

<b>STATE OF NORTH CAROLINA</b>  <b>OFFICE OF STATE HUMAN RESOURCES</b>	<b>REQUEST FOR PROPOSAL NO. 13-DOA797718318</b>	
	Offers will be publicly opened:	
	Issue Date: <b>01/30/2024</b>	
<b>Refer <u>ALL</u> inquiries regarding this RFP to:</b>  Chris Drew, Office of State Human Resources (OSHR) Legal / Contract Management	Commodity Number:	
	Description: Human Capital Management (HCM) Solution and Implementation Services	
	Purchasing Agency: Office of State Human Resources (OSHR)	
	Requisition No.: US - 797224591	

## OFFER

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

## EXECUTION

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

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

## SOFTWARE SERVICE PROVIDER

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

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

## IMPLEMENTATION SERVICES PROVIDER

(An SSP vendor can write "N/A" in the ISP signature box if the SSP will provide both the software and services.)

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

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

## ACCEPTANCE OF OFFER

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

### **FOR PURCHASING AGENCY USE ONLY**

Offer accepted and contract awarded this date, \_\_\_\_\_, as indicated on attached certification, by  
(Authorized representative of the Office of State Human Resources).

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## 1.0 ANTICIPATED PROCUREMENT SCHEDULE

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

Action	Responsibility	Date
RFP Issued	Agency	01/30/24
Virtual Pre-Offer Conference	Agency	02/08/24 at 9:00 AM EST
Written Questions Deadline	Potential Vendors	02/13/24 at 2:00 PM EST
Agency's Response to Written Questions/ RFP Addendum Issued	Agency	02/19/24
Offer Opening Deadline	Vendor(s)	See RFP Section 6.3.3
Offer Evaluation	Agency	TBD
Selection of Finalists	Agency	TBD
Oral Presentations and/or Product Demonstrations by Finalists	Selected Vendors	Complete by: TBD
Negotiations with Finalists	Agency designees and selected Vendor(s)	TBD
Best and Final Offers Deadline from Finalists	Selected Vendors	TBD
Contract Award	Agency	TBD
Protest Deadline	Responding Vendors	15 days after award

## **2.0 PURPOSE OF RFP**

### **2.1 INTRODUCTION**

The purpose of this RFP is to solicit Offers for a cloud-native SaaS Human Capital Management (HCM) solution and implementation services to deploy that solution.

The North Carolina Office of State Human Resources (OSHR) is seeking to acquire and deploy a comprehensive Enterprise Resource Planning (ERP) HCM software solution that integrates with the State's current SAP payroll system as designated by the North Carolina Office of the State Controller (OSC). The State's payroll system is interfaced to Oracle Cloud Financials. The State is also seeking the implementation services to deploy the HCM Solution, including the transformation of State business processes encompassed by the functions associated with the HCM Solution. The State seeks Vendor proposals that include both (a) the HCM Solution and (b) the associated implementation services.

#### **2.1.1 SSP AND ISP**

This RFP refers to the Vendor providing the comprehensive ERP HCM software solution as the Software Solution Provider (SSP). This RFP refers to the Vendor providing the implementation services as the Implementation Services Provider (ISP):

To help potential Vendor(s) understand the proposal structure for this RFP, the State highlights the following requirements, which are also stated later in this RFP.

- (a) The State is seeking proposals that include both 1) the HCM Solution and 2) the associated services to deliver the scope of applications and implementation services as defined in the RFP. Proposals that present and bid only software or only services will be disqualified upon receipt and will not be considered for contract award. (This is Requirement 3.4.1.1.)
- (b) SSPs must propose either (a) to have the implementation services be provided via a single third-party ISP or (b) to have the implementation services be provided directly by the SSP (in which case the SSP and ISP would be the same). (This is Requirement 3.4.1.2.)
- (c) ISPs that are interested in providing services under this RFP must not bid on their own for this RFP, but instead must partner with and submit joint proposals with an SSP. (This is Requirement 3.4.1.3.)
- (d) SSPs can partner with no more than one ISP per proposal. SSPs can submit only one proposal. (This is Requirement 3.4.1.4.)

#### **2.1.2 COMPONENT-BY-COMPONENT LICENSING AND IMPLEMENTATION**

The State expects Phase I of the project to include licensing and implementation of two components: (1) Recruitment/Applicant Tracking and (2) Onboarding/Offboarding. (In each case, this includes the Human Resources (HR) processes, forms and workflow required to operate these components.) This RFP will produce an Agreement that:

- (a) Establishes the terms to license and implement these Phase I components of the HCM Solution; and
- (b) Provides the State with an option in the State's sole discretion to license and implement any of the remaining HCM components as noted in the following Functional Scope (RFP Section 2.1.3). The option shall be in place for and the price set in the Agreement shall be held for sixty (60) months from the effective date of the contract awarded pursuant to this RFP.

The State expects to license and implement any additional components in phases over time, with the State making the decision in its sole discretion whether to exercise the option to add each component. OSHR currently believes that the most advantageous phasing of functionality, following Phase I, would be the core HR functionality and the remaining ancillary components. However, the State has no obligation under this RFP to exercise the option to license and implement any additional components.

### **2.1.3 FUNCTIONAL COMPONENTS / FUNCTIONAL SCOPE**

- Recruitment/Applicant Tracking and Onboarding/Offboarding - Phase I
- Human Resource Management (or 'Core HR') – Personnel Administration, Salary Administration, Organizational Management with Organizational Charting, Position Management, etc.
- Employee Self-Service (ESS)/Manager Self-Service (MSS) and Workflow
- Time and Labor, including work scheduling
- Leave Administration
- Classification and Compensation
- Position Description Management
- Payroll Integration
- Workforce Planning and Modeling
- Equal Employment Opportunity (EEO) Administration
- Learning Management
- Performance Management
- Employee Relations/Grievance Management
- Health & Safety and Incident Management
- Benefits Administration
- Billing capabilities for designated temporary employees
- Learning Management System (LMS) Billing Administration for non-employees
- Business Analytics and Reporting

The above noted Functional Scope shall not require changes to the Personnel Administration, Organizational Management, Position Management, Time Management, or other design and configuration in the State's current SAP system needed for payroll processing. OSHR and OSC would discuss potential changes to these modules that may provide inherent benefit from the vendor's solution design. This is consistent with OSC's existing change control practice. Any change considered would need to be discussed and agreed upon between OSHR and OSC.

For each component, the HCM Solution must include Business Analytics & Reporting, Mobility, Social Collaboration (where appropriate), and Artificial Intelligence (where appropriate), while ensuring security, compliance, and integration to the State's other enterprise solutions as designated.

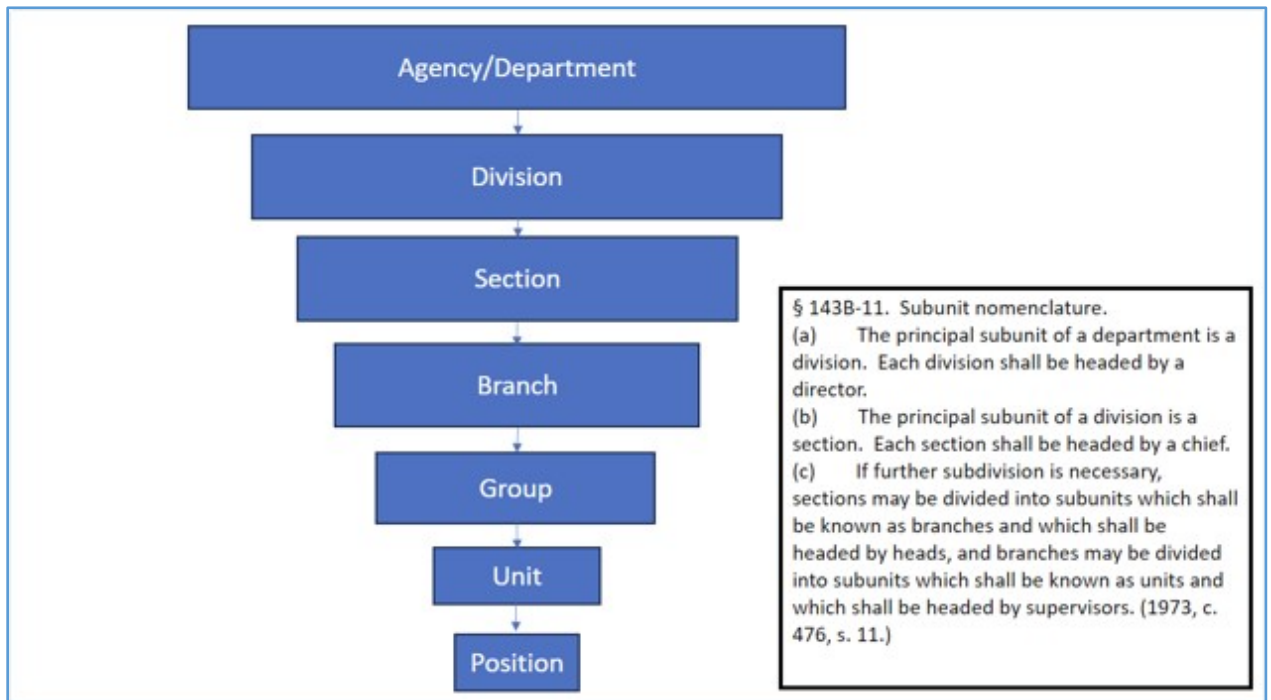
### **2.1.4 ORGANIZATIONAL SCOPE**

The proposed HCM Solution is planned to support nearly 116,000 employees/users, including employees of universities for Learning Management. There are more than 81,000 paid employees currently active in the State's SAP HR/Payroll System supporting the executive and judicial branches. There are approximately 57,000 users currently utilizing Performance Management.

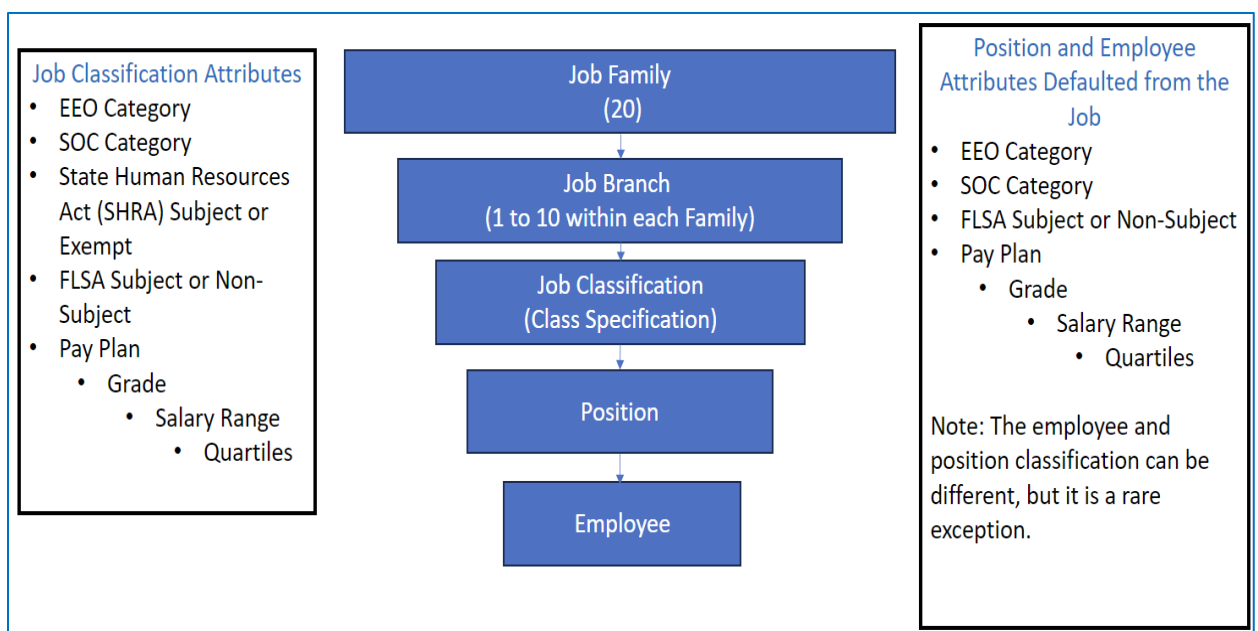
The current expectation is that all State agencies within the organizational scope will “go live” with all of the functionality at the end of each phase; however, the State may consider alternative deployment approaches if recommended by vendors responding to the RFP for ERP implementation and integration services.

The charts below show the structure of State organizational units, job classifications, and accounts.

