



**STATE OF NORTH CAROLINA**

**DEPARTMENT OF ADMINISTRATION,**

**DIVISION OF PURCHASE & CONTRACT**

**Request for Proposal #: DPC-1392140731-SL**

**Uniform Rental and Facility Services**

**Date Issued: July 8, 2025**

**Bid Opening Date: August 8, 2025**

**At 2:00 PM ET**

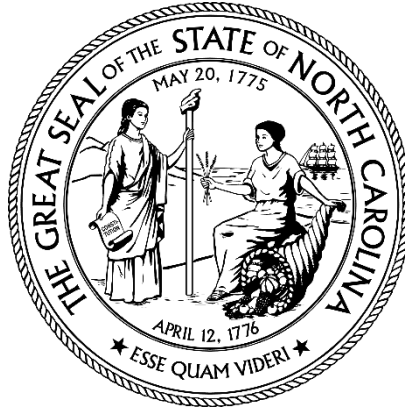
**Direct all inquiries concerning this RFP to:**

Sarah Lyons

State Procurement Specialist III

E-mail: [Sarah.Lyons@doa.nc.gov](mailto:Sarah.Lyons@doa.nc.gov)

Phone: 984-236-0217



## STATE OF NORTH CAROLINA

### Request for Proposal #

**DPC-1392140731-SL**

For internal state agency processing, including tabulation of Proposals, provide your company's eVP (Electronic Vendor Portal) Number. Pursuant to G.S. 132-1.10(b) this identification number shall not be released to the public. **This page will be removed and shredded, or otherwise kept confidential**, before the procurement file is made available for public inspection.

**This page shall be filled out and returned with your bid.  
Failure to do so may subject your bid to rejection.**

\_\_\_\_\_  
Vendor Name

\_\_\_\_\_  
Vendor eVP#

**Note:** For a contract to be awarded to you, your company (you) must be a North Carolina registered Vendor in good standing. You must enter the Vendor number assigned through eVP. If you do not have a Vendor number, register at <https://vendor.ncgov.com/vendor/login>

**STATE OF NORTH CAROLINA**  
**DEPARTMENT OF ADMINISTRATION – DIVISION OF PURCHASE AND CONTRACT**  
**Statewide Term Contract**

All correspondence with Vendors shall be through the Ariba Sourcing Tool. Questions will be received in the Ariba Sourcing Tool (only) based on the schedule in Section 2.4	Request for Proposal #: <b>DPC-1392140731-SL</b>
	Proposals will be publicly opened: <b>August 6, 2025 at 2:00 PM ET</b>
For Statewide Use of All State Entities	Commodity # and Description: <b>911018 Clothing Rental</b>
STC #: <b>9110A</b>	

**EXECUTION**

In compliance with this Request for Proposal (RFP), and subject to all the conditions herein, the undersigned Vendor offers and agrees to furnish and deliver any or all items upon which prices are bid, at the prices set opposite each item within the time specified herein.

By executing this bid, the undersigned Vendor understands that false certification is a Class I felony and certifies that:

- this bid is submitted competitively and without collusion (G.S. 143-54),
- that none of its officers, directors, or owners of an unincorporated business entity has been convicted of any violations of Chapter 78A of the General Statutes, the Securities Act of 1933, or the Securities Exchange Act of 1934 (G.S. 143-59.2), and
- it is not an ineligible Vendor as set forth in G.S. 143-59.1.

Furthermore, by executing this bid, the undersigned certifies to the best of Vendor’s knowledge and belief, that:

- it and its principals are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from covered transactions by any Federal or State department or agency.

As required by G.S. 143-48.5, the undersigned Vendor certifies that it, and each of its sub-contractors for any Contract awarded as a result of this RFP, complies with the requirements of Article 2 of Chapter 64 of the NC General Statutes, including the requirement for each employer with more than 25 employees in North Carolina to verify the work authorization of its employees through the federal E-Verify system.

As required by Executive Order 24 (2017), the undersigned Vendor certifies will comply with all Federal and State requirements concerning fair employment and that it does not and will not discriminate, harass, or retaliate against any employee in connection with performance of any Contract arising from this solicitation.

G.S. 133-32 and Executive Order 24 (2009) prohibit the offer to, or acceptance by, any State Employee associated with the preparing plans, specifications, estimates for public Contract; or awarding or administering public Contracts; or inspecting or supervising delivery of the public Contract of any gift from anyone with a Contract with the State, or from any person seeking to do business with the State. By execution of this bid response to the RFP, the undersigned certifies, for Vendor’s entire organization and its employees or agents, that Vendor are not aware that any such gift has been offered, accepted, or promised by any employees or agents of Vendor’s organization.

By executing this bid, Vendor certifies that it has read and agreed to the **INSTRUCTION TO VENDORS** and the **NORTH CAROLINA GENERAL TERMS AND CONDITIONS incorporated below**. These documents can be accessed from the Ariba Sourcing Tool.

**Failure to execute/sign bid prior to submittal may render bid invalid and it MAY BE REJECTED. Late Proposals cannot be accepted.**

COMPLETE/FORMAL NAME OF VENDOR:		
STREET ADDRESS:	P.O. BOX:	ZIP:
CITY & STATE & ZIP:	TELEPHONE NUMBER:	TOLL FREE TEL. NO:
PRINCIPAL PLACE OF BUSINESS ADDRESS IF DIFFERENT FROM ABOVE (SEE INSTRUCTIONS TO VENDORS ITEM #21):		
PRINT NAME & TITLE OF PERSON SIGNING ON BEHALF OF VENDOR:		
VENDOR’S AUTHORIZED SIGNATURE:	DATE:	E-MAIL:

**VALIDITY PERIOD**

Offer shall be valid for at least one hundred and eighty (180) days from date of bid opening, unless otherwise stated here: \_\_\_\_\_ days, or if extended by mutual agreement in writing of the parties. Any withdrawal of this offer shall be made in writing, effective upon receipt by the agency issuing this RFP.

**BID ACCEPTANCE**

If your bid is accepted, all provisions of this RFP, along with the written results of any negotiations, shall constitute the written agreement between the parties ("Contract"). The NORTH CAROLINA GENERAL TERMS AND CONDITIONS are incorporated herein and shall apply. Depending upon the Goods or Services being offered, other terms and conditions may apply, as mutually agreed.

**FOR STATE USE ONLY:** Offer accepted and Contract awarded on date of \_\_\_\_\_ as indicated,

by \_\_\_\_\_.

**(Authorized Representative of Department of Administration, Division of Purchase & Contract)**

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## 1.0 PURPOSE AND BACKGROUND

The Department of Administration (DOA) serves as the business manager for North Carolina State government and provides leadership to State government for the effective, efficient, economical, and equitable delivery of services to the public. The department also aids and services several advocacy programs that serve diverse segments of the State’s population that have traditionally been underserved. The Division of Purchase & Contract (P&C) is the strategic force to provide the State’s entities with a catalog of Statewide Term Contracts (STC) that provide for an encompassing, organized, and efficient manner to pool resources to provide goods and services.

The State through the Department of Administration (DOA) Division of Purchase & Contract (P&C) is seeking qualified vendors to establish a Statewide Term Contract to furnish and deliver the State’s requirements for Uniform Rental and Facility Services throughout the State of North Carolina, on an “As Needed” basis, if and when ordered by State Departments, Agencies, and Higher Education Institutions during the contract period.

Services that will be covered by this Statewide Term Contract shall include:

- CATEGORY I:** Uniform Rental Services, including but not limited to the rental of uniform apparel, uniform accessories, customization, personalization, alteration, fitting and sizing services, laundering, cleaning, mending, and repair incidental to the offering of uniform apparel and uniform accessories;
- CATEGORY II:** Facility Services, including but not limited to floor mat services, floor mop services, linen services, wiper and towel services, restroom supplies services, hand hygiene services, and cleaning solution dispensing services; and
- CATEGORY III:** First Aid, Safety Services and Automated External Defibrillator (AED) Leasing Services to include first aid and safety supply services, safety training, and services related to the lease of AEDs.

To comply with Governor Cooper’s Executive Order 80 (October 2018), North Carolina’s Commitment to Address Climate Change and Transition to a Clean Energy Economy, the contract resulting from this solicitation intends to focus on minimizing environmental impact and improving resource efficiency. These services should utilize water-efficient washing technologies, ensure proper wastewater treatment and recycling, and adopt energy-efficient equipment powered by renewable sources to reduce energy consumption as well as use eco-Friendly detergents and chemicals, and sustainable fabrics and materials.

The intent of this Request for Proposal (hereinafter, “RFP”) is to receive pricing from Vendors which will offer savings to the State and confirm, through Vendors’ submission of Proposals, its ability to meet the State’s needs.

The contract resulting from this RFP is a convenience contract for State departments and most State Agencies, and by State higher education institutions (except under the conditions specified in G.S. 115D-58.14(a) and G.S. 116-13). The Contract may also be utilized, without further competition, by non-mandatory State Agencies and Other Eligible Entities.

Proposals shall be submitted in accordance with the terms and conditions of this RFP and any addenda issued hereto.

The intent of this solicitation is to award a Statewide Term Contract.

### 1.1 CONTRACT TERM

The Contract shall have an initial term of three (3) years, beginning on the date of final Contract execution (the “Effective Date”).

At any time during the contract period the State may conduct an Open Enrollment process by posting a solicitation in the Ariba Sourcing Tool for the purpose of adding new manufacturer(s) to the contract, to provide a wide coverage of Goods and Services. The awarded Vendor(s) will remain on the contract for the duration of the contract term unless terminated for convenience.

At the end of the Contract’s initial term, the State shall have the option, in its sole discretion, to renew the Contract on the same terms and conditions for up to one (1) additional two-year term. The State will give the Vendor written notice of its intent to exercise each option no later than thirty (30) days before the end of the Contract’s then-current term. In addition, the State reserves the right to extend a contract term after the last active term.

### 1.2 ESTIMATED SPEND

Based on the historical usage of the STC, the estimated spend for the term of this contract is \$3.5M.

This amount is not guaranteed and could be more or less than the historical expenditure during the contract period. No maximum or minimum quantities are guaranteed.

### 1.3 EXCLUSIONS

The following items are excluded from this solicitation and shall not be offered as a part of the resulting contract.

- Maintenance, Repair, and Operation (MRO) Supplies and Equipment covered by Statewide Term Contract 2711B to include Personal Protective Equipment (PPE), Work shoes, Boots, Masks, Gloves, Batteries, Safety and Security, and the direct sales of Uniforms, Towels, Floor Mats, Linens, and Mops
- The direct sale of Sanitary Paper Supplies covered by Statewide Term Contract 1411B
- The direct sale of Automated External Defibrillators (AEDs) and accessories covered by Statewide Term Contract 4217A
- Fire System Testing, Inspections, and Repairs
- Preventative Maintenance and Janitorial Services
- Promotional Items

## 2.0 GENERAL INFORMATION

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### 2.1 REQUEST FOR PROPOSAL DOCUMENT

The RFP is comprised of the base RFP document, any attachments, and any addenda released before Contract award, which are incorporated herein by reference.

### 2.2 E-PROCUREMENT FEE

**ATTENTION: This is an NC eProcurement solicitation facilitated by the Ariba Network. The E-Procurement fee may apply to this solicitation. See paragraph entitled ELECTRONIC PROCUREMENT of the North Carolina General Terms and Conditions.**

General information on the E-Procurement Services can be found at: <http://eprocurement.nc.gov/>.

#### What is the Ariba Network?

The Ariba Network is a web-based platform that serves as a connection point for buyers and Vendors. Vendors can log in to the Ariba Network to view purchase orders, respond to electronic requests for quotes, participate in Sourcing Events, and collaborate with buyers on contract documents.

For training on how to use the Sourcing Tool to view solicitations, submit questions, develop responses, upload documents, and submit offers to the State, Vendors should go to the following site:

<http://eprocurement.nc.gov/training/vendor-training>.

### 2.3 NOTICE TO VENDORS REGARDING RFP TERMS AND CONDITIONS

It shall be the Vendor's responsibility to read the Instructions to Vendors, the North Carolina General Terms and Conditions, all relevant exhibits and attachments, and any other components made a part of this RFP and comply with all requirements and specifications herein. Vendors also are responsible for obtaining and complying with all Addenda and other changes that may be issued in connection with this RFP.

