0

Attachment J: Hearing Decisions Reference Table

Hearing Code	Hearing Type	Decisions	Probations or Conditional Restorations
RPH	Pre-Hearing - 1	Request Cancelled	
		Failed to Report	
		Not Applicable	
		No Action	
		Reinstate Original Action	Probation
LSH	Hearing - 2	Request Cancelled	
		Failed to Report	
		Not Applicable	
		No Action	
		Reduce Time	Probation
DWI	DWI - F	Request Cancelled	
		Failed to Report	
		Not Applicable	
		No Action	
		Restoration	Conditional Restoration

Attachment K: Waiver Denial Reasons

Waiver Denial Codes

Code 01: Income Above Federal Guidelines

Code 02: No Hearing Request attached

Code 03: Affidavit not notarized/signed

Code 04: Affidavit not filled out correctly

Code 05: Affidavit and request sent too late

Code 06: No Suspension on Record/ No Pending Suspension

Code 07: No income verification

LITES Waiver Denial

Code 01: Income Above Federal Guidelines

Code 02: No Hearing Request attached

Code 03: Affidavit not notarized/signed

Code 04: Affidavit was not filled out properly

Code 05: Not applicable / too early for hearing request. Registration not revoked

Code 06: No income verification

Attachment L: Refund Codes

In order to process a refund of the hearing fee, you must enter the reject code for rejecting all, part or none of the money paid.

Reject Code	Description	Refund Amount (Partial or No Refund)
RC1	Hearing is cancelled more than 10 days prior to the hearing	Partial
RC2	Hearing is cancelled less than 10 days prior to the hearing	No refund
RC3	Hearing is cancelled more than 3 days prior to the hearing	Partial
RC4	Hearing is cancelled less than 3 days prior to the hearing	No refund
BD1	Customer's hearing fee payment is returned as insufficient funds	No refund
DR3	Customer is provided a new hearing as directed by management	New hearing is set as NFH to review the first hearing procedures. If a refund is due, it will be completed under first hearing collection
IP1	Customer submitted more than the amount hearing code requested (overpayment)	Amount of Over payment
IP2	Customer submitted less than the amount hearing code requested (underpayment)	Full Refund
IP3	Customer has no suspension (no need) for a hearing	Full Refund
IP4	Customer has requested the incorrect hearing code with the incorrect fee amount	Full Refund
HD1	Authorized Users Only	Full Refund