#### 2.1.4.1 North Carolina Agencies Organizational Structure



#### 2.1.4.2 North Carolina Job Classification Structure



Follow the link to access the State’s job classification specifications structure and job codes utilized by the Executive Branch: <https://oshr.nc.gov/state-employee-resources/classification-compensation/classification/class-specs/class-specifications>



## 2.1.4.2 North Carolina Job Classification Structure

Chart Segment	Length	Description
Agency *	4	A unit of executive, legislative, or judicial branch of State Government such as an Agency, Department, Institution, Division, Commission, Board, or the University of North Carolina.
Account * (i.e., salaries)	8	Account describes the purpose of an expenditure, the type of revenues received, or the balance sheet accounts required for GAAP accounting.
Budget Fund *	6	Unique budget funds are assigned to each Agency
Agency Management Unit	7	Agency Management Unit (AMU) is used by agencies to provide reporting for organizational structure. The first 2 characters are the Agency number and the last 5 are determined based on Agency needs.
Agency Program	7	Agency Program is used by agencies to provide reporting for mission fulfillment structures. The first 2 characters are the Agency number, and the last 5 characters are based on Agency needs.
Project * (there could be a need to tie employee time entries to project codes)	10	The first 2 characters represent the Agency, the 3rd character of 'G' represents Grants.
Funding Source * (for payroll and benefit expenditures)	4	Funding Source is used to identify the source of funds for relevant transactions (appropriations, special receipts, federal funds, split funded).
Inter Fund	6	Is used to populate the Budget Fund on the other side of an Inter Fund transaction

\* = elements associated to each position for default cost accounting

## 2.2 CONTRACT TERM

The contract with the SSP awarded pursuant to this RFP shall have an effective date as provided in the Notice of Award. The term shall be **five (5) years** and will expire upon the anniversary date of the effective date unless otherwise stated in the Notice of Award, or unless terminated earlier. The State retains the option to extend the Agreement for **three (3) additional five (5) year periods** at its sole discretion.

The contract with the ISP awarded pursuant to this RFP shall have an effective date as provided in the Notice of Award. The term shall expire **one hundred twenty (120) days** after the successful implementation is complete of the Recruitment/Applicant Tracking and Onboarding/Offboarding components, unless otherwise stated in the Notice of Award, or unless terminated earlier.

### 2.2.1 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.

## 2.3 CONTRACT TYPE

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

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

## **2.4 AGENCY BACKGROUND**

OSHR serves as the Center of Human Resources Collaboration and Facilitation for the State through an integrated, professional HR function that is collaborative, strategic, and customer-focused, allowing State government to attract, retain, develop, and motivate a high-performing, diverse workforce. In compliance with the State Human Resources Act and with accountability to the Governor and the State Human Resources Commission, OSHR provides high quality human resources services that enable agencies and universities to attract, motivate, develop, and retain a competent, diverse workforce to meet their business objectives.

OSHR is responsible for ensuring effective Human Resources Administration for the State and others as designated. This responsibility includes the design, development, and support of all programs, processes, and associated compliance throughout the employee lifecycle from attraction/hire to separation/retirement and everything in between. Pursuant to N.C.G.S. § 126-1, OSHR provides for “a system of personnel administration under the Governor, based on accepted principles of personnel administration and applying the best methods as evolved in government and industry.”

## **2.5 PROBLEM STATEMENT**

Currently, the State’s system is comprised of multi-vendor solutions which are not truly integrated, and therefore additional efforts are required to ensure data remains accurate, up-to-date, and in-sync. Up to this point, OSHR has been unable to take advantage of the latest HCM-related technology advancements and cloud-based SaaS (Software as a Service) solutions.

Over the last several months, OSHR has been working with agencies across the State to address the challenges agencies are facing with their technology for recruitment, retention, and employee onboarding. It is clear that OSHR’s current technology must be upgraded in order to competitively recruit the workforce.

# **3.0 RFP REQUIREMENTS AND SPECIFICATIONS**

## **3.1 GENERAL REQUIREMENTS AND SPECIFICATIONS**

### **3.1.1 REQUIREMENTS**

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

### **3.1.2 SPECIFICATIONS**

Means, as used herein, a specification that documents the function and performance of a system or system component.

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

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

Vendors shall provide the Purchasing State Agency complete site requirement specifications for the Deliverables, if any. These specifications shall ensure that the Deliverables to be installed or implemented shall operate properly and efficiently within the site and system environment. Any

alterations or modification in site preparation, which are directly attributable to incomplete or erroneous specifications provided by the Vendor, and which would involve additional expenses to the State, shall be made at the expense of the Vendor.

#### **3.1.4 EQUIVALENT ITEMS**

Whenever a material, article or piece of equipment is identified in the specification(s) by reference to a manufacturer'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 (in which case it shall mean no substitute items will be allowed). Any material, article or piece of equipment of other manufacturers or Vendors shall perform to the standard of the item named. Equivalent offers must be accompanied by sufficient descriptive literature and/or specifications to provide for detailed comparison.

#### **3.1.5 ENTERPRISE LICENSING**

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

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

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

### **3.2 SECURITY SPECIFICATIONS**

#### **3.2.1 SOLUTIONS HOSTED ON STATE INFRASTRUCTURE**

Reserved.

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

The HR Human Capital Management (HCM) Digital Transformation Project will be required to receive and securely manage data that is classified as High Risk/ Highly Restricted. Refer to the North Carolina Statewide Data Classification and Handling Policy for more information regarding data classification. The policy is located at the following website: <https://it.nc.gov/document/statewide-data-classification-and-handling-policy>.

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

- (a) Vendors shall provide a completed Vendor Readiness Assessment Report Non-State Hosted Solutions ("VRAR") at offer submission. This report is located at the following website: <https://it.nc.gov/documents/vendor-readiness-assessment-report>
- (b) Upon request, Vendors shall provide a current independent 3<sup>rd</sup> party assessment report in accordance with the following subparagraphs (i)-(iii) prior to contract award. However, Vendors are encouraged to provide a current independent 3<sup>rd</sup> party assessment report in accordance with subparagraphs (i)-(iii) at the time of offer submission.
  - (i) Federal Risk and Authorization Management Program (FedRAMP) certification, SOC 2 Type 2, ISO 27001, or HITRUST are the preferred assessment reports for any Vendor solutions which will handle data classified as Medium Risk (Restricted) or High Risk (Highly Restricted).

(ii) A Vendor that cannot provide a preferred independent 3<sup>rd</sup> 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**

#### **3.3.1 ENTERPRISE STRATEGIES, SERVICES, AND STANDARDS**

Agencies and vendors should refer to the Vendor Resources Page for information on North Carolina Information Technology enterprise services, security policies and practices, architectural requirements, and enterprise contracts. The Vendor Resources Page can be found at the following link: <https://it.nc.gov/vendor-engagement-resources>. This site provides vendors with statewide information and links referenced throughout the RFP document. Agencies may request additional information.

#### **3.3.2 ARCHITECTURE DIAGRAMS DEFINED**

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

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

#### **3.3.3 VIRTUALIZATION**

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

#### **3.3.4 IDENTITY AND ACCESS MANAGEMENT (IAM)**

The proposed solution must externalize identity and access management. The protocols describing the State's Identity and Access Management can be found at the following link:

<https://it.nc.gov/services/vendor-engagement-resources#identity-access-management>

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

### **3.4 BUSINESS AND TECHNICAL REQUIREMENTS**

**3.4.1** The following are function(s), feature(s), or performance that Vendor(s) must meet. Proposals that do not meet these requirements will be considered non-responsive and ineligible for award.

Requirements about the Basic Features of the Proposal

- 3.4.1.1** The State is seeking proposals that include both 1) the HCM Solution and 2) the associated services to deliver the scope of applications and implementation services as defined in the RFP. Proposals that present and bid only software or only services will be disqualified upon receipt and will not be considered for contract award.
- 3.4.1.2** SSPs must propose either (a) to have the implementation services be provided via a single third-party ISP or (b) to have the implementation services be provided directly by the SSP (in which case the SSP and ISP would be the same).
- 3.4.1.3** ISPs that are interested in providing services under this RFP must not bid on their own for this RFP, but instead must partner with and submit a joint proposal with an SSP.
- 3.4.1.4** SSPs can partner with no more than one ISP. SSPs can only submit one proposal.

#### Requirements about How to Respond to the Specifications and Cost Proposal

- 3.4.1.5** The SSP and ISP shall respond to RFP Section 3.5 in one combined Excel workbook, using the Excel workbook supplied as Attachment G, *Business and Technical Specifications Form*. The ISP is responsible for completion of the response to the workbook tab named Implementation Services.
- 3.4.1.6** In response to RFP Section 4.1, the SSP and ISP must provide a combined cost proposal in Excel format, using the Excel workbook pricing format presented as *Attachment F, Cost Schedules*.
- 3.4.1.7** In response to RFP Section 4.1, the Vendor(s) must list any costs, charges, fees, or pass-through expenses to the State that are not listed in a row within *Attachment F, Cost Schedules* but would result from providing the scope of products and services associated with this RFP.

#### Requirements for Both SSP and ISP

- 3.4.1.8** The proposal must be executed/signed prior to submittal by the SSP and (unless the SSP is also serving as the ISP) also must be executed/signed prior to submittal by the ISP.
- 3.4.1.9** The SSP and ISP shall each provide a transmittal letter/executive summary, which the State prefers should be no more than two (2) pages. The Transmittal Letter/Executive Summary is an opportunity to distinguish yourself from the other vendors and highlight how you are uniquely positioned to meet the State's needs as specified in this RFP and produce the desired outcomes.
- 3.4.1.10** The SSP and ISP shall each provide references by each returning with the proposal the completed reference forms (*Attachment L – SSP and Attachment M – ISP*).

## Requirements for SSP

- 3.4.1.11** Each proposal from an SSP must include all components (recognizing that Vendors may utilize different naming conventions) within the Functional Scope listed as RFP Section 2.1.3. Each component must be fully integrated and must be provided by the same SSP, except that no more than two (2) of the bullet points listed in RFP Section 2.1.3 may be met by Specialty Solutions provided by third parties.

If any Specialty Solution is proposed to meet the State's requirements or substantially conform to specifications, the costs/fees associated with acquiring/licensing the product and the implementation costs associated with the Specialty Solution must be included in the fixed fee bid submitted in the Cost Proposal.

- 3.4.1.12** The HCM Solution shall be a cloud-native SaaS solution in a government cloud that is fully supported by the vendor and removes the State's administrative burden of software fixes/upgrades, hardware refresh cycles, backups, disaster recovery, and comprehensive technical staffing requirements.
- 3.4.1.13** The SSP must provide associated hosting services for at least three (3) instances for the pre-production and production infrastructure to include development, quality assurance and production in a cloud-native Software as a Service (SaaS) model.
- 3.4.1.14** The SSP's proposed HCM Solution must have single sign-on (SSO) functionality and integrate with the State's standard SSO/identity management service. Acceptable SSO industry standard protocols include OAuth 2.0 and OpenID Connect.
- 3.4.1.15** The SSP's proposed HCM Solution must allow for ongoing configuration changes that can be performed by the State or State designated resources without incremental cost to the State by the SSP.

## Requirements for ISP

- 3.4.1.16** The ISP must agree to deliverable-based payments as stated in this section. The State will not make payments that are purely time-based; payments must be tied to the acceptance by the State of agreed project Deliverables. The ISP shall include in *Attachment F, Cost Schedules, Schedule 6, Deliverable Payments*, a list of the proposed Deliverables and (unless the Vendor would propose no payment would be associated with the Deliverable) the associated gross payment amount for that deliverable. Not every Deliverable must have payment associated. As a performance incentive, the State will retain 15% of each deliverable payment and will pay the retainage to the ISP upon final system acceptance as provided in *Attachment B, Section 2, Paragraph 6*. ISP shall ensure that the proposed cumulative gross payments for each month do not exceed the cumulative value of the service hours proposed for the corresponding month. The grand total of deliverable-based payments, including retainage, should equal the total services cost shown on *Attachment F, Schedule 3, Implementation Services Costs*.
- 3.4.1.17** The ISP must submit documentation that it has completed, as primary provider of services (more than 50% of implementation services to customer), an implementation of the proposed (or substantially similar) software product at a US state/local government or state agency/organization.

**3.4.1.18** The ISP must agree to 25% overall of the ISP's time delivered on-site, but the State reserves the right to require less on-site time if the State determines in its sole discretion that implementation is proceeding well.

### 3.5 BUSINESS AND TECHNICAL SPECIFICATIONS

The State has developed specifications, which are provided as *RFP Attachment G Business and Technical Specifications Form*. The tabs of Attachment G are designed to be in the order of the employee lifecycle. The introductory text of Attachment G is incorporated by reference into this Section of this RFP.

To ensure that potential Vendor(s) properly respond to these specifications, the State highlights the following requirement, which is also stated above in this RFP.

The SSP and ISP shall respond to RFP Section 3.5 in one combined Excel workbook, using the Excel workbook supplied as Attachment G. The ISP is responsible for completion of the response to the workbook tab Implementation Services. (This is Requirement 3.4.1.5.)

In addition, the State prefers, but does not require, that:

- 3.5.1** The proposal responds to each specification in Attachment G.
- 3.5.2** Vendor(s) indicate in the column marked "Identify Which Vendor Is Responding" whether the answer to each specification was produced by the SSP, the ISP, or both the SSP and ISP.
- 3.5.3** For each specification, Vendor(s) respond in the column marked "Degree of Fit," selecting one of the response options provided and described below.