If Vendors have questions, or issues regarding any component within this RFP, those must be submitted as questions in accordance with the instructions in the BID QUESTIONS Section. If the State determines that any changes will be made as a result of the questions asked, then such decisions will be communicated in the form of an RFP addendum. The State may also elect to leave open the possibility for later negotiation and amendment of specific provisions of the Contract that have been addressed during the question-and-answer period.

Other than through the process of negotiations under 01 NCAC 05B.0503, the State rejects and will not be required to evaluate or consider any additional or modified terms and conditions submitted with Vendor’s bid. This applies to any language appearing in or attached to the document as part of the Vendor’s bid that purports to vary any terms and conditions or Vendors’ instructions herein or to render the bid non-binding or subject to further negotiation. Vendor’s bid shall constitute a firm offer that shall be held open for the period required herein (“Validity Period” above).

The State may exercise its discretion to consider Vendor proposed modifications. By execution and delivery of this RFP Response, the Vendor agrees that any additional or modified terms and conditions, whether submitted purposely or inadvertently, shall have no force or effect, and will be disregarded unless expressly agreed to during negotiations and incorporated by way of a Best and Final Offer (BAFO). Noncompliance with, or any attempt to alter or delete, this paragraph shall constitute sufficient grounds to reject Vendor’s bid as nonresponsive.

**2.4 RFP SCHEDULE**

The table below shows the *intended* schedule for this RFP. The State will make every effort to adhere to this schedule.

Event	Responsibility	Date and Time
Issue RFP	State	July 8, 2025
Hold Urged and Cautioned Pre-proposal Conference	State	July 11, 2025 @ 2:00 PM ET <b>Microsoft Teams</b> <a href="#">Need help?</a> <a href="#">Join the meeting now</a> Meeting ID: 225 060 652 391 6 Passcode: wB9Kq9bZ <b>Dial in by phone</b> <a href="#">+1 984-204-1487,,832699096#</a> United States, Raleigh <a href="#">Find a local number</a> Phone conference ID: 832 699 096# <b>Join on a video conferencing device</b> Tenant key: ncgov@m.webex.com Video ID: 115 309 629 0 <a href="#">More info</a>
Submit Written Questions	Vendor	July 18, 2025
Provide Responses to Questions	State	August 1, 2025
Submit Proposals	Vendor	August 8, 2025 @ 2:00 PM ET <b>Microsoft Teams</b> <a href="#">Need help?</a> <a href="#">Join the meeting now</a> Meeting ID: 253 941 964 833 7 Passcode: KZ74B4KL <b>Dial in by phone</b> <a href="#">+1 984-204-1487,,390104006#</a> United States, Raleigh <a href="#">Find a local number</a> Phone conference ID: 390 104 006# <b>Join on a video conferencing device</b> Tenant key: ncgov@m.webex.com Video ID: 113 162 682 1 <a href="#">More info</a>
Intended Contract Award	State	TBD

## 2.5 URGED AND CAUTIONED PRE-PROPOSAL CONFERENCE

### Urged and Cautioned Pre-Proposal Conference

Date: 07/11/2025  
 Time: 2:00 PM EST  
 Location: Virtual Microsoft Teams Meeting  
 Contact: Sarah Lyons  
 Contact #: 984-236-0217

**Instructions:** Vendor representatives are URGED and CAUTIONED to attend the pre-proposal conference and apprise themselves of the conditions and requirements which will affect the performance of the work called for by this RFP. A non-mandatory pre-proposal conference is scheduled for this RFP. Submission of a bid shall constitute sufficient evidence of Vendor’s compliance and no allowance will be made for unreported conditions which a prudent Vendor would recognize as affecting the performance of the work called for in this RFP.

Vendor is cautioned that any information released to attendees during the pre-proposal conference and which conflicts with, supersedes, or adds to requirements in this RFP, must be confirmed by written addendum before it can be considered as a part of this RFP and any resulting contract.

## 2.6 PROPOSAL QUESTIONS

Upon review of the RFP documents, Vendors may have questions to clarify or interpret the RFP in order to submit the best bid possible. To accommodate the Bid Questions process, Vendors shall submit any such questions by the “Submit Written Questions” date and time provided in the RFP SCHEDULE Section above, unless modified by Addendum.

Questions related to the content of the solicitation, or the procurement process should be directed to the person on the title page of this document via the Sourcing Tool's message board by the date and time specified in the RFP SCHEDULE Section of this RFP. Vendors will enter “RFP # DPC-1392140731-SL – Questions” as the subject of the message. Question submittals should include a reference to the applicable RFP section. This is the only manner in which questions will be received.

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 EST.

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.

## 2.7 PROPOSAL SUBMITTAL

**IMPORTANT NOTE: This is an absolute requirement.** Late Proposals, regardless of cause, will not be opened or considered, and will be automatically disqualified from further consideration. Vendor shall bear the sole risk of late submission due to unintended or unanticipated delay. It is the Vendor’s sole responsibility to ensure its bid has been received as described in this RFP by the specified time and date of opening. Failure to submit a bid in strict accordance with instructions provided shall constitute sufficient cause to reject a Vendor’s bid(s). Solicitation responses are subject to Sealed Bidding requirements.

Vendor’s Proposals for this procurement must be submitted through the Sourcing Tool. For training on how to use the 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 Sourcing Tool itself can be directed to the North Carolina eProcurement Help Desk at 888-211-7440, Option 2. Help Desk representatives are available Monday through Friday from 7:30 AM EST to 5:00 PM EST.

#### Tips for Using the Sourcing Tool

1. Vendors should review available training and confirm that they are able to access the Sourcing Event, enter responses, and upload files well in advance of the date and time response are due to allow sufficient time to seek assistance from the North Carolina eProcurement Help Desk.
2. Vendors may submit their responses early to make sure there are no issues, and then submit a revised response any time prior to the response due date and time. The State will only review the most recent response.
3. Vendors should respond to all relevant sections of the Sourcing Event. Certain questions or items are required in order to submit a response and are denoted with an asterisk. The Sourcing Tool will not allow a response to be submitted unless all required items are completed. The Sourcing Tool will provide error messages to help identify any required information that is missing when response is submitted.
4. Simply saving your response in the Sourcing Tool is not the same as submitting your response to the State. Vendors should make sure they complete the submission process and receive a message that their response was successfully submitted.
5. **Only Proposals submitted through the Content Section of the Ariba Sourcing Event will be considered. Proposals submitted through the Message Board will not be accepted or considered for award.**

## 2.8 PROPOSAL CONTENTS

Vendors shall provide responses to all questions and complete all attachments for this RFP that require the Vendor to provide information and upload them to the Sourcing Event in the Sourcing Tool. Vendor may not be able to submit its response in the Sourcing Tool unless all required items are addressed. Vendors shall provide authorized signatures where requested. Failure to provide all required items, or Vendor's submission of incomplete items, may result in the State rejecting Vendor's bid, in the State's sole discretion.

Vendors shall upload the following items and attachments in the Sourcing Tool:

- a) Cover Letter, must include the following: (i) a statement that confirms that the Vendor has read the RFP in its entirety, including all links, and all Addenda released in conjunction with the RFP; (ii) a statement that Vendor agrees to perform in accordance with the scope of work, requirements, and specifications contained herein; and (iii) Vendor's agreement to comply with all instructions, terms and conditions, and attachments.
- b) Title Page: Include the company name, address, phone number and authorized representative along with the Bid Number.
- c) Completed and signed version of EXECUTION PAGES, along with the body of the RFP.
- d) Signed receipt pages of any addenda released in conjunction with this RFP, if required to be returned.
- e) Vendor's Proposal addressing all Specifications of this RFP (4.10 Descriptive Literature, 4.11 Vendor's Published Catalog and Lists, 4.13 Experience, 4.23 Solutions Not Hosted on State Infrastructure, 5.7 Project Organization, 5.8 Technical Approach, 7.2 Terms and Conditions Applicable to Artificial Intelligence ("AI"))
- f) Completed version of ATTACHMENT A: PRICING WORKBOOK
- g) Completed and signed version of ATTACHMENT D: HUB SUPPLEMENTAL VENDOR INFORMATION
- h) Completed and signed version of ATTACHMENT E: CUSTOMER REFERENCE FORM
- i) Completed and signed version of ATTACHMENT F: LOCATION OF WORKERS UTILIZED BY VENDOR
- j) Completed and signed version of ATTACHMENT G: CERTIFICATION OF FINANCIAL CONDITION

- k) Completed and signed version of CERTIFICATION FOR CONTRACTS, GRANTS, LOANS, AND COOPERATIVE AGREEMENTS and OMB STANDARD FORM LLL
- l) Completed and signed version of ATTACHMENT I: GEN AI OR AI QUESTIONS
- m) Completed version of VENDOR SUSTAINABILITY EFFORTS

## 2.9 ALTERNATE PROPOSALS

Unless provided otherwise in this RFP, Vendor may submit alternate Proposals for comparable Goods, various methods or levels of Service(s), or that propose different options. Alternate Proposals must specifically identify the RFP requirements and advantage(s) addressed by the alternate bid. Each bid must be for a specific set of Goods and must include specific pricing. Each bid must be complete and independent of other Proposals offered. If a Vendor chooses to respond with various offerings, Vendor shall follow the specific instructions for uploading Alternate Proposals in the Sourcing Tool.

## 2.10 DEFINITIONS, ACRONYMS, AND ABBREVIATIONS

Relevant definitions for this RFP are provided in 01 NCAC 05A .0112 and in the Instructions to Vendors found Sourcing Tool, which are incorporated herein by this reference.

The following definitions, acronyms, and abbreviations are also relevant to this RFP:

Published List Price – is defined as the price regularly offered to the public, not including limited time, one-time only or other promotional pricing. This may include the manufacturer's suggested retail price (MSRP) or public price list (PPL).

## 3.0 METHOD OF AWARD AND BID EVALUATION PROCESS

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### 3.1 METHOD OF AWARD

North Carolina G.S. 143-52 provides a general list of criteria the State shall use to award contracts, as supplemented by the additional criteria herein. The Goods or Services being procured shall dictate the application and order of criteria; however, all award decisions shall be in the State's best interest. All qualified proposals will be evaluated, and awards will be made to the Vendor(s) meeting the specific RFP Specifications and achieving the highest and best final evaluation, based on the criteria described below.

The status of a Vendor's e-Procurement Services account(s) shall be considered a relevant factor in determining whether to approve the award of a contract under this RFP. Any Vendor with an E-Procurement Services account that is in arrears by 91 days or more at the time of Proposal opening may, at the State's discretion, be disqualified from further evaluation or consideration.

While the intent of this RFP is to award a Contract(s) to multiple Vendors, the State reserves the right to make separate awards to different Vendors for one or more line items, to not award one or more line items or to cancel this RFP in its entirety without awarding a Contract, if it is considered to be most advantageous to the State to do so.

The State reserves the right to waive any minor informality or technicality in Proposals received.

### 3.2 CONFIDENTIALITY AND PROHIBITED COMMUNICATIONS DURING EVALUATION

While this RFP is under evaluation, the responding Vendor, including any subcontractors and suppliers, is prohibited from engaging in conversations intended to influence the outcome of the evaluation. See the Paragraph of the Instructions To Vendors entitled COMMUNICATIONS BY VENDORS.

Each Vendor submitting a bid to this RFP, including its employees, agents, subcontractors, suppliers, subsidiaries and affiliates, is prohibited from having any communications with any person inside or outside the using agency; issuing agency; other government agency office or body (including the procurement lead named above, any department secretary, agency head, members of the

General Assembly and Governor’s office); or private entity, if the communication refers to the content of Vendor’s proposal or qualifications, the content of another Vendor’s proposal, another Vendor’s qualifications or ability to perform a resulting contract, and/or the transmittal of any other communication of information that could be reasonably considered to have the effect of directly or indirectly influencing the evaluation of proposals, the award of a contract, or both.

Any Vendor not in compliance with this provision shall be disqualified from evaluation and award. A Vendor’s proposal may be disqualified if its subcontractor and/or supplier engage in any of the foregoing communications during the time that the procurement is active (*i.e.*, the issuance date of the procurement until the date of contract award or cancellation of the procurement). Only those discussions, communications or transmittals of information authorized or initiated by the issuing agency for this RFP or inquiries directed to the procurement lead named in this RFP regarding requirements of the RFP (prior to proposal submission) or the status of the award (after submission) are excepted from this provision.