#### Vendor Specification Response Definitions

Responses	Response Definition
<b>SF</b>  Standard (Configurable) Functionality	<p>The proposed software provides the requested functionality without screen, code, or design changes, or any combination thereof. The product can satisfy the specification "out-of-the-box" without any modification to the vendor's standard baseline software offering. The software may require configuration using supplied configuration options or tools. The Vendor should only use "SF" if the baseline software as delivered in the current release meets the specification "as-is" or through software configuration with minimal effort.</p> <p>In the case of a report, query, or integrations related specification, the Vendor should only use "SF" if there is no development effort associated with meeting the specification (e.g., a standard delivered report). If the user would need to design a query or report to satisfy the specification, that item would be classified as "DT".</p> <p>If the product that provides this functionality is a third-party solution, not a component of the proposed ERP software, Vendors should state the name of the third-party software in the "Comments" field associated with the specification and select "Specialty Solution" in the "Solution" column. If there is a cost associated with this third-party solution, that cost must be reflected in <i>RFP Attachment F, Cost Schedules</i>.</p>



Responses	Response Definition
<b>DT</b>  Development Tools	<p>The desired feature or functionality is not available as part of the standard proposed software functionality, but customizations can be made to the standard software utilizing a delivered “development toolset” to satisfy the designated specification and does not require modifications to the system source code. Examples of customizations done using delivered tools might include adding new data fields, changing a field length, creating a query, creating an interface/integration, writing a custom report or modifying a view or screen.</p> <p>A brief explanation is required to support any proposed development. Explanations should be provided in the “Comments” section of the specification’s response, including the name of tool or toolset that is recommended. Development tools can be sourced by the ERP vendor or a viable third-party vendor. The vendor providing, licensing, or providing the development tool service should be clearly described in the “Comments” column.</p> <p>If the product that provides this functionality is a third-party solution, not a component of the proposed ERP software, Vendors should state the name of the third-party software in the “Comments” field associated with the specification and select “Specialty Solution” in the Solution column. If there is a cost or fee associated with acquiring or licensing this third-party solution, that cost or fee must be reflected in <i>RFP Attachment F, Cost Schedules</i></p>
<b>FR</b>  Provided in Future Release	<p>A future release of the proposed software will provide the requested functionality without screen, code, or design changes. The Vendor should only use “FR” if the future release of the base or third-party software will fully meet the specification and the release date has been publicly announced by the software vendor.</p> <p>A brief identifier/description of the software component, referenced release, and the expected release date should be included in the “Comments” field associated with the specification.</p>
<b>DNM</b>  Does Not Meet Specification	<p>The desired feature or functionality is not available as part of the standard (base or third-party) software functionality, or requires modifications to the system source code, or is a future release item without a scheduled release date. Without modifying the system, the specification would most likely be met by a process workaround or by interfacing to an existing legacy application.</p> <p>If selecting this option, the Vendor should add a comment in the specification’s response proposing a workaround or other method/process that could satisfy this specification for the State.</p>

**3.5.4** For each specification, Vendor(s) respond in the column marked “Solution,” selecting either the response “Proposed HCM Solution” or “Specialty Solution”. Vendors should select Specialty Solution if the response in “Degree of Fit” pertains to functionality provided in a solution other than the proposed HCM Solution.

**3.5.5** When responding to a specification where the response is “DT” (Development Tools) or where the specification is being met with a third-party product, Vendor(s) state the name of the tool, toolset, or third-party software in the “Comments” field associated with the specification.



## 4.0 COST OF VENDOR'S OFFER

### 4.1 OFFER COSTS

The Vendor(s) must list, itemize, and describe any applicable offer costs, which may include the following.

#### 4.1.1 GENERAL INFORMATION

The State has prepared a cost information template as RFP *Attachment F, Cost Schedules*, that the Vendor must use to provide its cost offer.

The State highlights the following requirements, which are also stated above in this RFP.

- (1) In response to RFP Section 4.1, the SSP and ISP must provide a combined cost proposal (unless the SSP is offering implementation services without a separate ISP) in Excel format, using the Excel workbook pricing format presented as Attachment F. (This is Requirement 3.4.1.6.)
- (2) In response to RFP Section 4.1, the Vendor(s) must list any costs, charges, fees, or pass-through expenses to the State that are not listed in a row within Attachment F but would result from providing the scope of products and services associated with this RFP. (This is Requirement 3.4.1.7.)
- (3) If any Specialty Solution is proposed to meet the State's requirements or substantially conform to specifications, the costs/fees associated with acquiring/licensing the product and the implementation costs associated with the Specialty Solution must be included in the fixed fee bid submitted in the Cost Proposal. (This is the second paragraph of Requirement 3.4.1.11.)

In the cost proposal, using the Attachment F format, the State prefers but does not require the following.

- 4.1.1.1** The Vendor may add additional rows to the Excel spreadsheet as needed, while ensuring the integrity of the formulas in the Excel spreadsheet and consistency in formatting.
- 4.1.1.2** The State prefers for the cost proposal not to contain only a partial response for a row, to not contain a note indicating that a cost cannot be estimated fully, or similar responses. Any responses of this type show a cost uncertainty that may cause Vendor(s) to be evaluated negatively by the evaluation committee.
- 4.1.1.3** The cost proposal may be submitted as a separate file from the remainder of the proposal. (The remainder of the proposal is referred to as the technical proposal.)
- 4.1.1.4** The Vendor may include a printed (PDF) copy of the cost proposal with the Excel file as part of the submission.
- 4.1.1.5** **Fiscal Year.** Because the State budgets by fiscal year, it is important that project costs are allocated properly to the corresponding fiscal year. Note that the State's fiscal year is July 1 – June 30. The first fiscal year on the cost schedules is FY24, which ends June 30, 2024. The amounts shown for services in FY24 will be for a partial fiscal year. There will also be a partial fiscal year at the end of the project if services terminate on any date other than June 30.
- 4.1.1.6** **Travel.** Regarding travel expenses, the State highlights *Section 1, Paragraph 5 of Attachment B, the Department of Information Technology Terms and Conditions*. The State will not make a specific request in writing for the Vendor(s) to be deemed eligible to be reimbursed for travel expenses arising under the performance of the Agreement. As a result, the cost proposal should be phrased without pass-through charges to the

State for travel expenses. The State requests two billing rates from the Vendor during the project: one rate that is all-inclusive of travel for on-site consulting work, and one rate that includes no travel and will be used when Vendor resources are working remotely. These rates shall be used by the Vendors in calculating its fixed fee bid and may be used by the State for any additional services requested by the State following the contract execution. The Vendor should describe in the description of its approach provided in the RFP *Attachment F, Labor Rates* the activities and percentage usage by project role for the off-site or remote work.

- 4.1.1.7** The State requests that any explanations that are necessary to help the State understand the Vendor's proposed pricing be provided on *Attachment F, Schedule 8, Cost Explanations*.

To support pricing, the State has provided some metrics about the State in RFP Section 2.1.4.

Formulas are provided in the Attachment F spreadsheet for the convenience of each Vendor. Each Vendor is responsible for the consistency and accuracy of the formulas, sums and roll-ups contained in the workbook. Any errors are solely the responsibility of each Vendor. Additional rows and columns may be added as needed. See RFP Section 4.1.1.1.

## **4.1.2 SPECIFIC INSTRUCTIONS FOR COST SCHEDULES**

The remainder of this section contains specific instructions concerning how Vendors are to address and submit the various cost schedules that are included in the Excel workbook.

### **4.1.2.1 SCHEDULE 1 – TOTAL COST SUMMARY SCHEDULE**

This schedule reflects all firm, fixed costs required to implement the proposed HCM solution software according to the implementation schedule consistent with the requirements and specifications in the RFP documents.

### **4.1.2.2 SCHEDULE 2 – SaaS COST SCHEDULE**

This Schedule provides firm, fixed costs for the proposed SaaS software and other software proposed under a SaaS delivery model. If separate pricing is available for individual components or areas of Functional Scope listed in RFP Section 2.1.3, the State requests that the Vendor list each cost separately. The basis for subscription costs describes the underlying metrics used for each of the software products components for which pricing is provided. If the Vendor is proposing different pricing during the implementation of the system or there is a variance in the pricing metric per year, then the State requests that the Vendor add a comment below the table explaining how the costs for those contract years were calculated. The Vendor should ensure the number of units proposed supports the number of users, scope of agencies, and volume provided in the RFP Section 2.1.4 to ensure satisfactory performance of the solution during the initial and renewal contract periods. If necessary, the Vendor should also use this Schedule for any specialty solutions or non-SaaS products and present them with subscription-like pricing, providing pricing details on *Attachment F, Schedule 8, Cost Explanations*.

### **4.1.2.3 SCHEDULE 3 – IMPLEMENTATION SERVICES COSTS SCHEDULE**

This Schedule within Attachment F includes for each proposed position: the proposed rates for each fiscal year, the proposed hours by month, subtotaled hours by fiscal year, subtotaled cost by fiscal year, total hours for total presented time period, and total cost for total presented time period. For positions where part of the work will be done on-site (at an all-inclusive rate) and part will be done remotely (at a lower rate with no travel), the Vendor may approach this in one of two ways:

1. The position can be entered onto two rows to distinguish these hours. Enter the on-site rate (includes travel) by year and the on-site hours, and on a second row enter the rate and hours for the off-site portion of the work.

2. Use one row. Use a blended rate for on-site and off-site work and enter all hours on this row. Delete the sample “Remote” row for the position.

This Schedule also includes subtotals for each work group, and totals for all ISP services. The State requests that proposed positions be grouped into the most appropriate staffing category by work group consistent with the template. The Implementation Services category presents separate work groups for:

- Leadership and Project Management,
- Functional/Configuration Team,
- Change Management and Training Team, and
- Technical Team.

Note in the last row in Cost Schedule, Schedule 3, Section 4, *Technical Team*, labeled “Development Pool of Hours”, the State is asking for the Vendor to quote a cost for a set number of technical development hours. The primary purpose for this Development Pool will be to develop reports, queries, dashboards and forms. This Pool may also provide development hours if other technical items, such as integrations, are added to the scope post-contract at the request of the State. If development items that were included in the fixed cost, such as integrations, are eliminated, the hours associated with that item will be added to the Pool and made available for other development items. Development items will be consumed and paid for as the additional items are developed by the ISP and accepted by the State. Any unexpended funds associated with any unused Pool hours remain with the State at contract termination. The fee for these hours will be assigned to a “Development Pool” deliverable in the Payment Schedule, not to any other project deliverable.

The provided position names may be altered, and additional rows may be added as needed.

#### **4.1.2.4 SCHEDULE 4 – OTHER COSTS SCHEDULE**

This schedule provides any other proposed non-staffing costs related to this RFP that were not included on *Attachment F, Cost Schedules 2 or 3*. Examples of other costs that might be presented on this schedule include additional software or tools required to support the implementation not already included on Cost Schedules 2 or 3. For example, if the SSP or ISP assesses a licensing fee for any project-related software that will be used during the implementation, or there is a fee for training materials or development tools, that cost can be included here.

#### **4.1.2.5 SCHEDULE 5 – LABOR RATES SCHEDULE**

Although the State will not reimburse the Vendor on a “time and materials” or “not to exceed” basis for the project Deliverables specified in this RFP (other than the Development Pool of Hours), it may be necessary to make scope changes that require assistance in areas not anticipated for which the State may consider a time and materials payment arrangement. Examples might include additional technical support or additional training development.

#### **4.1.2.6 SCHEDULE 6 – DELIVERABLES PAYMENT SCHEDULE**

As a performance incentive, the State will retain 15% of each deliverable payment to and will pay the retainage to the ISP upon final system acceptance as provided in *Attachment B, Section 2, Paragraph 6*. ISP shall ensure that the proposed cumulative gross payments for each month do not exceed the cumulative value of the service hours proposed for the corresponding month. The grand total of deliverable-based payments, including retainage, should equal the total services cost shown on Schedule 3, Implementation Services Costs.

#### **4.1.2.7 SCHEDULE 7 – OPTIONAL COSTS**

As long as the proposal meets all of the requirements in this RFP, the State may be willing to consider alternative or innovative products, services or approaches from the SSP or ISP that

would result in improved outcomes, better functionality, lower cost and/or lower risk to the State. These might include different tools or project approaches, different timelines, or any other aspect where the Vendors could offer value to the State. The State invites the Vendors to present concisely these suggested changes here. This response is an optional component. No response is required for this Section. Any product or service presented in response to this Section must be an optional added-value component, and not required to meet a requirement or service specification from this solicitation. The State may or may not consider any proposed alternatives. The costs associated with any of these alternatives may be presented as Optional Costs in the Cost Proposal. These costs will not be included in the Total Cost of Ownership that is evaluated by the State. Any products or services presented here are considered nonessential or outside the requested scope by the State and are not required per the services scope described in Section 2.1.2. The State requests that each cost component include a description, the basis for each of the cost components and the proposed cost of the component.

#### **4.1.2.8 SCHEDULE 8 – COST EXPLANATIONS**

This Schedule will include any cost explanations made by the Vendors providing a description of any explanations related to cost that are necessary to help the State understand the Vendor's proposed pricing. The State requests that the Vendor reference related cost schedules and describe the explanation as clearly and concisely as possible.

## **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 or more Deliverables.

The State highlights the following requirement, which is also stated above in this RFP.

The ISP must agree to deliverable-based payments as stated in this section. The State will not make payments that are purely time-based; payments must be tied to the acceptance by the State of agreed project Deliverables. The ISP shall include in *Attachment F, Cost Schedules, Schedule 6, Deliverable Payments*, a list of the proposed Deliverables and (unless the Vendor would propose no payment would be associated with the deliverable) the associated gross payment amount for that deliverable. Not every deliverable must have payment associated. As a performance incentive, the State will retain 15% of each deliverable payment and will pay the retainage to the ISP upon final system acceptance as provided in *Attachment B, Section 2, Paragraph 6*. ISP shall ensure that the proposed cumulative gross payments for each month do not exceed the cumulative value of the service hours proposed for the corresponding month. The grand total of deliverable-based payments, including retainage, should equal the total services cost shown on *Schedule 3, Implementation Services Costs*. (This is Requirement 3.4.1.16.)

## **5.0 EVALUATION**

### **5.1 SOURCE SELECTION**

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

- a) Evaluation Process Explanation. State Agency employees will review all offers. All offers will be initially classified as being responsive or non-responsive. If an offer is found non-responsive, it will not be considered further. All responsive offers will be evaluated based on stated evaluation criteria. Any references in an answer to another location in the RFP materials or Offer shall have specific page numbers and sections stated in the reference.

- b) To be eligible for consideration, Vendor's offer must substantially conform to the intent of all specifications. Compliance with the intent of all specifications will be determined by the State. Offers that do not meet the full intent of all specifications listed in this RFP may be deemed deficient. Further, a serious deficiency in the offer to any one (1) factor may be grounds for rejection regardless of overall score.
- c) The evaluation committee may request clarifications, an interview with or presentation from any or all Vendors as allowed by 9 NCAC 06B.0307. However, the State may refuse to accept, in full or partially, the response to a clarification request given by any Vendor. Vendors are cautioned that the evaluators are not required to request clarifications; therefore, all offers should be complete and reflect the most favorable terms. Vendors should be prepared to 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 closing date for receipt of offer, data that is essential for a complete and thorough evaluation of the offer.

## **5.2 EVALUATION CRITERIA**

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

- 1) How well the Vendor's offer conforms with the specifications
- 2) How each Vendor's offer compares with other Vendors' offers
- 3) Illustration(s) and/or explanations of adherence to Section 3.3 Enterprise Specifications
- 4) Adherence to Section 3.2 Security Specifications
- 5) Total Cost of Ownership
- 6) Vendor Schedule/Timeline for completing work
- 7) Strength of references relevant or material to technology area(s) or Specifications,
- 8) Vendors' Past Performance - The Vendor may be disqualified from any evaluation or award if the Vendor or any key personnel proposed, has previously failed to perform satisfactorily during the performance of any contract with the State, or violated rules or statutes applicable to public bidding in the State.
- 9) Risks associated with Vendor's offer, including stability of company business and financials (based on the response required by RFP Section 7.2) and any other risks.
- 10) The Transmittal Letter/Executive Summary required by RFP Section 7.15.2.

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

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

## **5.4 POSSESSION AND REVIEW**

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

After award of contract, the complete bid file will be available to any interested persons with the exception of trade secrets, test information or similar proprietary information as provided by statute and rule. Any proprietary or confidential information, which conforms to exclusions from public

records as provided by N.C.G.S. §132-1.2 must be clearly marked as such in the offer when submitted.

## **6.0 VENDOR INFORMATION AND INSTRUCTIONS**

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

#### **6.1.1 VENDOR RESPONSIBILITY**

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

The Vendor will be responsible for investigating and recommending the most effective and efficient solution. Consideration shall be given to the stability of the proposed configuration and the future direction of technology, confirming to the best of the Vendor's ability that the recommended approach is not short-lived. Several approaches may exist for hardware configurations, other products and any software. The Vendor must provide a justification for their proposed hardware, product and software solution(s) along with costs thereof. Vendors are encouraged to present explanations of benefits and merits of their proposed solutions together with any accompanying Services, maintenance, warranties, value added Services or other criteria identified herein.

#### **6.1.2 RIGHTS RESERVED**

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

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

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

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

#### **6.1.4 ORAL EXPLANATIONS**

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

### 6.1.5 E-PROCUREMENT

This is **not** an E-Procurement solicitation. Attachment B, subparagraphs 38a) and 38b) do not apply to this solicitation.

### 6.1.6 ELECTRONIC VENDOR PORTAL (EVP)

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

### 6.1.7 PROTEST PROCEDURES

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

## 6.2 GENERAL INSTRUCTIONS FOR VENDOR

### 6.2.1 VIRTUAL PRE-OFFER CONFERENCE

**Urged and Cautioned Virtual Pre-Offer Conference on Microsoft Teams**

**Date: 02/08/2024**

**Time: 9:00 AM Eastern Standard Time**

**Join on your computer, mobile app or room device**

[Click here to join the meeting](#)

Meeting ID: 291 721 825 482

Passcode: 9t6LKb

[Download Teams](#) | [Join on the web](#)

**Join with a video conferencing device**

[ncgov@m.webex.com](mailto:ncgov@m.webex.com)

Video Conference ID: 115 863 189 9

[Alternate VTC instructions](#)

**Or call in (audio only)**

+1 984-204-1487,,841589756# United States, Raleigh

Phone Conference ID: 841 589 756#

- a) The purpose of the conference is to allow the Purchasing Agency to review key priorities and objectives of the RFP and to review the submission requirements and instructions.
- b) While attendees may ask questions at the Pre-proposal Conference, the Purchasing Agency is not required to respond during the conference. The Agency will respond to written questions per the process described in this RFP.
- c) Potential Offerors are not required to attend the Pre-proposal Conference in order to submit responses to this RFP; however, they are urged and cautioned to attend the Pre-proposal Conference to apprise themselves of the conditions and requirements of the submission.

- d) The Purchasing Agency reserves the right to limit the number of representatives attending on behalf of each vendor or organization to ensure adherence to videoconference capacity limits.
- e) Statements and materials discussed at the conference are informational only, are not binding upon the Purchasing Agency and do not replace reading, reviewing and complying with this RFP.
- f) Attendees will be required to announce their name or otherwise confirm their presence via a roll call during the video conference.

### 6.2.2 QUESTIONS CONCERNING THE RFP

All inquiries regarding the solicitation specifications or requirements are to be addressed to the contact person listed on Page 1 of this solicitation. Vendor contact regarding this Solicitation with anyone other than the contact person listed on Page 1 of this Solicitation may be grounds for rejection of said Vendor's offer.

All inquiries regarding the solicitation specifications or requirements are to be addressed to the contact person listed on Page 1 of this solicitation. Vendor contact regarding this Solicitation with anyone other than the contact person listed on Page of this Solicitation may be grounds for rejection of said Vendor's offer.

Written questions concerning this Solicitation will be received until 2/13/2024 at 2pm Eastern Standard Time. They must be submitted via the Ariba Sourcing Tool's Message Board by the date and time specified above. Please enter "Questions RFP Human Capital Management (HCM) Solution and Implementation Services" as the subject for the message. Questions should be submitted in the following format:

REFERENCE	VENDOR QUESTION
RFP Section, Page Number	Vendor question...?

The Office will prepare responses to all written questions submitted by the stated deadline and post an addendum to the RFP on the North Carolina electronic Vendor Portal (eVP). The Offeror is cautioned that contacting anyone other than the individual noted on the Page 1 of this RFP may be grounds for rejection of said Offeror's response.

Questions received prior to the submission deadline date, the State's response, and any additional terms deemed necessary by the State will be posted in the Sourcing Tool in the form of an addendum and shall become an Addendum to this RFP. No information, instruction or advice provided orally or informally by any State personnel, whether made in response to a question or otherwise in connection with this RFP, shall be considered authoritative or binding. Vendors shall rely only on written material contained in an Addendum to this RFP.

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

### 6.2.3 ADDENDUM TO RFP

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



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

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

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

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

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

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

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

#### **6.2.6 ALTERNATE OFFERS**

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

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

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

An offer may not be unilaterally modified by the Vendor.

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

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

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

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

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

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

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

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

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

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

#### **6.2.12 VENDOR POINTS OF CONTACT**

##### **CONTACTS AFTER CONTRACT AWARD:**

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

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

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

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

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

- a) Limit Software Solution Provider (SSP) Vendor Responses to no more than one (1) response for this RFP.
- b) Organize the offer in the exact order in which the specifications are presented in the RFP. The execution pages of this RFP and Cost Forms 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.
- c) 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.

- d) 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.
- e) 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.
- f) 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.
- g) Any offer that does not adhere to these instructions may be deemed non-responsive and rejected on that basis.
- h) **Only information that is received in response to this RFP will be evaluated.** Reference to information previously submitted or Internet Website Addresses (URLs) will not suffice as a response to this solicitation.

### 6.3.2 OFFER ORGANIZATION

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

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

- a) Signed execution page(s)
- b) Cost Schedules (Attachment F)
- c) Table of Contents
- d) Description of Software Solutions Provider (SSP) Offeror (Attachment D)
- e) Description of Implementation Services Provider (ISP) Offeror (Attachment E)
- f) Software Solutions Provider (SSP) (with Implementation Services Provider (ISP) input) Response to Business and Technical Specifications (Attachment G)
- g) Security Vendor Readiness Assessment Report (VRAR)
- h) HCM Software Solutions Vendor Architecture Diagrams
- i) Schedule of Offered Solution
- j) Location of Workers Utilized by Software Solutions Provider (SSP) (Attachment H)
- k) Location of Workers Utilized by Implementation Services Provider (ISP) (Attachment I)
- l) Signed Software Solutions Provider (SSP) Certification Form (Attachment J)
- m) Signed Implementations Services Provider (ISP) Certification Form (Attachment K)
- n) HCM Software Solutions Vendor References (Attachment L)
- o) Implementation Services Vendor References (Attachment M)
- p) HCM Software Solutions Vendor Financial Statements (Attachment N)
- q) Implementation Services Vendor Financial Statements (Attachment O)

- r) Errata and Exceptions, if any
- s) HCM Software Solutions Vendor's License, Subscription and/or Maintenance Agreements, if any
- t) Project Organization
- u) Personnel Summary Table
- v) Résumés
- w) Supporting material such as technical system documentation (Vendor), training examples (Implementation Services Provider), etc.
- x) 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.
- y) All pages of this solicitation document (including all Attachments)

### 6.3.3 OFFER SUBMITTAL

**Due Date: 03/07/2024**  
**Time: 2:00 pm Eastern Standard Time**

The Department of Administration will be conducting live bid openings over Microsoft Teams conference call. Below is the call-in information for this procurement's bid opening scheduled for 3/7/2024 at 2:00PMpm

#### **Microsoft Teams meeting**

**Join on your computer, mobile app or room device**

[Click here to join the meeting](#)

Meeting ID: 261 637 941 189

Passcode: sMRjFM

[Download Teams](#) | [Join on the web](#)

**Join with a video conferencing device**

[ncgov@m.webex.com](mailto:ncgov@m.webex.com)

Video Conference ID: 117 126 553 9

[Alternate VTC instructions](#)

**Or call in (audio only)**

[+1 984-204-1487,,340557308#](tel:+19842041487340557308) United States, Raleigh

Phone Conference ID: 340 557 308#

**IMPORTANT NOTE:** Vendor shall bear the risk for late submission due to unintended or unanticipated delay—whether submitted electronically, delivered by hand, U.S. Postal Service, courier or other delivery service. **Vendor must include all the pages of this solicitation in their response.** It is the Vendor's sole responsibility to ensure its offer has been delivered to this Office by the specified time and date of opening. Any proposal delivered after the proposal deadline will be rejected.

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

**Attempts to submit a proposal via facsimile (FAX) machine, telephone or email in response to this Bid shall NOT be accepted.**

- a) Submit **one (1) signed, original electronic offer** through the Ariba Sourcing Module via the electronic Vendor Portal (eVP). Additional information can be found at the eVP updates for Vendors link: <https://eprocurement.nc.gov/news-events/evp-updates-vendors>.
- b) The Ariba Sourcing Module document number is: Doc797718318
- c) All File names should start with the Vendor name first, in order to easily determine all the files to be included as part of the vendor's response. For example, files should be named as follows:  
Vendor Name-your file name.
- d) File contents **SHALL NOT** be password protected, the file formats must be in .PDF, .JPEG, .DOC or .XLS format, and shall be capable of being copied to other sources. Inability by the State to open the Vendor's files may result in the Vendor's offer(s) being rejected.
- e) If the vendor's proposal contains any confidential information (as defined in Attachment B, Section 2, paragraph 18), then the vendor must provide one (1) signed, original electronic offer and one (1) redacted electronic copy.

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

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

## 7.0 OTHER REQUIREMENTS AND SPECIAL TERMS

### 7.1 VENDOR (SSP AND ISP) UTILIZATION OF WORKERS OUTSIDE OF U.S

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

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

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

### 7.2 FINANCIAL STATEMENTS

The SSP and the ISP shall provide evidence of financial stability by returning with its offer 1) completed Financial Review Form (*Attachment N – Software Solutions Provider (SSP) and Attachment O – Implementation Services Provider (ISP)*), and 2) copies of Financial Statements by each as further described hereinbelow. As used herein, Financial Statements shall exclude tax returns and compiled statements.

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

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

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

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

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

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

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

The selected ERP HCM solution will interface with over fifty (50) non-ERP systems, some of which are third-party COTS solutions and others are home grown solutions. These non-ERP systems may provide web-front end, hand-held or mobile interface to the proposed ERP HCM solution. The non-ERP systems will interface with the ERP HCM solution as described in the described in the integration specifications documented in Attachment G. The non-ERP systems may use a service account to interface with the proposed ERP HCM solution.

### **7.5 RESELLERS**

If the Offer is made by a Reseller that purchased the offered items for resale or license to the Agency, or offered based upon an agreement between the Offeror and a third party, and that the proprietary and intellectual property rights associated with the items are owned by parties other than the Reseller ("Third Parties"). The Agency further acknowledges that except for the payment to the Reseller for the Third-Party items, all of its rights and obligations with respect thereto flow from and to the Third Parties. The Reseller shall provide the Agency with copies of all documentation and warranties for the Third-Party items which are provided to the Reseller. The Reseller shall assign all applicable third-party warranties for Deliverables to the Agency. The State reserves all rights to utilize existing agreements with such Third Parties or to negotiate agreements with such Third Parties as the State deems necessary or proper to achieve the intent of this RFP.