### **3.3 PROPOSAL EVALUATION PROCESS**

Only responsive submissions will be evaluated.

#### **The State will conduct a One-Step evaluation of Proposals:**

Proposals will be received according to the method stated in the Proposal Submittal Section above.

All proposals must be received by the issuing agency not later than the date and time specified in the RFP SCHEDULE Section above, unless modified by Addendum. Vendors are cautioned that this is a request for offers, not an offer or request to contract, and the State reserves the unqualified right to reject any and all offers at any time if such rejection is deemed to be in the best interest of the State.

At the date and time provided in the RFP SCHEDULE Section above, unless modified by Addendum, the proposal from each responding Vendor will be opened publicly and all offers (except those that have been previously withdrawn, or voided bids) will be tabulated. The tabulation shall be made public at the time it is created. When negotiations after receipt of bids is authorized pursuant to G.S. 143-49 and 01 NCAC 05B.0503, only the names of offerors and the Goods and Services offered shall be tabulated at the time of opening. If negotiation is anticipated, cost and price shall become available for public inspection at the time of the award.. Interested parties are cautioned that these costs and their components are subject to further evaluation for completeness and correctness and therefore may not be an exact indicator of a Vendor’s pricing position.

At their option, the evaluators may request oral presentations or discussions with any or all Vendors for clarification or to amplify the materials presented in any part of the proposal. Vendors are cautioned, however, that the evaluators are not required to request presentations or other clarification—and often do not. Therefore, all proposals should be complete and reflect the most favorable terms available from the Vendor.

If negotiation is anticipated under 01 NCAC 05B.0503, pricing may not be public until award.

At their sole option, the evaluators may request oral presentations or discussions with any or all Vendors for the purpose of clarification or to amplify the materials presented in any part of the proposal. Vendors are cautioned, however, that the evaluators are not required to request presentations or other clarification—and often do not.

Upon completion of the evaluation process, the State will make award(s) based on the evaluation and post the award(s) to the State’s eVP website under the RFP number for this solicitation. Award of a Contract to one Vendor does not mean that the other proposals lacked merit, but that, all factors considered, the selected proposal was deemed most advantageous and represented the best value to the State.

The State reserves the right to negotiate with one or more Vendors, or to reject all original offers and negotiate with one or more sources of supply that may be capable of satisfying the requirement, and in either case to require Vendor to submit a Best and Final Offer (BAFO) based on discussions and negotiations with the State.

### 3.4 EVALUATION CRITERIA

In addition to the general criteria in G.S. 143-52 which may or may not be relevant to this RFP, all qualified proposals will be evaluated, and award made based on considering the following criteria, to result in an award most advantageous to the State:

**BEST VALUE:** "Best Value" procurement methods are authorized by N.C.G.S. §§143-135.9 and 143B-1350(h). The award decision is made based on multiple factors, including: total cost of ownership, meaning the cost of acquiring, operating, maintaining, and supporting a product or service over its projected lifetime; the evaluated technical merit of the Vendor's offer; the Vendor's past performance; and the evaluated probability of performing the specifications stated in the solicitation on time, with high quality, and in a manner that accomplishes the stated business objectives and maintains industry standards compliance. The intent of "Best Value" procurement is to enable Vendors to offer and the Agency to select the most appropriate solution to meet the business objectives defined in the solicitation and to keep all parties focused on the desired outcome of a procurement.

A ranking method of source selection will be utilized in this procurement using evaluation criteria listed in order of importance in the Evaluation Criteria section below 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.

**EVALUTION METHOD:** Narrative and by consensus of the evaluation committee, explaining the strengths and weaknesses of each proposal and why the recommended awardee(s) provide the best value to the State.

All qualified proposals will be evaluated, and award made based on considering the following criteria listed in descending order of importance, to result in an award most advantageous to the State:

1. **Technical Approach (Section 5.8)**
2. **Project Organization (Section 5.7)**
3. **Vendor Experience (Section 4.13)**
4. **Price (Section 4.1, Attachment A)**

### 3.5 PERFORMANCE OUTSIDE THE UNITED STATES

Vendor shall complete **ATTACHMENT F: LOCATION OF WORKERS UTILIZED BY VENDOR**. In addition to any other evaluation criteria identified in this RFP, the State may also consider, for purposes of evaluating proposed or actual contract performance outside of the United States, how that performance may affect the following factors to ensure that any award will be in the best interest of the State:

- a) Total cost to the State
- b) Level of quality provided by the Vendor
- c) Process and performance capability across multiple jurisdictions
- d) Protection of the State's information and intellectual property
- e) Availability of pertinent skills
- f) Ability to understand the State's business requirements and internal operational culture
- g) Particular risk factors such as the security of the State's information technology
- h) Relations with citizens and employees
- i) Contract enforcement jurisdictional issues

### 3.6 INTERPRETATION OF TERMS AND PHRASES

This RFP serves two functions: (1) to advise potential Vendors of the parameters of the solution being sought by the State; and (2) to provide (together with other specified documents) the terms of the contract resulting from this procurement. The use of phrases such as “shall,” “must,” and “requirements” are intended to create enforceable contract conditions. In determining whether Proposals should be evaluated or rejected, the State will take into consideration the degree to which Vendors have proposed or failed to propose solutions that will satisfy the State’s needs as described in the RFP. Except as specifically stated in the RFP, no one requirement shall automatically disqualify a Vendor from consideration. However, failure to comply with any single requirement may result in the State exercising its discretion to reject a bid in its entirety.

## 4.0 REQUIREMENTS

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This Section lists the requirements related to this RFP. By submitting a bid, the Vendor agrees to meet all stated requirements in this Section, as well as any other specifications, requirements, and terms and conditions stated in this RFP. If a Vendor is unclear about a requirement or specification or believes a change in a requirement would allow for the State to receive a better bid, the Vendor is encouraged to submit these items in the form of a question during the question and answer period in accordance with the Bid Questions Section above.

### 4.1 PRICING

The proposed highest percent discount off Category Published Price List shall include the total price for each item, including shipping, delivery, handling, administrative and other similar fees. Assembly and set-up at the State’s location shall be shown as an additional line price for each applicable item. Complete ATTACHMENT A: PRICING WORKBOOK and upload in the Sourcing Tool. The pricing provided in ATTACHMENT A: PRICING WORKBOOK, or resulting from any negotiations, is incorporated herein and shall become part of any resulting contract.

The Vendor may offer lower pricing on a per-order or location-specific basis depending on factors such as order volume, service frequency, delivery efficiencies, multi-site service, term commitments, or promotional programs. Any such price reduction shall apply only to the specific order or service period for which it is offered and shall not modify the prices or create a precedent for future pricing. All order-specific pricing adjustments must be documented in the applicable service order or schedule and, upon request, the Supplier shall provide reasonable justification for the adjustment.

All qualified Proposals will be evaluated, and award(s) made as deemed advantageous or necessary to provide the estimated requirements as to breadth of lines, highest % discount offered off published list price, quantity, quality, delivery, service, and/or geographical coverage, based on Section 3.3. Products offered must currently be available on the manufacturer’s published public price list. Submission of manufacturer’s price schedules developed specifically for this Proposal WILL result in disqualification from award consideration.

The Vendor will demonstrate reasonableness of price by offering the Percentage Discount to North Carolina that is the same or better than provided in a current contract to similarly situated governmental entities (i.e., other State contracts, GSA, NASPO ValuePoint, Veteran’s Administration, Department of Defense or other governmental entities). If the Vendor is unable to offer the cost proposal to NC that is the same or better than given to other similarly situated governmental entities, Vendor shall include with the response a brief explanation as to why they are unable to do so. The State reserves the right to request further information such as copies of other governmental contracts, to determine the reasonableness of the price offered.

Pricing provided for goods and services offered under this contract shall be uniform and non-discriminatory. Specifically, the pricing structure shall not vary based on the gender of the recipient or end user. The vendor agrees that prices for products or services shall be applied equally to all individuals regardless of gender, and no price shall be increased or decreased based on gender-related factors or characteristics.

**4.2 FINANCIAL STABILITY**

As a condition of contract award, the Vendor must certify 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 this Contract; and that entering into this Contract is not prohibited by any contract, or order by any court of competent jurisdiction.

Each Vendor shall certify it is financially stable by completing ATTACHMENT G: CERTIFICATION OF FINANCIAL CONDITION. The State is requiring this certification to minimize potential issues from contracting with a Vendor that is financially unstable. From the date of the Certification to the expiration of the Contract, the Vendor shall notify the State within thirty (30) days of any occurrence or condition that materially alters the truth of any statement made in this Certification. The Contract Manager may require annual recertification of the Vendor’s financial stability.

**4.3 ADDITIONAL SAVINGS OFFERS/REBATES**

This component of the Cost Response is optional, but the State encourages Vendors to provide additional financial incentives/rebates, if possible, within the scope of this RFP, that will benefit the State. These additional incentives could include, but are not limited to additional discounts based on total spend volumes, tier pricing, rebates, additional discounts by manufacturer, etc. Additional Discount Offers shall be in addition to the discounts Vendor offers as a List Item Price. Additional Discount Offers should be provided in ATTACHMENT A: PRICING WORKBOOK.

**Additional Discounts:** As part of the pricing submittal, Vendors are being requested to propose an additional percentage discount which would be applied to all orders for the remainder of the contract term if and when the total orders against the contract exceed the provided amount, at any point during the life of the contract. Orders from all entities utilizing this contract will count toward the contract volume discount threshold.

**Rebates:** If a rebate is offered, it will be based on reported sales, on a quarterly basis (see Section 6.6 QUARTERLY REPORTS). The Vendor shall submit the rebate amount due by check with the “Contracts Number,” “Report Amount,” and “Report Period” on either the check stub or other remittance materials. The payment shall be made by check as described herein.

**Checks shall be payable to:** NCDOA, Division of Purchase & Contract

**Checks shall be mailed to:** NCDOA, Division of Purchase & Contract, Contract Manager  
1305 Mail Service Center  
325 N. Salisbury Street  
Raleigh, NC 27603

All discounts in Vendor’s bid shall remain in effect for the entire contract period and shall not be decreased. However, the discount may be increased, and any such increase shall remain in effect for the remainder of the contract period and any subsequent extensions. Volume or tier discounts, if offered, shall apply to purchase orders placed for delivery to the same location. Vendors may provide volume or tier discounts to orders that include multiple delivery points from the same agency.

The State reserves the right to accept or reject all or part of the proposed Additional Discount Offers as part of a Vendor’s Total Price Submittal Value. The State has sole discretion to not assign value to Vendor’s proposed Additional Discount Offers which the State cannot quantify or to give only partial value for Additional Discount Offers. Vendors may offer the State additional discounts using the Additional Discount Offers within ATTACHMENT A: PRICING WORKBOOK.

**4.4 TRANSPORTATION AND IDENTIFICATION**

The Vendor shall deliver Free-On-Board (FOB) Destination to any requested location within the State of North Carolina with all transportation costs and fees included in the total bid price.

When an order is placed using a purchase order, the purchase order number shall be shown on all packages and shipping manifests to ensure proper identification and payment of invoices. If an order is placed without using a purchase order, such as via phone,

the Buying Entity’s name shall be show on all packages. A complete packing list shall accompany each shipment. Vendors shall not ship any products until they have received an order.

**4.5 DELIVERY**

Successful Vendor(s) should complete delivery within the mutually agreed upon timeframe as specified in the Buying Entity Service Agreement. Deliveries shall be made during the Buying Entity’s normal business hours and on regular North Carolina State business days unless other arrangements have been mutually agreed upon.

For completion by Vendor: Delivery will be made from \_\_\_\_\_ (city, state) within \_\_\_\_\_ consecutive calendar days after receipt of purchase order. Promptness of delivery may be used as a factor in the award criteria.

All orders shall be delivered to the location(s) specified by the Buying Entity. The specified location(s) may include a loading dock or area inside a building. Deliveries to agency personnel home addresses is not allowable. The Awarded Vendor shall notify the Buying Entity at least two (2) business days in advance of a delivery to allow for the availability of agency personnel to receive the product(s) if agency so requires on its Buying Entity Service Agreement and purchase order.