### **7.6 DISCLOSURE OF LITIGATION**

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

- a) The Vendor shall notify the State in its offer, if it, or any of its subcontractors, or their officers, directors, or key personnel who may provide Services under any contract awarded pursuant to this solicitation, have ever been convicted of a felony, or any crime involving moral turpitude, including, but not limited to fraud, misappropriation or deception. The Vendor shall promptly notify the State of any criminal litigation, investigations or proceeding involving the Vendor or any subcontractor, or any of the foregoing entities' then current officers or directors during the term of the Agreement or any Scope Statement awarded to the Vendor.
- b) The Vendor shall notify the State in its offer, and promptly thereafter as otherwise applicable, of any civil litigation, arbitration, proceeding, or judgments against it or its subcontractors during the three (3) years preceding its offer, or which may occur during the term of any awarded to the Vendor pursuant to this solicitation, that involve: (1) Services or related goods similar to those provided pursuant to any contract and that involve a claim that may affect the viability or financial stability of the Vendor, or (2) a claim or written allegation of fraud by the Vendor or any subcontractor hereunder, arising out of their business activities, or (3) a claim or written allegation that the Vendor or any subcontractor hereunder violated any federal, state or local statute, regulation or ordinance. Multiple lawsuits and or judgments against the Vendor or subcontractor shall be disclosed to the State to the extent they affect the financial solvency and integrity of the Vendor or subcontractor.
- c) All notices under subsection A and B herein shall be provided in writing to the State within thirty (30) calendar days after the Vendor learns about any such criminal or civil matters; unless such matters are governed by the DIT Terms and Conditions annexed to the solicitation. Details of settlements which are prevented from disclosure by the terms of the settlement shall be annotated as such. Vendor may rely on good faith certifications of its subcontractors addressing the foregoing, which certifications shall be available for inspection at the option of the State.

## **7.7 CRIMINAL CONVICTION**

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

## **7.8 SECURITY AND BACKGROUND CHECKS**

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

All 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, (3) information independently developed or acquired by the Vendor or its personnel without reliance in any way on otherwise protected information of the State. Notwithstanding the foregoing restrictions, the Vendor and its personnel may use and disclose any information which it is otherwise required by law to disclose, but in each case only after the State has been so notified, and has had the opportunity, if possible, to obtain reasonable protection for such information in connection with such disclosure.

## **7.11 PROJECT MANAGEMENT**

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

## **7.12 MEETINGS**

The Vendors are required to meet with Agency personnel, or designated representatives, to resolve technical or contractual problems that may occur during the term of the Agreement. Project Governance Meetings will occur at least monthly or as problems arise and will be coordinated by Agency. SSP and ISP will be given reasonable and sufficient notice of meeting dates, times, and locations.

## **7.13 RECYCLING AND SOURCE REDUCTION**

Reserved.

## **7.14 SPECIAL TERMS AND CONDITIONS**

**7.14.1** If any third-party software is proposed to satisfy the State's requirements or specifications, the formation of the Agreement with the Vendor(s) shall be contingent upon the negotiation and execution of a separate agreement between the State and the third-party vendor of that software.

### **7.14.2 COMPREHENSIVE IMPLEMENTATION SERVICES**



(a) The State is seeking implementation consulting services from an ISP who has experience implementing and deploying the proposed HCM solution in a public sector organization. Based on the scoping information provided in this RFP and its attachments, ISPs will quote a fixed fee price for implementation services.

(b) For ISPs' reference in preparing their response, the State has included a Model SOW, as a sample only, as RFP Attachment P, *Model Statement of Work*. The Statement of Work between the ISP and the State will be revised and finalized as part of the final Agreement between the State and the ISP. An SOW from the vendors is not a requirement for this response.

(c) The ISP should propose all Services necessary to deploy the scope proposed in Phase I whereby the State desires to implement Recruitment/Applicant Tracking and Onboarding/Offboarding (including the HR processes, forms and workflow required to operate these components). The State also expects that the corresponding general specifications and technical specifications will be met accordingly with the components implemented.

### **7.14.3 PROJECT TEAM**

#### **7.14.3.1 Project Organization**

(a) ISP should provide a narrative description of the recommended project organization for the implementation project and proposed organization chart(s) for the project team including all recommended roles for ISP and State staff. Additionally, the ISP shall provide a table showing all roles (ISP and the State) proposed for the engagement with a brief description of the responsibilities, the recommended staffing level, recommended timing, and expected source (ISP, the State) of personnel for each listed role. The State anticipates that certain members of the State's project team supporting OCM, Communications and Training will not be required until the system design and development activities phase are nearing completion. As part of the ISP's response to this section, the ISP should identify the timing for when these State project team members will be needed. For ISP resources, include at least the Key Personnel listed in your response to 7.14.3.2 below.

(b) As part of the response to RFP Section 7.14.3, *Project Team*, Vendor should name at least nine staff as Key Personnel: Project Manager for the engagement, at least two (2) to three (3) Functional leads, a Technical lead/Integration lead, a Reporting lead, a Test lead, a senior Communications lead, a senior Organizational Change Management (OCM) lead, and a senior Training lead. The State requires named resources for the nine key positions and will not accept representative resumes for the key roles. The State expects that the nine named Key Personnel will be the resources assigned to the project.

(c) The State expects that the Design/Architect phase will include review of critical business processes and the organizational structure.

#### **7.14.3.2 Personnel Summary Table**

(a) The ISP should provide a Personnel Summary Table listing key ISP personnel assigned to the project. ISP will name at least seven staff as Key Personnel: the Project Manager for the engagement, at least two (2) – three (3) Functional leads, a Technical lead, a Change Management lead and a Communications lead. If other proposed non-key ISP personnel are known, they may also be included in the table below. As illustrated by the example below, the Personnel Summary Table must include the proposed role(s), employee name, total years of relevant implementation experience, years of experience in the proposed role, list of significant clients in the proposed role, and relevant certifications.

(b) The State requires named resources for the nine key positions and will not accept representative resumes for the key roles. The State expects that the nine named Key Personnel will be the resources assigned to the project. The State has a strong preference that the ISP PM have the PMP (Project Management Professional) certification.

### Format for Offeror Personnel Summary Table

Proposed Role(s)	Resource Name	Firm	Experience Summary
EXAMPLE: Project Manager	John Smith	X Consulting	4 years Product Y implementation experience, 5 years as project manager on 2 similar projects, Client Name, PMP certification

#### 7.14.3.3 Resumes

The ISP should provide resumes for each role to be filled by the ISP. In addition to the resumes for the nine key personnel listed above (required), ISPs may provide brief resumes for other staff who will fill that role or representative of the person who will fill that role. Resumes shall include the following information:

- Name of resource;
- Proposed role on project;
- Education and training;
- Summary of relevant experience (including start and end dates);
- Experience implementing proposed software;
- Public sector experience;
- Other relevant experience; and
- Employee of Offeror or subcontractor.

## ATTACHMENT A: DEFINITIONS.

**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.

**ADA:** The Americans with Disabilities Act.

**Agreement** is defined in Section 1, Paragraph 1 of Attachment B.

**AI:** Artificial Intelligence. The field concerned with developing techniques to allow computers to act in a manner that seems like an intelligent organism, such as a human would. The aims vary from the weak end, where a program seems “a little smarter” than one would expect, to the strong end, where the attempt is to develop a fully conscious, intelligent, computer-based entity. The lower end is continually disappearing into the general computing background, as the software hardware evolves. (NIST Glossary of AI Terms, March 2023)

**Algorithm:** A set of computational rules to be followed to solve a mathematical problem. More recently, the term has been adopted to refer to a process to be followed, often by a computer. (NIST Glossary of AI Terms, March 2023)

**BSI:** Business Software Inc., the third-party payroll tax provider solution utilized by SAP HCM.

**Cloud-Native SaaS Solution:** Cloud-Native refers to something created to optimally leverage or implement cloud characteristics. Those cloud characteristics are part of the original definition of cloud computing, and include capabilities delivered as a service. Cloud computing characteristics also include scalable and elastic, shared, metered by use, service-based, and ubiquitous by means of internet technologies.

**Cybersecurity Incident (NCGS § 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.

**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.

**Deliverable/Product Warranties** is defined in Section 1, Paragraph 1 of Attachment B.

**DCFSA:** Dependent Care Flexible Spending Account.

**EDI:** Electronic Data Interchange.

**EEO:** Equal Employment Opportunity.

**EFT:** Electronic Funds Transfer.

**EOI:** Evidence of Insurability.

**ERP:** Enterprise Resource Planning.

**ESS:** Employee Self-Service.

**FBR:** Financial Backbone Replacement (Project).

**FICA:** Federal Insurance Contributions Act.

**FICO:** Financial Accounting (FI) and Controlling (CO); SAP FICO module bridges SAP Payroll to the State’s Financial System.

**FLSA:** The Fair Labor Standards Act.

**FSA:** Flexible Spending Account.

**FTE:** Full-time Equivalent.

**FYTD:** Fiscal Year-to-Date.

**Generative AI:** A kind of artificial intelligence capable of generating new content, such as code, images, music, text (e.g., ChatGPT), simulations, 3D objects, videos, and so on. It is also considered an important part of AI research and development, as it has the potential to revolutionize many industries, including entertainment, art, and design. (National Institute of Standards and Technology (NIST) Glossary of AI Terms, March 2023)

**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).

**HBR:** Health Benefits Representative.

**HCM:** Human Capital Management.

**HCM Solution:** The Enterprise Resource Planning HCM software solution resulting from the Agreement to be awarded pursuant to this RFP.

**HR:** Human Resources.

**ISP:** Implementation Services Provider. The distinction between the ISP and SSP is discussed in RFP Section 2.1.

**KPI:** Key Performance Indicators.

**LI:** Legislative Increases, when the North Carolina State Budget provides for a mandatory base pay increase for designated employees.

**LMS:** Learning Management System.

**LOA:** Leave of Absence.

**ML:** Machine Learning – the study or the application of computer algorithms that improve automatically through experience. Machine learning algorithms build a model based on training data in order to perform a specific task, like aiding in prediction or decision-making processes, without necessarily being explicitly programmed to do so. (National Institute of Standards and Technology (NIST) Glossary of AI Terms, March 2023).

**MOU:** Memorandum of Understanding.

**MSS:** Manager Self-Service.

**NC:** North Carolina.

**NCDIT or DIT:** The NC Department of Information Technology.

**NCFlex:** The State of North Carolinas Section 125 Cafeteria Plan for benefits (taxable and non-taxable).

**NCID:** NC Identity Management.

**NCVIP:** NC Valuing Individual Performance (Employee Performance Management).

**OM:** Organizational Management.

**Open Market Contract:** A contract for the purchase of goods or Services not covered by a term, technical, or convenience contract.

**OSC:** Office of the State Controller.

**OSHR:** Office of State Human Resources.

**PA:** Personnel Administration.

**PDF:** Portable Document Format.

**PDH:** Professional Development Hours.

**Purchasing State Agency** is defined in Section 1, Paragraph 1 of Attachment B.

**PY:** Payroll.

**QLE:** Qualifying Life Event.

**Reasonable, Necessary or Proper:** as used herein shall be interpreted solely by the State of North Carolina.

**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.

**Responsible AI:** An AI system that aligns development and behavior to goals and values. This includes developing and fielding AI technology in a manner that is consistent with democratic values. (National Institute of Technology and Standards (NIST) Glossary of AI Terms, March 2023).

**RIF:** Reduction in Workforce.

**Security Breach:** As defined in N.C.G.S. §75-61.

**Services** is defined in Section 1, Paragraph 1 of Attachment B.

**Significant Security Incident (GS 143B-1320):** A cybersecurity incident that is likely to result in demonstrable harm to the State's security interests, economy, critical infrastructure, or to the public confidence, civil liberties, or public health and safety of the residents of North Carolina. A significant cybersecurity incident is determined by the following factors:

- a. Incidents that meet thresholds identified by the Department jointly with the Department of Public Safety that involve information:
  - i. That is not releasable to the public and that is restricted or highly restricted according to Statewide Data Classification and Handling Policy; or
  - ii. That involves the exfiltration, modification, deletion, or unauthorized access, or lack of availability to information or systems within certain parameters to include (i) a specific threshold of number of records or users affected as defined in G.S. 75-65 or (ii) any additional data types with required security controls.

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.

**SMS:** Short Message Service.

**SOC:** Standard Occupational Classification.

**Solution:** The overall solution to be implemented. For the purposes of this RFP, the term "solution" should be considered the same as "system."

**Specialty Solution:** A third-party software solution that provides specific functionality or technology to complement ERP systems. Specialty Solutions are sometimes referred to as "bolt-ons."

**SSO:** Single Sign-On.

**SSP:** Software Solution Provider. The distinction between the ISP and SSP is discussed in RFP Section 2.1.

**State** is defined in Section 1, Paragraph 1 of Attachment B.

**System:** The overall solution to be implemented. For the purposes of this RFP, the term "solution" should be considered the same as "system."

**Temporary Solutions:** Temporary Solutions is a program of the North Carolina Office of State Human Resources (OSHR). The program provides State government agencies with a variety of services designed to fill temporary positions with highly qualified candidates and monitor agency compliance with temporary employment laws and policies. Temporary Solutions provides the names of qualified candidates to agencies, processes payroll, withholds state and federal taxes, and verifies employment eligibility. Temporary Solutions also provides recruitment and onboarding services and ensures that eligible temporary workers are offered employer-provided health insurance.

**TKU:** Timekeeping Unit.

**TM:** Time Management.

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



# ATTACHMENT B: DEPARTMENT OF INFORMATION TECHNOLOGY TERMS AND CONDITIONS

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

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

Agreement means the contract awarded pursuant to this RFP.

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

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

Services shall mean the duties and tasks undertaken by the Vendor to fulfill the requirements and specifications of this solicitation, 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.

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

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

rule or regulatory authority that require compliance by the State. In such event, Vendor shall use its best efforts to comply with the required restrictions or changes. If compliance cannot be achieved by the date specified by the State, the State may terminate the Agreement and compensate Vendor for sums then due under the Agreement.

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



the Purchase Order, contract with a different Vendor, and to invoice the original Vendor for any differential in price over the original Contract price.

- 10) PAYMENT TERMS:** Monthly Payment terms are Net 30 days after receipt of correct invoice (with completed timesheets for Vendor personnel) and acceptance of one or more of the Deliverables, under milestones or otherwise as may be provided in Paragraph 9 (Acceptance), or elsewhere in this solicitation, unless a period of more than thirty (30) days is required by the Agency. The Purchasing State Agency is responsible for all payments under the Agreement. No additional charges to the Agency will be permitted based upon, or arising from, the Agency's use of a Business Procurement Card. The State may exercise any and all rights of Set Off as permitted in Chapter 105A-1 *et. seq.* of the N.C. General Statutes and applicable Administrative Rules. Upon Vendor's written request of not less than thirty (30) days and approval by the State or Agency, the Agency may:
- Forward the Vendor's payment check(s) directly to any person or entity designated by the Vendor, or
  - Include any person or entity designated in writing by Vendor as a joint payee on the Vendor's payment check(s); however,
  - In no event shall such approval and action obligate the State to anyone other than the Vendor and the Vendor shall remain responsible for fulfillment of all Contract obligations.
- 11) EQUAL EMPLOYMENT OPPORTUNITY:** Vendor shall comply with all Federal and State requirements concerning fair employment and employment of the disabled, and concerning the treatment of all employees without regard to discrimination by reason of race, color, religion, sex, national origin or physical disability.
- 12) ADVERTISING/PRESS RELEASE:** The Vendor absolutely shall not publicly disseminate any information concerning the Agreement without prior written approval from the State or its Agent. For the purpose of this provision of the Agreement, the Agent is the Purchasing Agency Contract Administrator unless otherwise named in the solicitation documents.
- 13) LATE DELIVERY:** Vendor shall advise the Agency contact person or office immediately upon determining that any Deliverable will not, or may not, be delivered or performed at the time or place specified. Together with such notice, Vendor shall state the projected delivery time and date. In the event the delay projected by Vendor is unsatisfactory, the Agency shall so advise Vendor and may proceed to procure the particular substitute Services or other Deliverables.
- 14) ACCESS TO PERSONS AND RECORDS:** Pursuant to N.C.G.S. §147-64.7, the Agency, the State Auditor, appropriate federal officials, and their respective authorized employees or agents are authorized to examine all books, records, and accounts of the Vendor insofar as they relate to transactions with any department, board, officer, commission, institution, or other agency of the State of North Carolina pursuant to the performance of the Agreement or to costs charged to the Agreement. The Vendor shall retain any such books, records, and accounts for a minimum of three (3) years after the completion of the Agreement. Additional audit or reporting requirements may be required by any Agency, if in the Agency's opinion, such requirement is imposed by federal or state law or regulation.
- 15) ASSIGNMENT:** Vendor may not assign the Agreement or its obligations hereunder except as permitted by 09 NCAC 06B.1003 and this Paragraph. Vendor shall provide reasonable notice of not less than thirty (30) days prior to any consolidation, acquisition, or merger. Any assignee shall affirm the Agreement attorning and agreeing to the terms and conditions agreed, and that Vendor shall affirm that the assignee is fully capable of performing all obligations of Vendor under the Agreement. An assignment may be made, if at all, in writing by the Vendor, Assignee and the State setting forth the foregoing obligation of Vendor and Assignee.
- 16) INSURANCE COVERAGE:** During the term of the Agreement, the Vendor at its sole cost and expense shall provide commercial insurance of such type and with such terms and limits as may be reasonably associated with the Agreement. As a minimum, the Vendor shall provide and maintain the following coverage and limits:
- Worker's Compensation** - The Vendor shall provide and maintain Worker's Compensation Insurance, as required by the laws of North Carolina, as well as employer's liability coverage with minimum limits of \$100,000.00, covering all of Vendor's employees who are engaged in any work under the Agreement. If any work is sublet, the Vendor shall require the subcontractor to provide the same coverage for any of his employees engaged in any work under the Agreement; and

- b) **Commercial General Liability** - General Liability Coverage on a Comprehensive Broad Form on an occurrence basis in the minimum amount of \$2,000,000.00 Combined Single Limit (Defense cost shall be in excess of the limit of liability); and
  - c) **Automobile** - Automobile Liability Insurance, to include liability coverage, covering all owned, hired and non-owned vehicles, used in connection with the Agreement. The minimum combined single limit shall be \$500,000.00 bodily injury and property damage; \$500,000.00 uninsured/under insured motorist; and \$5,000.00 medical payment; and
  - d) Providing and maintaining adequate insurance coverage described herein is a material obligation of the Vendor and is of the essence of the Agreement. All such insurance shall meet all laws of the State of North Carolina. Such insurance coverage shall be obtained from companies that are authorized to provide such coverage and that are authorized by the Commissioner of Insurance to do business in North Carolina. The Vendor shall at all times comply with the terms of such insurance policies, and all requirements of the insurer under any such insurance policies, except as they may conflict with existing North Carolina laws or the Agreement. The limits of coverage under each insurance policy maintained by the Vendor shall not be interpreted as limiting the Vendor's liability and obligations under the Agreement.
- 17) DISPUTE RESOLUTION:** The parties agree that it is in their mutual interest to resolve disputes informally. A claim by the Vendor shall be submitted in writing to the Agency Contract Administrator for decision. A claim by the State shall be submitted in writing to the Vendor's Contract Administrator for decision. The Parties shall negotiate in good faith and use all reasonable efforts to resolve such dispute(s). During the time the Parties are attempting to resolve any dispute, each shall proceed diligently to perform their respective duties and responsibilities under the Agreement. If a dispute cannot be resolved between the Parties within thirty (30) days after delivery of notice, either Party may elect to exercise any other remedies available under the Agreement, or at law. This term shall not constitute an agreement by either party to mediate or arbitrate any dispute.
- 18) CONFIDENTIALITY:** In accordance with N.C.G.S. §143B-1350(e) and 143B-1375, and 09 NCAC 06B.0103 and 06B.1001, the State may maintain the confidentiality of certain types of information described in N.C.G.S. §132-1 *et seq.* Such information may include trade secrets defined by N.C.G.S. §66-152 and other information exempted from the Public Records Act pursuant to N.C.G.S. §132-1.2. Vendor may designate appropriate portions of its response as confidential, consistent with and to the extent permitted under the Statutes and Rules set forth above, by marking the top and bottom of pages containing confidential information with a legend in boldface type "**CONFIDENTIAL**". By so marking any page, the Vendor warrants that it has formed a good faith opinion, having received such necessary or proper review by counsel and other knowledgeable advisors that the portions marked confidential meet the requirements of the Rules and Statutes set forth above. ***However, under no circumstances shall price information be designated as confidential.*** The State may serve as custodian of Vendor's confidential information and not as an arbiter of claims against Vendor's assertion of confidentiality. If an action is brought pursuant to N.C.G.S. §132-9 to compel the State to disclose information marked confidential, the Vendor agrees that it will intervene in the action through its counsel and participate in defending the State, including any public official(s) or public employee(s). The Vendor agrees that it shall hold the State and any official(s) and individual(s) harmless from any and all damages, costs, and attorneys' fees awarded against the State in the action. The State agrees to promptly notify the Vendor in writing of any action seeking to compel the disclosure of Vendor's confidential information. The State shall have the right, at its option and expense, to participate in the defense of the action through its counsel. The State shall have no liability to Vendor with respect to the disclosure of Vendor's confidential information ordered by a court of competent jurisdiction pursuant to N.C.G.S. §132-9 or other applicable law.
- a) Care of Information: Vendor agrees to use commercial best efforts to safeguard and protect any data, documents, files, and other materials received from the State or the Agency during performance of any contractual obligation from loss, destruction or erasure. Vendor agrees to abide by all facilities and security requirements and policies of the agency where work is to be performed. Any Vendor personnel shall abide by such facilities and security requirements and shall agree to be bound by the terms and conditions of the Agreement.
  - b) Vendor warrants that all its employees and any approved third-party Vendors or subcontractors are subject to a non-disclosure and confidentiality agreement enforceable in North Carolina. Vendor will,

upon request of the State, verify and produce true copies of any such agreements. Production of such agreements by Vendor may be made subject to applicable confidentiality, non-disclosure or privacy laws; provided that Vendor produces satisfactory evidence supporting exclusion of such agreements from disclosure under the N.C. Public Records laws in N.C.G.S. §132-1 *et seq.* The State may, in its sole discretion, provide a non-disclosure and confidentiality agreement satisfactory to the State for Vendor's execution. The State may exercise its rights under this subparagraph as necessary or proper, in its discretion, to comply with applicable security regulations or statutes including, but not limited to 26 USC 6103 and IRS Publication 1075, (Tax Information Security Guidelines for Federal, State, and Local Agencies), HIPAA, 42 USC 1320(d) (Health Insurance Portability and Accountability Act), any implementing regulations in the Code of Federal Regulations, and any future regulations imposed upon the Department of Information Technology or the N.C. Department of Revenue pursuant to future statutory or regulatory requirements.

- c) Nondisclosure: Vendor agrees and specifically warrants that it, its officers, directors, principals and employees, and any subcontractors, shall hold all information received during performance of the Agreement in the strictest confidence and shall not disclose the same to any third party without the express written approval of the State.
- d) The Vendor shall protect the confidentiality of all information, data, instruments, studies, reports, records and other materials provided to it by the Agency or maintained or created in accordance with this Agreement. No such information, data, instruments, studies, reports, records and other materials in the possession of Vendor shall be disclosed in any form without the prior written consent of the State Agency. The Vendor will have written policies governing access to and duplication and dissemination of all such information, data, instruments, studies, reports, records and other materials.
- e) All project materials, including software, data, and documentation created during the performance or provision of Services hereunder that are not licensed to the State or are not proprietary to the Vendor are the property of the State of North Carolina and must be kept confidential or returned to the State, or destroyed. Proprietary Vendor materials shall be identified to the State by Vendor prior to use or provision of Services hereunder and shall remain the property of the Vendor. Derivative works of any Vendor proprietary materials prepared or created during the performance of provision of Services hereunder shall be subject to a perpetual, royalty free, nonexclusive license to the State.

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

- a) If Vendor fails to deliver or provide correct Services or other Deliverables within the time required by the Agreement, the State shall provide written notice of said failure to Vendor, and by such notice require performance assurance measures pursuant to N.C.G.S. 143B-1340(f). Vendor is responsible for the delays resulting from its failure to deliver or provide services or other Deliverables.
- b) Should the State fail to perform any of its obligations upon which Vendor's performance is conditioned, Vendor shall not be in default for any delay, cost increase or other consequences resulting from the State's failure. Vendor will use reasonable efforts to mitigate delays, costs or expenses arising from assumptions in the Vendor's offer documents that prove erroneous or are otherwise invalid. Any deadline that is affected by any such failure in assumptions or performance by the State shall be extended by an amount of time reasonably necessary to compensate for the effect of such failure.
- c) Vendor shall provide a plan to cure any delay or default if requested by the State. The plan shall state the nature of the delay or default, the time required for cure, any mitigating factors causing or tending to cause the delay or default, and such other information as the Vendor may deem necessary or proper to provide.
- d) If the prescribed acceptance testing stated in the Solicitation Documents or performed pursuant to Paragraph 9) of the DIT Terms and Conditions is not completed successfully, the State may request substitute Software, cancel the portion of the Contract that relates to the unaccepted Software, or continue the acceptance testing with or without the assistance of Vendor. These options shall remain

in effect until such time as the testing is successful or the expiration of any time specified for completion of the testing. If the testing is not completed after exercise of any of the State's options, the State may cancel any portion of the contract related to the failed Software and take action to procure substitute software. If the failed software (or the substituted software) is an integral and critical part of the proper completion of the work for which the Deliverables identified in the solicitation documents or statement of work were acquired, the State may terminate the entire contract.

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

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

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

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

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

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

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

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

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

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

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

**27) TRANSPORTATION:** Transportation of any tangible Deliverables shall be FOB Destination; unless otherwise specified in the solicitation document or purchase order. Freight, handling, hazardous material charges, and distribution and installation charges shall be included in the total price of each item. Any additional charges shall not be honored for payment unless authorized in writing by the Purchasing State Agency. In cases where parties, other than the Vendor ship materials against this order, the shipper must be instructed to show the purchase order number on all packages and shipping manifests to ensure proper identification and payment of invoices. A complete packing list must accompany each shipment.

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

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

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

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

during the term of the Agreement. Applicable State or local sales taxes shall be invoiced as a separate item.