The Awarded Vendor should deliver and pick-up on a weekly or bi-weekly basis, whichever is mutually agreed upon. Should a service date fall on a state holiday as designated by the Office of State Personnel (<https://oshr.nc.gov/state-employee-resources/benefits/leave/holidays#2024-2618>), the Awarded Vendor shall coordinate with the Buying Entity to provide service on an alternate day during the same week.

**4.6 ON-TIME DELIVERY RATE**

The Vendor shall maintain an on-time shipment rate of at least 95% of orders being shipped within delivery terms. On-time shipment is defined as shipping all ordered items to the receiving point designated by the Buyer with the shipping time required in Section 4.6 DELIVERY. The on-time shipping rate is calculated using the following formula:

Shipment Timing	Percent On-Time Shipment Rate
Section 4.6 Calendar Days	95%

**(Number of On-Time Order Shipments)/(Total Number of Orders) x 100% = On-Time Shipment Rate**

**Note: On-Time Shipment Rate will be rounded to the nearest whole percent.**

NOTE: An order will not be considered shipped until all items in the order have been shipped to the State. This includes all shipments required to complete a given order. Therefore, the “Total Number of Orders” is equal to the total number of orders received, subtracting any orders that are cancelled by the State prior to shipment. If the Vendor makes multiple shipments to fill a single order, the shipment is not considered complete until all items have been shipped. Once all items have been shipped the order will be considered either “On-Time” or “Late”. Vendor shall not cancel or require that the State cancel any partial order or item considered “back-ordered” due to shipment delay unless requested to do so by the State, nor engage in any process or activity with an effect of inflating the actual On-Time Shipment Rate without prior written authorization from the State.

**4.7 DEFECTIVE PRODUCTS**

In the event a product is found to be defective, Vendor agrees to replace the item immediately, within the same delivery time frame at no additional charge to the State.

**4.8 PRODUCT RECALL**

Vendor expressly assumes full responsibility for prompt notification to the Contract Manager at the State’s Division of Purchase & Contract of any product recall in accordance with the applicable State or Federal regulations. The Vendor shall support the Contract Manager in necessary follow-up with State entities that have purchased recalled products to replace, at no cost to the State, any such products promptly.

#### **4.9 OUT-OF-STOCK AND BACK-ORDERS**

The Vendor shall notify the Buyer when one or more items in an order cannot be delivered within the time specified. After notification to Buyer by Vendor of a fulfillment delay of one or more items in the order, the Buyer may cancel undelivered items within an order, or an order in its entirety, without penalty or charge, to the extent that the notice of cancellation occurs before Buyer is notified that the delayed item or other cancelled items in the order have shipped.

#### **4.10 DESCRIPTIVE LITERATURE**

Vendor shall submit with the proposal, complete descriptive literature, specifications, certifications, and all other pertinent data necessary for thorough evaluation of the services offered and sufficient to determine compliance of the services with the specifications. Failure to include such information shall be a sufficient basis for rejection of the bid, at the discretion of the State.

#### **4.11 VENDOR'S PUBLISHED CATALOG AND LISTS**

As a result of this Contract, Vendors shall provide its catalog of products. By definition, a Vendor's catalog as a result of this effort, is a Vendor's full line of products within the awarded category scope that is consistent with what is offered on its punch-out catalog site. The State deems the right to determine the completeness of the coverage of a Vendor's catalog. The Vendor's catalog must be submitted with its proposal by uploading in assigned Section of the Ariba Network Sourcing Tool.

Altered, or unpublished, price lists/literature may subject your bid to rejection. The Vendor is advised that literature, questionnaires, and other data submitted in response to a previous IFB, or other inquiry will not suffice for the above requirement. Failure to include such information shall be a sufficient basis for rejection of the Vendor's bid. The Vendor shall, where applicable, provide the following information, at a minimum, on the proposed products:

- a. Detailed Manufacturer's Item Description
- b. Manufacturer
- c. Manufacturer Product #
- d. Manufacturer List Price
- e. UOM
- f. Number of Items (bandages, syringes, vials, etc.) per UOM
- g. Internet link to the product if available

#### **4.12 HUB PARTICIPATION**

Pursuant to North Carolina General Statute G.S. 143-48, it is State policy to encourage and promote the use of small, minority, physically handicapped, and women contractors in purchasing Goods and Services. As such, this RFP will serve to identify those Vendors that are minority owned or have a strategic plan to support the State's Historically Underutilized Businesses program by meeting or exceeding the goal of 10% utilization of diverse firms as 1st or 2nd tier subcontractors. Vendor shall complete ATTACHMENT D: HUB SUPPLEMENTAL VENDOR INFORMATION.

#### **4.13 EXPERIENCE**

In its Proposal, Vendor shall demonstrate experience with public and/or private sector clients with similar or greater size and complexity to the State. The Vendor shall provide a written summary of similar contracts held over the past three (3) years. The State may check all public sources to determine whether the Vendor has listed all contracts for similar work within the designated period. If the State determines that the list is incomplete or inaccurate and similar contracts were not listed, the State may contact the entities to make inquiry into the Vendor's performance of those contracts and the information obtained may be considered as "Reference" information.

Vendor shall provide information as to the qualifications and experience of all executive, managerial, legal, and professional personnel to be assigned to this project, including citing experience with similar projects and the responsibilities to be assigned to each person.

#### **4.14 REFERENCES**

Vendors shall upload to the Sourcing Tool at least three (3) references, using ATTACHMENT E: CUSTOMER REFERENCE FORM, for which your company has supplied the exact services offered. References shall not be from the same company or from the soliciting State entity. The State may contact these users to determine quality level of the offered equipment; as well as, but not limited to user satisfaction with Vendor performance. Information obtained shall be considered in the evaluation of the bid.

#### **4.15 BACKGROUND CHECKS**

Any personnel or agent of Vendor performing Services under any Contract arising from this RFP may be required to undergo a background check at the expense of the Vendor, if so requested by the State.

#### **4.16 PERSONNEL**

Vendor warrants that qualified personnel shall provide Services under this Contract 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 industry. Vendor will serve as the prime contractor under this Contract and shall be responsible for the performance and payment of all subcontractor(s) that may be approved by the State. 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. Vendor will retain executive representation for functional and technical expertise as needed in order to incorporate any work by third party subcontractor(s).

Should the Vendor's proposal result in an award, the Vendor shall be required to agree that it will not substitute key personnel assigned to the performance of the Contract without prior written approval by the Contract Lead. Vendor shall further agree that it will notify the Contract Lead of any desired substitution, including the name(s) and references of Vendor's recommended substitute personnel. The State will approve or disapprove the requested substitution in a timely manner. The State may, in its sole discretion, terminate the Services of any person providing Services under this Contract. Upon such termination, the State may request acceptable substitute personnel or terminate the contract Services provided by such personnel.

#### **4.17 SUSTAINABILITY**

According to G.S. 143-58.2, it is the policy of this State to encourage and promote the purchase of products with recycled content and to purchase items that are reusable, refillable, repairable, more durable, and less toxic to the extent that the purchase or use is practicable and cost effective. The Vendor shall upload to the Sourcing Tool, the VENDOR SUSTAINABILITY EFFORTS FORM to describe environmental requirements, which relate to clear labeling of the environmental/sustainability attributes (e.g. environmental certifications, total and post-consumer recycled content, etc.), of products and services included in the proposal. Vendor shall demonstrate their ability to meet the requirements of G.S. 143-58.2 in its proposal.

Furthermore, Vendor shall demonstrate in their Technical response the certifications they have obtained from ISO 14001 (Environmental Management System), Green Seal, Textile Rental Services Association (TRSA) Clean Green, EPA Safer Choice, Fair Trade, B Corp, OEKO-TEX Standard 100, Cradle to Cradle, Carbon Trust, ISO 9001 (Quality Management Systems) and Sustainable Apparel Coalition (Higg Index) or the like to demonstrate the Vendor's commitment to sustainability. The State reserves the right to request documentation or proof of any certifications listed in the Vendor's response. Failure to provide requested verification within the timeframe specified by the State may result in disqualification or rejection of the proposal.

**4.18 VENDOR’S REPRESENTATIONS**

If Vendor’s bid results in an award, Vendor agrees that it will not enter any agreement with a third party that may abridge any rights of the State under the contract. If any Services, deliverables, functions, or responsibilities not specifically described in this solicitation are required for Vendor’s proper performance, provision and delivery of the Service and deliverables under a resulting contract, or are an inherent part of or necessary sub-task included within such service, 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. Unless otherwise expressly provided herein, 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/or other Deliverables.

**4.19 INSURANCE REQUIREMENTS MODIFICATION**

A. Default Insurance Coverage from the General Terms and Conditions applicable to this Solicitation:

- Contract value in excess of \$1,000,000.00

**4.20 LOBBYING ACTIVITY CERTIFICATION FOR FEDERAL GRANTS**

Federal law prohibits recipients of federal funds, whether through grants, contracts, or cooperative agreements, from using those funds to influence or attempt to influence (lobby) a federal official in connection with obtaining, extending, or modifying any federal contract, grant, loan, or cooperative agreement. Further, federal law requires that applicants for federal funds certify:

- that they abide by the above restriction;
- that they disclose any permissible (non-federal) paid lobbying on the Federal Awards being applied for; and
- that such certification requirements will also be included in any subawards meeting the applicable thresholds.

Vendors must complete and submit the CERTIFICATION FOR CONTRACTS, GRANTS, LOANS, AND COOPERATIVE AGREEMENTS and the OMB STANDARD FORM LLL when responding to this solicitation.

**4.21 SECRETARY OF STATE REGISTRATION**

Upon notification of award, the selected Vendor(s) shall complete registration with the NC Secretary of State and shall furnish evidence of filing to the Procurement Lead. Failure to provide proof of registration will result in the removal as a selected Vendor(s) from the contract award. Note that any prolonged (longer than ten (10) business days) notification of evidence of filing may result in a disqualification for award. No purchase orders shall be issued prior to confirmation of completed registration with the Secretary of State.

A contract award under the above-referenced solicitation, and the resulting purchase orders, will produce repeated orders and transactions in North Carolina and will constitute “transacting business” in the State, which requires a certificate of authority from the North Carolina Secretary of State as provided in G.S. §55-15-01 (corporations) or §57D-7-01 (LLCs). Please go to: <https://www.sosnc.gov/> to register.

Vendor registered with the North Carolina Secretary of State: Yes  No

If yes, provide your NC SOS ID here: \_\_\_\_\_

**4.22 SUBCONTRACTORS**

No portion of the work shall be subcontracted without prior written consent of the State. In the event that the Vendor desires to subcontract some part of the work specified herein, the Vendor shall furnish with their bid the names, qualifications, and

experience of their proposed subcontractors. The Vendor shall, however, remain solely and fully liable and responsible for the work done by its subcontractor(s) and shall assure compliance with all the requirements and specifications of the contract.

#### 4.23 SOLUTIONS NOT HOSTED ON STATE INFRASTRUCTURE

The Uniform Rental and Facility Services Program will be required to receive and securely manage data that is classified as High Risk (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.

#### 4.24 GENAI SOLUTIONS OR SERVICES

**1. Disclosure of GENAI Prior to Contract Award.** The State seeks to realize the potential benefits of GenAI, through the development and deployment of GenAI tools, while balancing the risks of these new technologies.

- a. Vendor must notify the State in writing if Vendor's Solution or Service includes, or makes available, any GenAI including GenAI from third parties or subcontractors. Response shall be included within Attachment I.
- b. For Vendors responding affirmatively to 1.a, describe the GenAI technology available in Vendor's Solution or Services using the GenAI questions located in Attachment I and include the responses with Vendor's offer.
- c. Failure to submit answers to the GenAI questions with Vendor's offer will result in Vendor's offer being deemed non-responsive.
- d. Upon receipt of Vendor's responses to the State's GenAI questions the State reserves the right to incorporate GenAI Special Provisions into the final contract or to reject offers that present an unacceptable level of risk to the State.

- e. Prior to contract award, the State may, in its sole discretion, require the Vendor to provide additional information for Vendor's GENAI technology related to privacy, security and architecture.
- f. Failure to report GenAI to the State may void any resulting contract. The State reserves its right to seek any and all relief it may be entitled to as a result of such non-disclosure.