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

- a) The Agreement is made under and shall be governed and construed in accordance with the laws of the State of North Carolina and applicable Administrative Rules. The place of the Agreement or purchase order, its situs and forum, shall be Wake County, North Carolina, where all matters, whether sounding in Contract or in tort, relating to its validity, construction, interpretation and enforcement shall be determined. Vendor agrees and submits, solely for matters relating to the Agreement, to the jurisdiction of the courts of the State of North Carolina, and stipulates that Wake County shall be the proper venue for all matters.
- b) Except to the extent the provisions of the Contract are clearly inconsistent therewith, the applicable provisions of the Uniform Commercial Code as modified and adopted in North Carolina shall govern the Agreement. To the extent the Contract entails both the supply of "goods" and "Services," such shall be deemed "goods" within the meaning of the Uniform Commercial Code, except when deeming such Services as "goods" would result in a clearly unreasonable interpretation.

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

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

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

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

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

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

- a) 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) Vendor agrees at all times to maintain the confidentiality of its username and password for the Statewide E-Procurement Services. If a Vendor is a corporation, partnership or other legal entity,

then the Vendor may authorize its employees to use its password. Vendor shall be responsible for all activity and all charges for such employees. Vendor agrees not to permit a third party to use the Statewide E-Procurement Services through its account. If there is a breach of security through the Vendor's account, Vendor shall immediately change its password and notify the Supplier Manager of the security breach by e-mail. Vendor shall cooperate with the state and the Supplier Manager to mitigate and correct any security breach.

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

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

**40) UNANTICIPATED TASKS** In the event that additional work must be performed that was wholly unanticipated, and that is not specified in the Agreement, but which in the opinion of both parties is necessary to the successful accomplishment of the contracted scope of work, the procedures outlined in

this article will be followed. For each item of unanticipated work, the Vendor shall prepare a work authorization in accordance with the State's practices and procedures.

- a) It is understood and agreed by both parties that all of the terms and conditions of the Agreement shall remain in force with the inclusion of any work authorization. A work authorization shall not constitute a contract separate from the Agreement, nor in any manner amend or supersede any of the other terms or provisions of the Agreement or any amendment hereto.
- b) Each work authorization shall comprise a detailed statement of the purpose, objective, or goals to be undertaken by the Vendor, the job classification or approximate skill level or sets of the personnel required, an identification of all significant material then known to be developed by the Vendor's personnel as a Deliverable, an identification of all significant materials to be delivered by the State to the Vendor's personnel, an estimated time schedule for the provision of the Services by the Vendor, completion criteria for the work to be performed, the name or identification of Vendor's personnel to be assigned, the Vendor's estimated work hours required to accomplish the purpose, objective or goals, the Vendor's billing rates and units billed, and the Vendor's total estimated cost of the work authorization.
- c) All work authorizations must be submitted for review and approval by the procurement office that approved the original Contract and procurement. This submission and approval must be completed prior to execution of any work authorization documentation or performance thereunder. All work authorizations must be written and signed by the Vendor and the State prior to beginning work.
- d) The State has the right to require the Vendor to stop or suspend performance under the "Stop Work" provision of the North Carolina Department of Information Technology Terms and Conditions.
- e) The Vendor shall not expend Personnel resources at any cost to the State in excess of the estimated work hours unless this procedure is followed: If, during performance of the work, the Vendor determines that a work authorization to be performed under the Agreement cannot be accomplished within the estimated work hours, the Vendor will be required to complete the work authorization in full. Upon receipt of such notification, the State may:
  - 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 Vendor for cause at any time requiring Vendor to suspend or stop all, or any part, of the performance due under the Agreement for a period up to ninety (90) days after the Stop Work Order is delivered to the Vendor. The ninety (90) day period may be extended for any further period for which the parties may agree.

- a) The Stop Work Order shall be specifically identified as such and shall indicate that it is issued under this term. Upon receipt of the Stop Work Order, the Vendor shall immediately comply with its terms and take all reasonable steps to minimize incurring costs allocable to the work covered by the Stop Work Order during the period of work suspension or stoppage. Within a period of ninety (90) days after a Stop Work Order is delivered to Vendor, or within any extension of that period to which the parties agree, the State shall either:
  - i) Cancel the Stop Work Order, or
  - ii) Terminate the work covered by the Stop Work Order as provided for in the termination for default or the termination for convenience clause of the Agreement.
- b) If a Stop Work Order issued under this clause is canceled or the period of the Stop Work Order or any extension thereof expires, the Vendor shall resume work. The State shall make an equitable adjustment in the delivery schedule, the Agreement price, or both, and the Agreement shall be modified, in writing, accordingly, if:
  - i) The Stop Work Order results in an increase in the time required for, or in the Vendor's cost properly allocable to the performance of any part of the Agreement, and
  - ii) The Vendor asserts its right to an equitable adjustment within thirty (30) days after the end of the period of work stoppage; provided that if the State decides the facts justify the action, the State



may receive and act upon an offer submitted at any time before final payment under the Agreement.

- c) If a Stop Work Order is not canceled and the work covered by the Stop Work Order is terminated in accordance with the provision entitled Termination for Convenience of the State, the State shall allow reasonable direct costs resulting from the Stop Work Order in arriving at the termination settlement.
- d) The State shall not be liable to the Vendor for loss of profits because of a Stop Work Order issued under this term.

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

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

### **1) DEFINITIONS:**

- a) "Data" includes and means information, formulae, algorithms, or other content that the State, the State's employees, agents and end users upload, create or modify using the Services pursuant to this Agreement. Data also includes user identification information and metadata which may contain Data or from which the State's Data may be ascertainable.
- b) Reserved.
- c) Reserved.
- d) Reserved.
- 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 access license for the Services and its associated services neither transfers, vests, nor infers any title or other ownership right in any intellectual property rights of the Vendor or any third party, nor does this license transfer, vest, or infer any title or other ownership right in any source code associated with the Services unless otherwise agreed to by the parties. The provisions of this paragraph will not be construed as a sale of any ownership rights in the Services. Any Services or technical and business information owned by Vendor, or its suppliers or licensors made accessible or furnished to the State shall be and remain the property of the Vendor or such other party, respectively. Vendor has a limited, non-exclusive license to access and use the State Data as provided to Vendor, but solely for performing its obligations under this Agreement and in confidence as provided herein.
  - c) The Vendor or its suppliers shall at minimum, and except as otherwise agreed, provide telephone assistance to the State for all Services procured hereunder during the State's normal business hours (unless different hours are specified herein). The Vendor warrants that its Support and customer service and assistance will be performed in accordance with generally accepted industry standards. The State has the right to receive the benefit of upgrades, updates, maintenance releases or other enhancements or modifications made generally available to the Vendor's SaaS tenants for similar Services. The Vendor's right to a new use agreement for new version releases of the Services shall not be abridged by the foregoing. The Vendor may, at no additional charge, modify the Services to improve operation and reliability or to meet legal requirements.
  - d) The Vendor will provide to the State the same Services for updating, maintaining and continuing optimal performance for the Services as provided to other similarly situated users or tenants of the Services, but minimally as provided for and specified herein. Unless otherwise agreed in writing, Support will also be provided for any other (e.g., third party) software provided by the Vendor in connection with the Vendor's solution herein. The technical and professional activities required for establishing, managing, and maintaining the Services environment are the responsibilities of the Vendor. Any training specified herein will be provided by the Vendor to certain State users for the fees or costs as set forth herein or in an SLA.
  - e) Services provided pursuant to this Solicitation may, in some circumstances, be accompanied by a user clickwrap agreement. The term clickwrap agreement refers to an agreement that requires the end user to manifest his or her assent to terms and conditions by clicking an "ok" or "agree" button on a dialog box or pop-up window as part of the process of access to the Services. All terms and conditions of any clickwrap agreement provided with any Services solicited herein shall have no force and effect and shall be non-binding on the State, its employees, agents, and other authorized users of the Services.
  - f) The Vendor may utilize partners and/or subcontractors to assist in the provision of the Services, so long as the State Data is not removed from the United States unless the terms of storage of the State Data are clearly disclosed, the security provisions referenced herein can still be complied with, and such removal is done with the prior express written permission of the State. The Vendor shall identify all of its strategic business partners related to Services provided under this contract including, but not limited to, all subcontractors or other entities or individuals who may be a party to a joint venture or similar agreement with the Vendor, who will be involved in any application development and/or operations.
  - g) The Vendor warrants that all Services will be performed with professional care and skill, in a workmanlike manner and in accordance with the Services documentation and this Agreement.
  - h) An SLA or other agreed writing shall contain provisions for scalability of Services and any variation in fees or costs as a result of any such scaling.
  - i) Professional services provided by the Vendor at the request by the State in writing in addition to agreed Services shall be at the then-existing Vendor hourly rates when provided, unless otherwise agreed in writing by the parties.
- 3) **WARRANTY OF NON-INFRINGEMENT:**
- a) The Vendor warrants to the best of its knowledge that:
    - i) The Services do not infringe any intellectual property rights of any third party; and
    - ii) There are no actual or threatened actions arising from, or alleged under, any intellectual property rights of any third party.
  - b) Reserved.
  - c) Reserved.
  - d) Reserved.

4) **ACCESS AVAILABILITY; REMEDIES:**

- a) The Vendor warrants that the Services will be in good working order, and operating in conformance with Vendor's standard specifications and functions as well as any other specifications agreed to by the parties in writing, and shall remain accessible 24/7, with the exception of scheduled outages for maintenance and of other service level provisions agreed in writing, e.g., in an SLA. The Vendor does not warrant that the operation of the Services will be completely uninterrupted or error free, or that the Services functions will meet all the State's requirements unless developed as Customized Services.
- b) The State shall notify the Vendor if the Services are not in good working order or inaccessible during the term of the Agreement. The Vendor shall, at its option, either repair, replace or reperform any Services reported or discovered as not being in good working order and accessible during the applicable contract term without cost to the State. If the Services' monthly availability averages less than 99.9% (excluding agreed-upon maintenance downtime), the State shall be entitled to receive automatic credits as indicated immediately below, or the State may use other contractual remedies such as recovery of damages, as set forth herein in writing, e.g., in Specifications, Special Terms or in an SLA, and as such other contractual damages are limited by N.C.G.S. § 143B-1350(h1) and the Limitation of Liability paragraph below. If not otherwise provided, the automatic remedies for non-availability of the Subscription Services during a month are:
  - 1. A 10% service credit applied against future fees if Vendor does not reach 99.9% availability.
  - 2. A 25% service credit applied against future fees if Vendor does not reach 99% availability.
  - 3. A 50% service credit applied against future fees or eligibility for early termination of the Agreement if Vendor does not reach 95% availability.

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

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

5) **EXCLUSIONS:**

- a) Except as stated above in Paragraphs 3 and 4, Vendor and its parent, subsidiaries and affiliates, subcontractors and suppliers make no warranties, express or implied, as to the Services.
- b) The warranties provided in Paragraphs 3 and 4 above do not cover repair for damages, malfunctions or service failures substantially caused by:
  - i) Actions of non-Vendor personnel;
  - ii) Failure to follow Vendor's written instructions relating to the Services provided to the State; or
  - iii) Force Majeure conditions set forth hereinbelow.
  - iv) The State's sole misuse of, or its own inability to use, the Services.

- 6) **PERFORMANCE REVIEW AND ACCOUNTABILITY:** N.C.G.S. § 143B-1340(f) and 09 NCAC 06B.1207 require provisions for performance review and accountability in State IT contracts. For this procurement, these shall include the holding a retainage of fifteen percent (15%) of the contract value and withholding the final payment contingent on final system acceptance by the State as provided in 09 NCAC 06B.1207(3) and (4), unless waived or otherwise agreed, in writing. The Services herein will be provided consistent with and under these Services performance review and accountability guarantees.

- 7) **LIMITATION OF LIABILITY: Limitation of Vendor's Contract Damages Liability:** Reserved.

- 8) **VENDOR'S LIABILITY FOR INJURY TO PERSONS OR DAMAGE TO PROPERTY:** Reserved.

- 9) **MODIFICATION OF SERVICES:** If Vendor modifies or replaces the Services provided to the State and other tenants, and if the State has paid all applicable Subscription Fees, the State shall be entitled to receive, at no additional charge, access to a newer version of the Services that supports substantially the same

functionality as the then accessible version of the Services. Newer versions of the Services containing substantially increased functionality may be made available to the State for an additional subscription fee. In the event of either of such modifications, the then accessible version of the Services shall remain fully available to the State until the newer version is provided to the State and accepted. If a modification materially affects the functionality of the Services as used by the State, the State, at its sole option, may defer such modification.

10) **TRANSITION PERIOD:**

- a) For ninety (90) days, either prior to the expiration date of this Agreement, or upon notice of termination of this Agreement, the Vendor shall assist the State, upon written request, in extracting and/or transitioning all Data in the format determined by the State ("Transition Period").
- b) The Transition Period may be modified in an SLA or as agreed upon in writing by the parties in a contract amendment.
- c) During the Transition Period, Services access shall continue to be made available to the State without alteration.
- d) The Vendor agrees to compensate the State for damages or losses the State incurs as a result of Vendor's failure to comply with this Transition Period section in accordance with the Limitation of Liability provisions above.
- e) Upon termination, and unless otherwise stated in an SLA, and after providing the State Data to the State as indicated above in this section with acknowledged receipt by the State in writing, the Vendor shall permanently destroy or render inaccessible any portion of the State Data in the Vendor's and/or subcontractor's possession or control following the completion and expiration of all obligations in this section. Within thirty (30) days, the Vendor shall issue a written statement to the State confirming the destruction or inaccessibility of the State's Data.
- f) The State at its option, may purchase additional Transition Services as may be agreed upon in a supplemental agreement.