**2. Use and Disclosure of GENAI During the Term of the Agreement.**

- a. During the term of the Agreement, Vendor must promptly notify the State in writing if Vendor's Services or any work under this Agreement includes, or makes available, any previously unreported GenAI technology, including GenAI from third parties or subcontractors, submit Vendor's completed responses to the GenAI questions in Attachment I and provide the Vendor Standard Agreements, including license and maintenance and support agreements, applicable to the technology for the State's review.
- b. Vendor shall not activate such GenAI technology without the State's written consent and approval. Changes to the Agreement shall be governed by the North Carolina Department of Administration, Division of Purchase and Contract, Terms and Conditions.
- c. The State may, in its sole discretion, require the Vendor to provide additional information for Vendor's GENAI technology related to privacy, security, and architecture.
- d. Failure to disclose GenAI use to the State may be considered a breach of the contract by the State at its sole discretion. The State may consider such failure to disclose GenAI or any failure to provide requested information related to privacy, security, or architecture, as grounds for the immediate termination of the Agreement. The State is entitled to seek any and all relief it may be entitled to as a result of Vendor's failure to disclose GENAI.
- e. The State reserves the right to incorporate GenAI Special Provisions into the Agreement at the State's sole discretion and/or terminate any Agreement that presents an unacceptable level of risk to the State.

For Vendor solutions or Services with AI or GenAI features or tools, refer to Attachment I (*i.e., set of additional specifications*) for Vendor's response. If Vendor's proposed solution does not utilize AI or GenAI features, please respond by stating that Attachment I is "Not applicable for Vendor's Solution or Services."

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## **5.0 SCOPE OF WORK AND SPECIFICATIONS**

The Statewide Term Contract will cover Uniform Rental Services (including rental, customization, alteration, laundering, cleaning, and repair of uniforms and accessories), Facility Services (such as floor mat, mop, linen, towel, restroom supplies, hand hygiene, and cleaning solution services), and First Aid & Safety Services (including first aid supplies, safety supplies, and safety training).

Vendor must provide a response to the following in its Proposal. Vendors should keep responses straightforward and to the point and should not include generic marketing materials. Vendor responses should not exceed twenty (20) pages in length.

Vendors are highly encouraged to include in their proposal a description of any significant task or service not listed in the Scope of Work which they know to be necessary for the successful execution of these services.

### **5.1 IMPLEMENTATION AND COMMUNICATION PLAN**

The successful implementation and efficient management of Uniform Rental and Facility Services are crucial for an efficiently functioning contract. This plan outlines the steps and strategies to effectively implement and communicate the procurement, distribution, and usage of Uniform Rental and Facility Services.

### **5.2 CUSTOMER SERVICES**

The Vendors shall outline in the proposal key principles and strategies to deliver customer service in the context of Uniform Rental and Facility Services. Information to include but not limited to:

- Prompt Response
- Product Knowledge and Expertise

- Problem-Solving
- Accuracy and Efficiency
- Tracking and Status Updates
- Customer Feedback Collection

### 5.2.1 GEOGRAPHIC COVERAGE

The Vendor shall provide coverage shipping to all 100 North Carolina Counties. Uniforms shall only be shipped to State Agency duty stations. No shipments shall be delivered to Residential Addresses of Employees.

### 5.3 TASKS AND DELIVERABLES

Vendor shall provide all labor, equipment, and materials required to provide uniform rental and facility services as mutually agreed upon by the Buying Entity and the Vendor.

Vendor shall deliver all uniform clothing in clean, stain free, damage free, and wrinkle free condition, on hangers, with emblems affixed, and all methods of closure/fastening (buttons, zippers, or other closures) functioning properly, as defined herein.

#### 5.3.1 CATEGORY I: UNIFORM RENTAL SERVICES

##### 5.3.1.1 INITIAL CONSULTATION

Vendor shall work with the Buying Entity representative, in order to determine quantities, material, sizes, and colors for uniform clothing. Vendor shall do an initial in-person sizing for uniform clothing to be ordered at each location at no additional cost to Buying Entity. Uniform Sizing shall be completed no later than three (3) weeks after the Buying Entity Service Agreement execution. Uniform clothing shall be:

1. Shirts – shall be readily available in sizes extra small (XS) to six extra-large (6XL) sizes.
2. Pants – shall be readily available in waist size twenty-eight (28) inches through sixty (60) inches sizes.
3. Vendor shall provide uniform clothing in sizes other than those identified above on as needed basis and at the agreed upon delivery terms between the Buying Entity and the Vendor.
4. Vendor shall provide all uniform clothing in colors, style, material, and specifications in accordance with the contract and as required according to the Buying Entity Service Agreement.
5. All uniform clothing colors shall be made available to buying entities at no additional cost.
6. Vendor shall provide clothing in alternative fabrics, as required. Options for disclosed allergies shall be provided, as requested.
7. Vendor shall provide and affix all uniform emblems or logos to all uniform clothing in accordance with the Buying Entity Service Agreement. Proof of emblem or logo shall be submitted to the Buying Entity for approval.
8. Vendor shall provide a quantity of uniform clothing for each employee as defined in the Buying Entity Service Agreement.
9. Vendor shall deliver the initial order of all uniform clothing to each delivery location within ten (10) business days after the sizing (in-person) event. Should the Vendor anticipate delivery taking longer than ten (10) business days for the initial order, the Vendor shall notify the Buying Entity of any delays at the time of the initial order.

##### 5.3.1.2 ONBOARDING EMPLOYEES

At the request of the Buying Entity, the vendor should allow for modification of the Service Agreement, to include fitting a new employee for clothing at no additional cost to the State. The Buying Entity shall order new fitted employee uniform clothing at the time of fitting. Vendor shall fulfill orders for new employees with the appropriate count and style uniform clothing within ten (10) business days from initial sizing (in-person) event.

##### 5.3.1.3 EMPLOYEE SEPARATION

The Buying Entity representative shall coordinate with the Vendor to have the separated employee's uniform clothing picked up and returned to the Vendor at the next scheduled service. Any missing items shall be identified at the time of return during the regularly scheduled service and shall be clearly identified with the name of the separated employee on the Service Ticket and

invoice. Buying Entity shall only be responsible for uniform clothing replacements for clothing items not returned by the separated employee and no additional charges shall be assessed for the uniform clothing return.

**5.3.1.4 EMPLOYEE RELOCATION/TRANSFER**

If an employee relocates to another Buying Entity location within the same Service Agreement requiring the same uniform clothing previously issued to the employee, they shall keep their uniform clothing, and the Buying Entity representative shall update the Vendor of the relocation to ensure inventory, location, and invoicing records are updated.

If an employee relocates to another Buying Entity location within the same Service Agreement requiring different uniform clothing, they shall keep their clothing and request the clothing exchange at their new Buying Entity location with the Buying Entity representative who shall update the Vendor of the relocation and required exchanges to ensure inventory, location, and invoicing records are updated.

**5.3.1.5 SIZE CHANGES**

Vendor shall provide clothing size exchanges, when necessary, at no additional charge to Buying Entity, and shall be delivered no later than ten (10) business days of Vendor notification of needed changes. Should the vendor anticipate a delay that will extend the delivery beyond ten (10) business days, the Vendor shall notify the Buying Entity at the time of reporting of the needed changes.

**5.3.1.6 UNIFORM SERVICE**

Vendor shall pick up soiled uniform clothing and deliver clean uniform clothing on a scheduled day and time as defined in the Buying Entity Service Agreement after initial delivery.

Vendor shall provide uniform clothing as specified in the Buying Entity Service Agreement.

The uniforms provided must be made from high-quality, durable, and comfortable materials suitable for the specific functions they are designed for. Uniforms must withstand regular use, laundering, and wear without fading, shrinking, or losing their shape. All uniforms must maintain their appearance, fit, and functionality after repeated washing and handling. This includes ensuring that colors remain consistent and that fabric does not fade or degrade over time. Uniforms should meet applicable safety standards, such as flame resistance, high-visibility requirements, or any other applicable regulations based on the nature of the work.

Vendor shall provide uniform clothing that is in accordance with all current health and safety requirements, including but not limited to m National Fire Protection Association (NFPA) 70E (Category 2), NFPA 2112, ASTM 1506 requirements and are required to be worn when performing work in accordance with health and safety requirements.

Vendor shall supply and deliver uniform clothing that are cleaned, stain free, damage free, and wrinkle free during each scheduled delivery. All items must be sanitized to ensure they are free from stains, odors, and contaminants. The vendor must use eco-friendly, non-toxic detergents and cleaning methods, minimizing the use of harsh chemicals while ensuring cleanliness and fabric integrity. Uniforms must be inspected before each delivery to ensure they are in good condition, properly cleaned, free from defects, and fit for use. The vendor must replace damaged, excessively worn, or defective uniforms promptly at no additional charge. The vendor must track the lifespan of uniforms, ensuring that they are replaced at appropriate intervals to maintain a professional appearance and functional integrity. If the Buying Entity representative determines the uniform clothing does not meet their quality expectations, the said item will be rejected, recorded, and returned to the Vendor at no cost to the State and replaced within five (5) business days.

If a fabric color is discontinued, Vendor shall notify the Buying Entity Representative within two (2) business days, with a recommendation of options within 5% consistency of original color for replacement, by phone and confirmed email. The Buying Entity Representative, in return, shall choose an alternate color and notify Vendor by email. There will be no additional charges to the State for Vendor to produce new clothing in the new fabric color for the Buying Entity.

**5.3.2 CATEGORY II: FACILITY SERVICES**

Please note the exclusions in section 1.3.

**5.3.2.1 FLOOR MAT SERVICES**

The Vendor shall be responsible for but not limited to furnishing, delivering, regularly servicing (cleaning and replacing), and maintaining a variety of floor mats. Services shall not include the direct sales of floor mats, see Section 1.3 Exclusions. All floor mat products must be provided as part of an ongoing service agreement.

Vendor shall provide floor mats including but not limited to, entrance mats, anti-fatigue mats, logo mats, scraper mats, and absorbent mats. The vendor must ensure the mats are appropriately sized, functional, and visually appealing for each Buying Entity's specific requirements.

The mats must be made from high-quality, durable materials designed to withstand heavy foot traffic, wear, and frequent laundering without deterioration in quality or appearance. Mats should be resistant to fraying, fading, or becoming misshapen after repeated cleaning.

Vendor shall pick-up soiled or damaged mats, and replace with clean or new mats on a schedule as defined in the Buying Entity Service Agreement. All mats must be delivered in a clean, hygienic, and ready-to-use condition.

Vendor shall clean and sanitize the mats in compliance with state health and safety regulations. Mats must be free of any stains, odors, debris, and contaminants upon delivery. Vendor shall utilize high-quality cleaning processes that include the use of non-toxic, eco-friendly detergents and disinfectants while maintaining the integrity of the mats. Mats should be treated to prevent bacterial growth, mildew, and odor build-up, especially for mats placed in high-moisture areas such as restrooms and entryways.

Vendor shall provide floor mats for placement inside and outside of buildings as determined and requested by the Buying Entity representative.

Mats provided by vendor shall be ADA compliant.

Vendor shall provide all mats free of rips and tears. Cleaned mats shall be of the same size as the soiled mats and in good condition when returned and delivered at each Buying Entity location.

Vendor shall pick up and place back mats in the exact same location where the mats were originally removed from inside or outside of the building by the Vendor.

The vendor should utilize mats made from sustainable or recyclable materials wherever possible and should prioritize products that contribute to the reduction of waste, including reusable mats and environmentally friendly packaging.

### **5.3.2.2 FLOOR MOP SERVICES**

The Vendor shall be responsible for but not limited to furnishing, delivering, regularly servicing (cleaning and replacing), and maintaining a variety of floor mops. Services shall not include the direct sales of floor mops, see Section 1.3 Exclusions. All floor mop products must be provided as part of an ongoing service agreement.

Vendor shall provide floor mops (wet mops, dust mops, microfiber mops or specialized floor mops) based on the Buying Entity requirements. Floor mops will be made of materials suitable for the Buying Entity's floor type (e.g., microfiber, cotton, etc.). The service shall include the supply, delivery, pickup, and laundering of floor mops, ensuring that all mops are properly sanitized, maintained, and ready for use.

The mops provided must be high-quality, durable, and made from materials suitable for high-frequency cleaning, such as microfiber or other commercial-grade fabrics that ensure effective dirt and dust removal while maintaining their integrity after repeated use and laundering. Mop heads should be designed to handle various floor types (e.g., tile, vinyl, hardwood) and be capable of cleaning effectively without leaving residue or streaks. Mops must be resistant to wear and tear, and the vendor must replace any damaged or excessively worn mops promptly at no additional cost to the state.

Vendor shall pick-up soiled or damaged floor mops, and replace with clean or new floor mops on a schedule as defined in the Buying Entity Service Agreement. Mops must be delivered in clean, ready-to-use condition.

All floor mops must be laundered in compliance with state health and safety standards, ensuring that mops are free from any contaminants, odors, or dirt. The vendor must utilize industry-standard laundering techniques to remove dust, dirt, and bacteria from mop heads, using safe, non-toxic detergents and disinfectants that comply with environmental and health regulations. The vendor must ensure that mops are sanitized and disinfected to meet hygiene standards, particularly for high-traffic areas or facilities with specific cleaning requirements.

Vendor shall pick up and place back floor mops in the exact same location where the floor mops were originally removed by the Vendor.

**5.3.2.3 LINEN SERVICES**

The Vendor shall be responsible for but not limited to furnishing, delivering, regularly servicing (cleaning and replacing), and maintaining a variety of linens. Services shall not include the direct sales of linens, see Section 1.3 Exclusions. All linen products must be provided as part of an ongoing service agreement.

Vendor shall provide the required types of linens including but not limited to, sheets, pillowcases, blankets, tablecloths, napkins, and towels based on the Buying Entity’s requirements. All linens must be high-quality, durable and appropriate for the Buying Entity’s industry (e.g., hospitality, healthcare, food service). Linens should be made from sustainable or recycled materials whenever possible, and the vendor should use eco-friendly packaging materials for delivery.

Vendor shall provide regular delivery and pick-up services for linens as defined in the Service Agreement. Vendor shall pick-up soiled or damaged linens, and replace with clean or new linens on a schedule as defined in the Buying Entity Service Agreement. Vendor shall coordinate the pick up of soiled linens from the Buying Entity per the Service Agreement.

The vendor must launder linens in compliance with state health and safety regulations, using hygienic methods that ensure linens are free from stains, odors, or any contaminants. Linen items should be inspected, folded, and packaged to avoid contamination during transport and delivery, and should be free from any defects such as tears or stains.

Vendor shall replace damaged or worn linens at no additional cost to the State. The vendor must ensure that damaged or excessively worn linens are replaced promptly. Linens should be assessed for quality during regular laundering and any items that no longer meet quality standards should be replaced.

Vendor shall accommodate various sizes, types, and colors of linens as requested by the Buying Entities, including specific color schemes for different departments or events. Linen items should be available in different sizes (e.g., full, queen, king for bed linens) and should be able to meet specific facility needs (e.g., towels of different dimensions, table linens in various colors and patterns). The vendor should be able to provide specialized linens (e.g., medical linens, event linens) as requested by the state, with the ability to fulfill custom orders when required.

**5.3.2.4 TOWEL SERVICES**

The Vendor shall be responsible for but not limited to furnishing, delivering, regularly servicing (cleaning and replacing), and maintaining a variety of towels. Services shall not include the direct sales of towels, see Section 1.3 Exclusions. All towel products must be provided as part of an ongoing service agreement.

Vendor shall provide a range of towels for different uses based on the Buying Entity requirements per the Buying Entity Service Agreement. The vendor shall be able to provide towels in various sizes and colors, as required by the state. For example, larger towels for specific facility functions or color-coded towels for different departments, events, or uses.

Towels must be commercial-grade, durable, and able to withstand repeated washing and handling. They should maintain their quality, texture, absorbency, and appearance over time.

Towels should be free from defects, including rips, holes, or excessive wear, and replaced as necessary to ensure a consistent standard of service. Vendor shall replace damaged or worn towels at no additional cost to the State.

Vendor shall provide delivery and pick-up services as defined in the Service Agreement. Vendor shall pick-up soiled or damaged towels, and replace with clean or new towels on a schedule as defined in the Buying Entity Service Agreement. Towels must be delivered in clean, hygienic, and ready-to-use condition.

All towels must be laundered in compliance with state health and safety regulations, ensuring they are free of stains, odors, or any contaminants. Towels must be treated with safe, non-toxic detergents that are compliant with industry standards and do not pose health risks to end-users.

**5.3.2.5 RESTROOM SUPPLIES SERVICES**

Vendor shall be responsible for but not limited to the provision, replenishment, and maintenance of restroom products and related dispensers. Services shall not include the direct sale of sanitary paper supplies, see Section 1.3 Exclusions. All sanitary paper supply products must be provided as part of an ongoing service agreement.

Vendor shall deliver and maintain a variety of restroom dispensers and supplies including but not limited to toilet paper, paper towels, soap dispensers, air fresheners, sanitary napkin disposal products, and toilet seat covers.

Vendor shall provide eco-friendly products, such as recycled paper products, low-flow dispensers, and non-toxic cleaning supplies, wherever possible. All supplies should comply with state sustainability and environmental policies, including waste reduction and minimizing the use of harmful chemicals.

Vendor shall provide related stocking services based on the Buying Entity Service Agreement. This includes ensuring that dispensers are filled to appropriate levels and all products are fresh, within expiration dates, and in proper working order.

Vendor shall provide ongoing maintenance for restroom supply dispensers, ensuring that dispensers are functioning properly and promptly repairing or replacing any faulty dispensers.

**5.3.2.6 HAND HYGIENE SERVICES**

Vendor shall be responsible for but not limited to the provision, replenishment, and maintenance of hand hygiene products and related dispensers. Services shall not include the direct sale of hand hygiene products. All hand hygiene products must be provided as part of an ongoing service agreement.

Vendor shall deliver and maintain a variety of hand hygiene dispensers and supplies including hand washing stations, hand sanitizers, dispensers (automatic and manual), sanitizing wipes, and skin care products such as lotions to prevent skin dryness from frequent hand washing. All products must meet CDC, WHO, and state health and safety guidelines.

Vendor shall provide related stocking services based on the Buying Entity Service Agreement. This includes ensuring that dispensers are filled to appropriate levels and all hand hygiene products are fresh, within expiration dates, and in proper working order.

The vendor must provide ongoing maintenance for hand hygiene dispensers, ensuring that dispensers are functioning properly and promptly repairing or replacing any faulty dispensers.

The vendor must prioritize environmentally friendly products, such as biodegradable soap, recyclable dispensers, and refillable systems where possible. All products should comply with state sustainability goals, including reducing plastic waste and using non-toxic, eco-friendly ingredients in hand hygiene products.

**5.3.2.7 CLEANING SOLUTION DISPENSING SERVICES**

Vendor shall be responsible for but not limited to the provision, replenishment, and maintenance of cleaning solution products and related dispensers. Services shall not include the direct sale of cleaning solution dispensing products. All cleaning solution dispensing products must be provided as part of an ongoing service agreement.

Vendor shall provide a range of automated or manual cleaning solution dispensing systems that ensure accurate dilution of cleaning chemicals, reducing waste and maximizing efficiency. The systems should be easy to use, reliable, and capable of dispensing solutions in consistent, pre-measured amounts to ensure effective cleaning and minimize chemical overuse.

Vendor shall ensure timely delivery and replenishment of cleaning solutions, including disinfectants, floor cleaners, glass cleaners, and other necessary cleaning agents.

All cleaning solutions provided must be non-toxic, EPA-approved, and compliant with OSHA safety standards and state health regulations. The dispensing system should include safety features such as secure locking mechanisms, clear labeling of chemical contents, and appropriate instructions for use to prevent misuse or accidents. Material Safety Data Sheets (MSDS) for all chemicals must be provided.

Vendor shall provide related stocking services based on the Buying Entity requirements and per the Service Agreement.

The vendor shall provide ongoing maintenance for cleaning solution dispensers, ensuring that dispensers are functioning properly and promptly repairing or replacing any faulty dispensers.

Vendor shall prioritize eco-friendly and sustainable cleaning solutions, such as biodegradable products, concentrated formulations to reduce packaging waste, and refillable dispensing systems to minimize single-use plastic. Products should also be free from harsh chemicals and meet environmental impact standards.

**5.3.3 CATEGORY III: FIRST AID, SAFETY SUPPLIES SERVICES, AUTOMATED EXTERNAL DEFIBRILLATOR (AED) LEASES, AND SAFETY TRAINING**

Please note the exclusions in section 1.3.

**5.3.3.1 FIRST AID SUPPLIES SERVICES**

Vendor shall be responsible for but not limited to the provision, replenishment, and maintenance of first aid supplies and related dispensers. Services shall not include the direct sale of first aid products. All first aid products must be provided as part of an ongoing service agreement.

Vendor shall provide a complete range of first aid stations and supplies, including but not limited to bandages, antiseptics, burn treatments, gloves, eyewash stations, and CPR masks. The inventory must meet OSHA and state health and safety regulations.

Vendor shall ensure that first aid stations and supplies are restocked and maintained on a regular schedule per the Buying Entity Service Agreement (e.g., quarterly or as-needed) to ensure that all items are within their expiration dates and fully stocked in accordance with state regulations and workplace safety guidelines.

Vendor shall provide routine inspections of all first aid supply stations and kits. Detailed reports on inspections including restocking activities must be submitted to the Buying Entity Representative after each visit.

#### **5.3.3.2 SAFETY SUPPLIES SERVICES**

Vendor shall be responsible for but not limited to the provision, replenishment, inspection, and maintenance of safety supplies and related dispensers/stations. Services shall not include the direct sale of safety supply products, see Section 1.3 Exclusions. All safety supply products must be provided as part of an ongoing service agreement.

Vendor shall provide a wide variety of safety supply stations including, but not limited to gloves, face masks, safety goggles, hearing protection, hard hats, reflective vests, and emergency eyewash stations. The products must meet or exceed OSHA, ANSI, and state safety standards.

Vendor shall ensure that safety supply stations and supplies are restocked and maintained on a regular schedule per the Buying Entity Service Agreement (e.g., quarterly or as-needed) to ensure that all items are within their expiration dates and fully stocked in accordance with state regulations and workplace safety guidelines.

Vendor shall provide routine inspections of all safety supply stations. Detailed reports on inspections including restocking activities must be submitted to the Buying Entity Representative after each visit.

#### **5.3.3.3 AUTOMATED EXTERNAL DEFIBRILLATOR (AED) LEASING**

Vendor shall provide a turnkey leasing program that includes but is not limited to AED equipment leasing, installation and deployment, maintenance and readiness, training and education, compliance and recordkeeping, and customer support. Services shall not include the direct sale of AEDs or related supplies, see section 1.3 Exclusions. All AEDs and related supplies must be provided as part of an ongoing AED lease agreement.

Vendor shall provide a variety of brand new, current-generation AED units that meet all applicable state and federal standards for Buying Entities to choose from. Vendor shall deliver and install AED units at designated locations per Buying Entity instructions and ensure AEDs are mounted or stored in compliance with applicable safety and accessibility guidelines.

Vendor shall perform scheduled inspections and preventative maintenance to ensure operational readiness including software upgrades necessary for the effective operation of the AED unit(s). Vendor shall replace expiring or depleted supplies, maintain logs and reports for compliance and audit purposes, and provide tamper evident and readiness indicator monitoring where applicable.

Vendor shall ensure all AED units and services comply with applicable OSHA, AHA, FDA, and local jurisdictional requirements. Vendor shall support medical direction, prescription management, and EMS notification as required by law as well as provide documentation and support for registration with local emergency services as applicable.

Vendor shall provide 24/7 customer support for troubleshooting or urgent support.

#### **5.3.3.4 SAFETY TRAINING**

Vendor will provide comprehensive safety training per Buying Entity requirements. The Vendor shall provide high-quality training materials, including manuals, handouts, and digital resources, which are regularly updated to reflect the latest safety standards and regulations.

The training will be provided by certified instructors who are trained in CPR (Cardiopulmonary Resuscitation), Automated External Defibrillator (AED), Basic First Aid, and Emergency Response Procedures.