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

12) **TRAVEL EXPENSES:** Reserved.

13) **PROHIBITION AGAINST CONTINGENT FEES AND GRATUITIES:** Reserved.

14) **AVAILABILITY OF FUNDS:** Reserved.

15) **PAYMENT TERMS (Applicable to SaaS):**

- a) Payment may be made by the State in advance of or in anticipation of subscription Services to be actually performed under the Agreement or upon proper invoice for other Services rendered. Payment terms are Net 30 days after receipt of correct invoice. Initial payments are to be made after final acceptance of the Services. Payments are subject to any retainage requirements herein. The Purchasing State Agency is responsible for all payments under the Agreement. Subscription fees for term years after the initial year shall be as quoted under State options herein but shall not increase more than five percent (5%) over the prior term, except as the parties may have agreed to an alternate formula to determine such increases in writing. No additional charges to the State will be permitted based upon, or arising from, the State's use of a Business Procurement Card. The State may exercise any and all rights of Set Off as permitted in Chapter 105A-1 *et seq.* of the N.C. General Statutes and applicable Administrative Rules.
- b) Upon the Vendor's written request of not less than thirty (30) days and approval by the State, the State may:
  - i) Forward the Vendor's payment check(s) directly to any person or entity designated by the Vendor or
  - ii) Include any person or entity designated in writing by Vendor as a joint payee on the Vendor's payment check(s), however,
  - iii) In no event shall such approval and action obligate the State to anyone other than the Vendor and the Vendor shall remain responsible for fulfillment of all Agreement obligations.
- c) For any third-party software licensed by the Vendor or its subcontractors for use by the State, a copy of the software license including terms acceptable to the State, an assignment acceptable to the State, and documentation of license fees paid by the Vendor must be provided to the State before any related license fees or costs may be billed to the State.
- d) An undisputed invoice is an invoice for which the State and/or the Purchasing State Agency has not disputed in writing within thirty (30) days from the invoice date, unless the agency requests more time for

review of the invoice. Upon the Vendor's receipt of a disputed invoice notice, the Vendor will work to correct the applicable invoice error, provided that such dispute notice shall not relieve the State or the applicable Purchasing State Agency from its payment obligations for the undisputed items on the invoice or for any disputed items that are ultimately corrected. The Purchasing State Agency is not required to pay the Vendor for any Software or Services provided without a written purchase order from the appropriate Purchasing State Agency. In addition, all such Services provided must meet all terms, conditions, and specifications of this Agreement and purchase order and be accepted as satisfactory by the Purchasing State Agency before payment will be issued.

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

16) **ACCEPTANCE CRITERIA:** Reserved.

17) **CONFIDENTIALITY:** Reserved.

18) **SECURITY OF STATE DATA:**

- a) All materials, including software, Data, information and documentation provided by the State to the Vendor (State Data) during the performance or provision of Services hereunder are the property of the State of North Carolina and must be kept secure and returned to the State. The Vendor will protect State Data in its hands from unauthorized disclosure, loss, damage, destruction by natural event, or other eventuality. Proprietary Vendor materials shall be identified to the State by the Vendor prior to use or provision of Services hereunder and shall remain the property of the Vendor. Derivative works of any Vendor proprietary materials prepared or created during the performance 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 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.
    - (7) Any requirements implemented by the State under N.C.G.S. §§ 20-309.2(d).
- f) Security Breach. "Security Breach" under the NC Identity Theft Protection Act (N.C.G.S. § 75-60ff) means (1) any circumstance pursuant to which applicable Law requires notification of such breach to be given to affected parties or other activity in response to such circumstance (e.g., N.C.G.S. § 75-65); or (2) any actual, attempted, suspected, threatened, or reasonably foreseeable circumstance that compromises, or could reasonably be expected to compromise, either Physical Security or Systems Security (as such terms are defined below) in a fashion that either does or could reasonably be expected to permit unauthorized Processing (as defined below), use, disclosure or acquisition of or access to any the State Data or state confidential information. "Physical Security" means physical security at any site or other location housing systems maintained by Vendor or its agents or subcontractors in connection with the Services. "Systems Security" means security of computer, electronic or telecommunications systems of any variety (including data bases, hardware, software, storage, switching and interconnection devices and mechanisms), and networks of which such systems are a part or communicate with, used directly or indirectly by Vendor or its agents or subcontractors in connection with the Services. "Processing" means any operation or set of operations performed upon the State Data or State confidential information, whether by automatic means, such as creating, collecting, procuring, obtaining, accessing, recording, organizing, storing, adapting, altering, retrieving, consulting, using, disclosing or destroying.
- g) Breach Notification. In the event the Vendor becomes aware of any Security Breach due to Vendor acts or omissions other than in accordance with the terms of the Agreement, the Vendor shall, at its own expense, (1) immediately notify the State's Agreement Administrator of such Security Breach and perform a root cause analysis thereon; (2) investigate such Security Breach; (3) provide a remediation plan, acceptable to the State, to address the Security Breach and prevent any further incidents; (4) conduct a

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

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

The Vendor shall investigate the disaster or catastrophic failure and shall share the report of the investigation with the State. The State and/or its authorized agents shall have the right to lead (if required

by law) or participate in the investigation. The Vendor shall cooperate fully with the State, its agents and law enforcement.

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

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

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



substitution shall be noticed to the Agency's Contract Administrator in writing accompanied by the names and references of Vendor's recommended substitute personnel. The Agency will approve or disapprove the requested substitution in a timely manner. The Agency may, in its sole discretion, terminate the Services of any person providing Services under the Agreement. Upon such termination, the Agency may request acceptable substitute personnel or terminate the Contract Services provided by such personnel.

- a) Unless otherwise expressly provided in the Contract, Vendor will furnish all of its own necessary management, supervision, labor, facilities, furniture, computer and telecommunications equipment, software, supplies and materials necessary for the Vendor to provide and deliver the Services and other Deliverables.
- b) Vendor personnel shall perform their duties on the premises of the State, during the State's regular and normal work hours, except as may be specifically agreed otherwise, established in the specification, or statement of work.
- c) The Agreement shall not prevent Vendor or any of its personnel supplied under the Agreement from performing similar Services elsewhere or restrict Vendor from using the personnel provided to the State, provided that:
  - i) Such use does not conflict with the terms, specifications or any amendments to the Agreement, or
  - ii) Such use does not conflict with any procurement law, regulation or policy, or
  - iii) Such use does not conflict with any non-disclosure agreement, or term thereof, by and between the State and Vendor or Vendor's personnel.
- d) Unless otherwise provided by the Agency, the Vendor shall furnish all necessary personnel, Services, and otherwise perform all acts, duties and responsibilities necessary or incidental to the accomplishment of the tasks specified in the Agreement. The Vendor shall be legally and financially responsible for its personnel including, but not limited to, any deductions for social security and other withholding taxes required by state or federal law. The Vendor shall be solely responsible for acquiring any equipment, furniture, and office space not furnished by the State necessary for the Vendor to comply with the Agreement. The Vendor personnel shall comply with any applicable State facilities or other security rules and regulations.

**4) PERSONAL SERVICES:** The State shall have and retain the right to obtain personal Services of any individuals providing Services under the Agreement. This right may be exercised at the State's discretion in the event of any transfer of the person providing personal Services, termination, default, merger, acquisition, bankruptcy or receivership of the Vendor to ensure continuity of Services provided under the Agreement. Provided, however, that the Agency shall not retain or solicit any Vendor employee for purposes other than completion of personal Services due as all or part of any performance due under the Agreement.

- a) Vendor personnel shall perform any duties on the premises of the State during the State's regular workdays and normal work hours, except as may be specifically agreed otherwise, established in the specification, or statement of work.
- b) The State has and reserves the right to disapprove the continuing assignment of Vendor personnel provided by Vendor under the Agreement. If this right is exercised and the Vendor is not able to replace the disapproved personnel as required by the State, the parties agree to employ best commercial efforts to informally resolve such failure equitably by adjustment of other duties, set-off, or modification to other terms that may be affected by Vendor's failure.
- c) Vendor will make every reasonable effort consistent with prevailing business practices to honor the specific requests of the State regarding assignment of Vendor's employees. Vendor reserves the sole right to determine the assignment of its employees. If one of Vendor's employees is unable to perform due to illness, resignation, or other factors beyond Vendor's control, Vendor will provide suitable personnel at no additional cost to the State.
- d) The Agreement shall not prevent Vendor or any of its personnel supplied under the Agreement from performing similar Services elsewhere or restrict Vendor from using the personnel provided to the State, provided that:
  - i) Such use does not conflict with the terms, specifications or any amendments to the Agreement, or
  - ii) Such use does not conflict with any procurement law, regulation or policy, or

- iii) Such use does not conflict with any non-disclosure agreement, or term thereof, by and between the State and Vendor or Vendor's personnel.

## **ATTACHMENT C: AGENCY TERMS AND CONDITIONS**

Reserved.

## ATTACHMENT D: DESCRIPTION OF SOFTWARE SOLUTIONS PROVIDER (SSP) OFFEROR

Provide the information about the offeror.

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

## HISTORICALLY UNDERUTILIZED BUSINESSES

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

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

Respond to the questions below.

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

If so, state HUB classification:

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## ATTACHMENT E: DESCRIPTION OF IMPLEMENTATION SERVICES PROVIDER (ISP) OFFEROR

Provide the information about the offeror.

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

## HISTORICALLY UNDERUTILIZED BUSINESSES

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

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

Respond to the questions below.

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

If so, state HUB classification:

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## **ATTACHMENT F: COST SCHEDULES**

See Excel attachment.



**ATTACHMENT G: BUSINESS AND TECHNICAL SPECIFICATIONS FORM**

See Excel attachment.

## **ATTACHMENT H: LOCATION OF WORKERS UTILIZED BY SOFTWARE SOLUTIONS PROVIDER (SSP)**

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

- a) The location of work to be performed by the Vendor's employees, subcontractors, or other persons, and whether any work will be performed outside the 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

## **ATTACHMENT I: LOCATION OF WORKERS UTILIZED BY IMPLEMENTATION SERVICES PROVIDER (ISP)**

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

- a) The location of work to be performed by the Vendor's employees, subcontractors, or other persons, and whether any work will be performed outside the 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

# ATTACHMENT J: SOFTWARE SOLUTIONS PROVIDER (SSP) 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 K: IMPLEMENTATION SERVICES PROVIDER (ISP) 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 L: REFERENCES – SOFTWARE SOLUTIONS PROVIDER (SSP)

### **REFERENCES:**

The Vendor shall provide two (2) references of customers preferably utilizing the proposed solution fully implemented in a setting similar to this solicitation's scope of work or in the process of implementing the proposed solution. References from similar government entities 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: Customer name.

- b. Customer address.
- c. Current telephone number of a customer employee most familiar with the offered solution implementation.
- d. Customer email address
- e. Time period over which each offered solution implementation was completed or time period implementation has been underway with target go-live.
- 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 M: REFERENCES – IMPLEMENTATION SERVICES PROVIDER (ISP)**

### **REFERENCES:**

The Vendor shall provide two (2) references of customers utilizing the proposed solution fully implemented in a setting similar to this solicitation's scope of work or in the process of implementing the proposed solution. References from similar government entities 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: Customer address.

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

**ATTACHMENT N: FINANCIAL REVIEW FORM – SOFTWARE SOLUTIONS PROVIDER (SSP)**

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

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



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

## ATTACHMENT O: FINANCIAL REVIEW FORM – IMPLEMENTATION SERVICES PROVIDER (ISP)

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.

10. Vendor Name:

11. Company structure for tax purposes (C Corp, S Corp, LLC, LLP, etc.):

12. Have you been in business for more than three years? ☐ Yes ☐ No

13. Have you filed for bankruptcy in the past three years? ☐ Yes ☐ No

14. 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

15. Are the financial figures below based on audited financial statements? ☐ Yes ☐ No

16. Start Date of financial statements:

End Date of financial statements:

17. Provide a link to annual reports with financial statements and management discussion for the past three complete fiscal years:

18. Provide the following information for the past three complete fiscal years:

	Latest complete fiscal year minus two years	Latest complete fiscal year minus one year	Latest complete fiscal year
<b>BALANCE SHEET DATA</b>			
n. Cash and Temporary Investments			
o. Accounts Receivable (beginning of year)			
p. Accounts Receivable (end of year)			
q. Average Account Receivable for the Year (calculated)			
r. Inventory (beginning of year)			
s. Inventory (end of year)			
t. Average Inventory for the Year (calculated)			
u. Current Assets			
v. Current Liabilities			
w. Total Liabilities			
x. Total Stockholders' Equity (beginning of year)			
y. Total Stockholders' Equity (end of year)			
z. Average Stockholders' Equity during the year (calculated)			
<b>INCOME STATEMENT DATA</b>			
g. Net Sales			
h. Cost of Goods Sold (COGS)			
i. Gross Profit (Net Sales minus COGS) (calculated)			
j. Interest Expense for the Year			
k. Net Income after Tax			
l. Earnings for the Year before Interest & Income Tax Expense			
<b>STATEMENT OF CASH FLOWS</b>			
c. Cash Flow provided by Operating Activities			
d. Capital Expenditures (property, plant, equipment)			

**ATTACHMENT P: MODEL STATEMENT OF WORK (SEE ATTACHMENT)**