Vendor shall ensure that all training meets relevant local, state, and federal regulations.

#### 5.4 BUYING ENTITY SERVICE AGREEMENT

Prior to rendering services, Vendor and Buying Entity must execute a Service Agreement which incorporates all of the terms of this contract by reference and may contain additional specific terms and conditions, none of which may alter, rescind, or be in conflict with the terms and conditions of this contract.

In its proposal, Vendor shall provide a copy of their standard service agreement(s) that will govern the relationship between the vendor and the Buying Entity under this contract. The State reserves the right to review, negotiate, and modify the terms and conditions of any submitted Service Agreement prior to contract award. Vendors are advised that acceptance of a vendor's proposal does not constitute acceptance of any proposed contractual terms that conflict with State requirements or are not in the best interest of the State.

Minimum Requirements for Submitted Service Agreements:

1. **Scope of Services:** Clearly defined descriptions of all services to be provided, including uniform rental, laundering, repair/replacement, facility services, and delivery logistics.
2. **Service Levels:** Details on delivery frequency, response times, repair/replacement turnaround, and quality control measures.
3. **Term and Termination:** Provisions regarding contract term, renewal options, termination for convenience or cause, and exit procedures.
4. **Pricing and Invoicing:** Breakdown of fees, pricing structure, ancillary charges (if any), and billing cycle.
5. **Dispute Resolution:** Method of resolving disputes between the vendor and the State.
6. **Insurance and Liability:** Required insurance coverage, limits, and indemnification clauses.
7. **Change Orders and Modifications:** Process for amending services, pricing, or scope during the contract term.
8. **Compliance Requirements:** Adherence to all applicable federal, state, and local laws and regulations, including OSHA, environmental standards, and labor laws.

The length of any Buying Entity Service Agreement shall be determined in collaboration between the awarded Vendor and the Buying Entity. While the initial contract term may vary based on the specific operational needs of each entity, the agreement should be structured to ensure cost-effectiveness, continuity of service, and operational efficiency.

Vendors are expected to work directly with the Buying Entity to mutually establish an appropriate agreement term. This may include, but is not limited to, short-term agreements (e.g., one year), or longer-term agreements where justified by service requirements or cost savings. The Buying Entity shall have the option at the end of the initial term to extend the Service Agreement. The initial term and/or any extensions shall not extend more than six (6) months beyond the Statewide Term Contract expiration.

Should the Vendor fail to commence work at the agreed-upon time, the Buying Entity, upon five (5) days written notice to the Vendor, reserves the right to terminate the Service Agreement.

The Buying Entity may terminate the service agreement between the Buying Entity and the Vendor by providing a thirty (30) day written notice to the Vendor, under the following conditions:

- Vendor fails to provide the agreed-upon services as stipulated in the service agreement, and the Vendor fails to resolve the issue within seven (7) calendar days after notification.
- Vendor substantially tries to alter the terms of the service agreement without prior written consent from the State.
- Uniform clothing is delivered in a condition unfit for use (e.g., damaged, incorrect sizes, etc), and the Vendor fails to resolve the issue within seven (7) calendar days after notification.

Vendor agrees to honor all Service Agreements made prior to the contract expiration or termination at the same rates, terms, and conditions. All Service Agreements issued against this contract must be fulfilled/completed in their entirety.

#### 5.5 ORDER PLACEMENT

Due to the nature of Uniform Rental and Facilities Services, an internet-based ordering system will be required to manage orders. The internet-based ordering system shall be in compliance with State Data requirements, in Section 4.23, Solutions Not Hosted on State Infrastructure. Additionally, the following must be provided for:

1. Descriptions and Photographs of all authorized garments, along with instruction in proper measurements for correct sizing for all available uniforms.
2. Shipping shall only be allowable for delivery to State Entities (no personal home addresses may be used).
3. Buying Entity ability to establish multiple accounts, for ordering by individual locations.

## 5.6 OPTIONAL VALUE-ADDED SERVICES

Vendors may provide Value-Added Services along with description and pricing offered on the ATTACHMENT A: PRICING WORKBOOK. During the award process, the State has the option to negotiate the services being offered. Please be advised that any value-added services offered are optional and will not be included in the bid evaluation process; however, they may be taken into consideration at the State's discretion. The State does not imply or intend that any value-added service will be deemed acceptable.

## 5.7 PROJECT ORGANIZATION

Vendor shall describe the organizational and operational structure it proposes to utilize for the work described in this RFP and identify the responsibilities to be assigned to each person Vendor proposes to staff the work.

## 5.8 TECHNICAL APPROACH

Vendor's proposal shall include, in narrative, outline, and/or graph form the Vendor's approach to accomplishing the tasks outlined in the Scope of Work section of this RFP. A description of each task and deliverable and the schedule for accomplishing each shall be included.

In its technical proposal, Vendor shall also describe the ordering process for a Buying Entity, the Vendor's inventory management program, the procedure for handling items lost or misplaced by the Vendor, the total program costs for the services outlined in Section 5.3, and the Vendor's return policies.

### 5.8.1 QUESTIONS TO VENDORS

In its technical proposal, Vendor shall include responses to each of the following questions. Vendors are requested to keep responses concise and relevant and should not include generic marketing materials. Responses will be reviewed as part of the evaluation process.

1. Is an ordering system required for end-users to manage the services that will be offered under this contract? If so, which services are required to be managed through the ordering system? Note – All orders must be maintained through the State's eProcurement System, even if there is an alternative ordering system for individual access.
2. Is there an inventory management system that can track usage, deliveries, and pickups, ensuring efficiency and transparency? If so, describe the system in place to manage inventory.
3. What are your Service Guarantee Standards?
4. Provide information regarding the sustainability of your processes and products, including any certifications or green practices in place.
5. How are emergency requests handled for the various categories presented in section 5.0?
6. What Key Performance Indicators (KPIs) will you use to monitor the success of this contract? These KPI's shall be incorporated in reporting requirements in Section 6.3.

## 5.9 CERTIFICATION AND SAFETY LABELS

All manufactured items and/or fabricated assemblies subject to operation under pressure, operation by connection to an electric source, or operation involving a connection to a manufactured, natural, or LP gas source shall be constructed and approved in a manner acceptable to the appropriate State inspector which customarily requires the label or re-examination listing or identification marking of the appropriate safety standard organization; such as the American Society of Mechanical Engineers for

pressure vessels; the Underwriters Laboratories and /or National Electrical Manufacturers’ Association for electrically operated assemblies; or the American Gas Association for gas operated assemblies, where such approvals of listings have been established for the type of device offered and furnished. Further, all items furnished shall meet all requirements of the Occupational Safety and Health Act (OSHA), and State and federal requirements relating to clean air and water pollution.

## 6.0 CONTRACT ADMINISTRATION

All Contract Administration requirements are conditioned on an award resulting from this solicitation. This information is provided for the Vendor’s planning purposes.

State Contract Administrator: Sarah Lyons, [Sarah.Lyons@doa.nc.gov](mailto:Sarah.Lyons@doa.nc.gov), 984-236-0217

State Contract Manager: Ian Fox-Castro, [Ian.M.Fox-Castro@doa.nc.gov](mailto:Ian.M.Fox-Castro@doa.nc.gov), 984-236-0211

Note: In the event the State’s Contract Administrator or Contract Manager changes, notification will be sent to the Vendor’s Contract Manager and the Contract Synopsis on the DOA P&C website will be updated.

### 6.1 CONTRACT MANAGER AND CUSTOMER SERVICE

The Vendor shall be required to designate and make available to the State a Contract Manager. The Contract Manager shall be the State’s point of contact for contract related issues and issues concerning performance, progress review, scheduling, and service.

Contract Manager Point of Contact	
Name:	
Office Phone #:	
Mobile Phone #:	
E-mail:	

The Vendor shall be required to designate and make available to the State for customer service. The customer service point of contact shall be the State’s point of contact for customer service-related issues including but not limited to delivery delays or late pick-ups, quality issues, inaccurate orders, billing discrepancies, and lost or missing items.

Customer Service Point of Contact	
Name:	
Office Phone #:	
Mobile Phone #:	
E-mail:	

The Vendor shall be required to designate and make available to the State for customer support for AED troubleshooting and urgent support. The customer support point of contact shall be the State’s point of contact for AED related issues. Vendor shall provide 24/7 customer support for troubleshooting or urgent support.

Customer Service Point of Contact	
Name:	
Office Phone #:	
Mobile Phone #:	
E-mail:	

**6.2 ELECTRONIC PRODUCT CATALOG**

Vendors have one (1) option for managing products using the State’s NC E-Procurement Services to develop and manage a catalog solution.

1. Ordering Instructions –
  - a. No limit to products available.

**6.2.1 Ordering Instructions Solution**

The State will allow for ‘Ordering Instructions’ for customized services offered through the contract. Vendor will be required to provide the sales representative’s contact information at the time of award. If selected for contract award, the State will work with awarded Vendors and the E-Procurement team to create catalogs that meet the requirements for ordering instructions depending on the complexity of the awarded contract and the number of items available.

**6.3 CONTRACT BUSINESS REVIEW MEETINGS**

The Vendor, at the request of the State, shall be required to meet periodically (annually) with the State for Contract Business Review meetings. The purpose of these meetings will be to review project progress reports, discuss Vendor and State performance, address outstanding issues, review problem resolution, provide direction, evaluate continuous improvement and cost saving ideas, and discuss any other pertinent topics.

Business Review meetings shall be scheduled semi-annually. Meetings shall be presented by the Vendor and be inclusive of the following:

1. Spend overview (State Agency Spend) FY Comparison
  - a. Volume Discount
2. Service Cost Savings
3. Product Accuracy Rate
4. Shipment Rate
5. On Time Delivery Rate
6. Sustainability Efforts and Results
7. Additional Discounts Exercised
8. Rebates
9. Challenges
10. Improvement Ideas
11. List of Buying Entities utilizing Internet-based ordering system, with number of accounts.
12. Additional KPI’s as indicated from Section 5.8.

**6.4 CONTINUOUS IMPROVEMENT**

The State encourages the Vendor to identify opportunities to reduce the total cost to the State. A continuous improvement effort consisting of various ideas to enhance business efficiencies as performance progresses.

## 6.5 PERIODIC QUARTERLY SPEND REPORTS

The Vendor shall be required to provide Sales Management Reports through the electronic Vendor Portal. Users should submit their report through eVP by following the instructions in the [STC Quarterly Reporting job aid](#).

This report shall include, at a minimum, information concerning:

1. Sales Report (total cost) by State entity, to include agencies, community colleges, universities, school systems, local government entities.
2. Sales Report Category, Items Purchased (Manufacturer), Item Description, Quantity, Unit of Measure, List Price, Contract Price, Any additional delivery charges such as specialty packaging or overnight delivery, Ordering Entity, Delivery Location (City), Order Date, Shipment Date, Delivery Date for consumables, and delivery date for non-routine consumables and equipment.

These reports shall be well organized and easy to read. The Vendor shall submit these reports electronically, to include using the [Vendor Quarterly Spend Data Report](#).

Vendor shall submit the Quarterly Sales Management Reports by the 15<sup>th</sup> of the month following the end of the quarter. The Quarterly Management Report delivery schedule is included below:

**By October 15<sup>th</sup>:** Q1 Quarterly Management Report for July – September

**By January 15<sup>th</sup>:** Q2 Quarterly Management Report for October – December

**By April 15<sup>th</sup>:** Q3 Quarterly Management Report for January – March

**By July 15<sup>th</sup>:** Q4 Quarterly Management Report for April – June.

This schedule aligns with the State’s fiscal year. If the contract start date does not align with the start of a quarter, the initial Quarterly Management Report shall be for the period from the contract start date to the end of the existing calendar quarter. Timely submission of all reports shall be a material term of this contract and failure to do so shall constitute a default.

Additional related sales information and/or details on user purchases may be required by the State and must be supplied within thirty (30) days of any such request. A template for any such reports may be provided by the State, at its discretion.

## 6.6 ACCEPTANCE OF WORK

Performance of the work and delivery of Goods and Services shall be conducted and completed at least in accordance with the contract requirements and recognized and customarily accepted industry practices. Performance shall be considered complete when the Goods and Services are approved as acceptable by the Buying Entity.

The State shall have the obligation to notify Vendor, in writing ten (10) calendar days following completion of such work or delivery of a deliverable described in the contract that it is not acceptable. The notice shall specify in reasonable detail the reason(s) it is unacceptable. Acceptance by the State shall not be unreasonably withheld; but may be conditioned or delayed as required for reasonable review, evaluation, installation, or testing, as applicable to the work or deliverable. Final acceptance is expressly conditioned upon completion of all applicable assessment procedures. Should the work or deliverables fail to meet any specifications, acceptance criteria or otherwise fail to conform to the contract, the State may exercise any and all rights hereunder, including, for Goods deliverables, such rights provided by the Uniform Commercial Code, as adopted in North Carolina.

## 6.7 INVOICES

Vendor shall invoice the Buying Entity. The standard format for invoicing shall be Single Invoices meaning that the Vendor shall provide the Buying Entity with an invoice for each order. Invoices shall include detailed line-item information to allow Buying Entity to verify pricing at point of receipt matches the correct price from the original date of order. At a minimum, the following fields shall be included on all invoices:

Vendor's Billing Address, Customer Account Number, NC Contract Number, Order Date, Buyer's Order Number, Item Descriptions, Price, Quantity, and Unit of Measure.

**INVOICES MAY NOT BE PAID UNTIL AN INSPECTION HAS OCCURRED AND THE GOODS AND SERVICES ACCEPTED.**

## 6.8 DISPUTE RESOLUTION

During the performance of the contract, the Parties agree that it is in their mutual interest to resolve disputes informally. Any claims by the Vendor shall be submitted in writing to the State's Contract Manager for resolution. Any claims by the State shall be submitted in writing to the Vendor's Project Manager for resolution. The Parties shall agree to 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 this contract. The Parties will agree on a reasonable amount of time to resolve a dispute. If a dispute cannot be resolved between the Parties within the agreed upon period, either Party may elect to exercise any other remedies available under the contract, or at law. This provision, when agreed in the contract, shall not constitute an agreement by either party to mediate or arbitrate any dispute.

## 6.9 PRODUCT RECALL

Vendor expressly assumes full responsibility for prompt notification to the Buyer listed on the face of this RFP of any product recall in accordance with the applicable State or Federal regulations. The Vendor shall support the State, as necessary, to promptly replace any such products, at no cost to the State.

## 6.10 POST AWARD PRODUCT SUBSTITUTION, ADDITIONS, & REMOVALS

Post-Award product substitutions are not permitted without prior written approval from the Contract Administrator. Proposed substitutions shall be of the same or higher quality and at the same or lower price as the original item. Failure of the Vendor to comply with this requirement shall constitute sufficient cause to hold the Vendor in default or for removal from the contract.

The items included in this RFP are expected to cover the State's needs for the term of the contract. In the case that the State's needs change over the term of the contract, the State reserves the right to add additional products to the contract that can be supplied by the awarded Vendor. The price for these added products will be mutually agreed to by the State and the Vendor but are assumed to be priced at a discount similar to what is being offered on the products listed in the RFP.

## 6.11 PRICE ADJUSTMENTS

Prices proposed by the Vendor shall be firm against any increase for one (1) year from the effective date of the contract.

Price increase requests shall be submitted in writing to the Contract Manager, which shall include the reason(s) for the request and contain supporting documentation for the need. Price increases will be negotiated and agreed to by both the State and Vendor in advance of any price increase going into effect. The State is not obligated to accept pricing adjustments or increases and reserves the right to accept or reject them in part or in whole. Price de-escalation or decreases may be requested by the State at any time.

It is understood and agreed that orders will be shipped at the established contract prices in effect on the date an order is placed. Invoicing that deviates from this provision may result in contract cancellation.

## 6.12 CONTRACT CHANGES

Contract changes, if any, over the life of the contract shall be implemented by contract amendments agreed to in writing by the State and Vendor.

## 6.13 TAXES

No taxes shall be included in any bid prices.

## 6.14 ATTACHMENTS

All attachments to this RFP are the copies found within the Ariba Sourcing Tool, and are incorporated herein, and shall be submitted by responding in the Sourcing Tool.

## 7.0 ADDITIONAL TERMS AND CONDITIONS

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### 7.1 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 Vendor prior to use or provision of Services hereunder and shall remain the property of the Vendor. Derivative works of any Vendor proprietary materials prepared or created during the performance of provision of Services hereunder shall be provided to the State as part of the Services. The Vendor shall not access State User accounts, or State Data, except (i) during data center operations, (ii) in response to service or technical issues, (iii) as required by the express terms of this contract, or (iv) at 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 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 3rd party security certification not to exceed 1 year and is consistent with the data classification level and a security controls appropriate for low or moderate information system(s) per the National Institute of Standards and Technology NIST 800-53 revision 4. The State reserves the right to independently evaluate, audit, and verify such requirements.
- iii) That the Services will comply with the following:
  - (1) Any DIT security policy regarding Cloud Computing, and the DIT Statewide Information Security Policy Manual; to include encryption requirements as defined below:
    - (a) The Vendor shall encrypt all non-public data in transit regardless of the transit mechanism.
    - (b) For engagements where the Vendor stores sensitive personally identifiable or otherwise confidential information, this data shall be encrypted at rest. Examples are social security number, date of birth, driver's license number, financial data, federal/state tax information, and hashed passwords. The Vendor's encryption shall be consistent with validated cryptography standards as specified in National Institute of Standards and Technology FIPS140-2, Security Requirements. The key location and other key management details will be discussed and negotiated by both parties. When the Service Provider cannot offer encryption at rest, it must maintain, for the duration of the contract, cyber security liability insurance coverage for any loss resulting from a data breach. Additionally, where encryption of data at rest is not possible, the Vendor must describe existing security measures that provide a similar level of protection;
  - (2) Privacy provisions of the Federal Privacy Act of 1974;
  - (3) The North Carolina Identity Theft Protection Act, N.C.G.S. Chapter 75, Article 2A (e.g., N.C.G.S. § 75-65 and -66);
  - (4) The North Carolina Public Records Act, N.C.G.S. Chapter 132; and
  - (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);
  - (6) Any requirements implemented by the State under N.C.G.S. §§ 143B-1376 and -1377.
- f) Security Breach. "Security Breach" under the NC Identity Theft Protection Act (N.C.G.S. § 75-60ff) 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 Vendor becomes aware of any Security Breach due to Vendor acts or omissions other than in accordance with the terms of the Agreement, 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. 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, 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) 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 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, 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, 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.

Vendor shall investigate of 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. 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 Vendor from continuing to provide the Services, 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 Vendor’s obligation to provide the State Data pursuant to this Paragraph 18) n), 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, for example: disk, CD/DVD, backup tape, and paper. Data shall be permanently deleted and shall not be recoverable, according to National Institute of Standards and Technology (NIST) approved methods and certificates of destruction shall be provided to the State.

**7.2 TERMS AND CONDITIONS APPLICABLE TO ARTIFICIAL INTELLEGE (“AI”)**

The following terms (“AI Terms”) are hereby added to and become part of the Agreement as Additional Terms. Capitalized terms not defined in these AI Terms have the meanings given in the Agreement.

**1) Definitions:**

“AI Features” means large language models (LLMs) or other machine learning (ML) or artificial intelligence (AI) features of the Software or Service. AI Features may include or be in addition to AI Tools.

“AI Tools” means any and all deep learning, machine learning, and other artificial intelligence technologies, including any and all (i) algorithms, heuristics, models, and methodologies, whether in source code, object code, human readable form or other form, (ii) proprietary algorithms, software or other IT Systems that make use of or employ expert systems, natural language processing, computer vision, automated speech recognition, automated planning and scheduling, neural networks, statistical learning algorithms (like linear and logistic regression, support vector machines, random forests, k-means clustering), or reinforcement learning, and (iii) proprietary embodied artificial intelligence and related hardware or equipment.

**2) AI Prohibited Absent Authorization.** Except as expressly disclosed and described by Vendor and expressly approved in writing by the State, Vendor represents and warrants that it will not provide any Software or other Deliverables, or perform any Services that use or incorporate, in whole or in part, any AI Features or AI Tools (or depends in any way upon any AI Features or AI Tools), including without limitation, any collection or processing of any the State’s Data using any AI Features or AI Tools.

**3) AI Warranties.** With respect to all AI Features or AI Tools (collectively “AI”) described by the Vendor and approved for use by the State, Vendor warrants that:

- (a) Vendor has accurately identified and fully described all AI for use by the State;
- (b) The AI will (i) perform with a high degree of accuracy in accordance with the Specifications and (ii) not produce materially inaccurate results when used in accordance with the Documentation.
- (c) Vendor will monitor the performance of the AI to ensure continued accuracy in accordance with the Specifications, including processes and policies for the regular assessment and validation of the AI’s outputs.
- (d) Vendor has obtained, and is in compliance with, all rights and licenses necessary to use all AI as described in Vendor’s proposal;
- (e) Vendor has complied with all the Laws and industry standards applicable to (i) Vendor’s development and provision of all AI as described in Vendor’s proposal and (ii) the State’s use of all AI as described in the Vendor’s proposal;
- (f) Vendor specifically represents and warrants that Vendor has complied with all applicable data privacy laws, rules, and regulations, including but not limited to, the training of the AI algorithms and the data used in that training.
- (g) Vendor will comply with all State policies and procedures relating to the use of AI;

- (h) Vendor will notify Customer at least sixty (60) days prior to any material changes pertaining to the AI (in whole or in part);
- (i) Vendor will cooperate and comply with the State’s privacy, security, and proprietary rights questionnaires and assessments concerning all AI and all proposed changes thereto;
- (j) Vendor will, upon the State’s request, allow the State (or its agent) to audit or review all Software, Deliverables, or Services for usage of AI and will provide the State with all related necessary assistance;
- (k) There have been no interruptions in use of Vendor’s AI in the past six (6) months;
- (l) Vendor (i) retains and maintains information in human-readable form that explains or could be used to explain the decisions made or facilitated by the AI, and (ii) maintains such information in a form that can readily be provided to the State upon request;
- (m) Vendor maintains or adheres to industry standard policies and procedures relating to the ethical or responsible use of AI at and by Vendor, including policies, protocols and procedures for
  - (i) developing and implementing AI in a way that promotes transparency, accountability and human interpretability;
  - (ii) identifying and mitigating bias in training data or in the algorithmic model used in AI Tools, including without limitation, implicit racial, gender, or ideological bias; and
  - (iii) management oversight and approval of employees’ use or implementation of AI (collectively, “Vendor AI Policies”);
- (n) there has been
  - (i) no actual or alleged non-compliance with any such Vendor AI Policies;
  - (ii) no actual or alleged failure of any AI to satisfy the requirements or guidelines specified in any such Vendor AI Policies;
  - (iii) no claim alleging that any training data used in the development, training, improvement or testing of any AI was falsified, biased, untrustworthy or manipulated in an unethical or unscientific way; and no report, finding or impact assessment by any employee, contractor, or third party that makes any such allegation; and
  - (iv) no request from any Governmental Authority concerning any Vendor AI.

**4) Use of AI.** The State may submit Data (including in the form of prompts or queries) to the AI (“Inputs”) and receive outputs from the AI (“Outputs”).

**5) Training.** Vendor may not use Inputs or Outputs to train or otherwise improve AI Features, except solely for the benefit of the State. Notwithstanding the foregoing, Vendor may use Inputs or Outputs to train or otherwise improve the AI Features, but only if (a) such Inputs and Outputs have been (i) de-identified so that they do not identify the State, its Users or any other person; (ii) aggregated with data across Vendor’s other customers; and (b) such use is approved in advance by the State Chief Information Officer or the Using Agency. For these purposes (and without limiting other obligations with respect to the State’s Data generally), such Data is provided by the State to the Vendor strictly “AS IS”.

**6) Intellectual Property:**

- (a) Inputs. Except for Vendor’s express rights in the Agreement, as between the parties, the State owns Inputs as the State’s Data and retains all intellectual property and other rights in the Inputs.
- (b) Outputs. Outputs are deemed to be State Data, subject to these AI Terms.

**7) Infringement by Outputs.** With respect to infringement or misappropriation of third-party intellectual property rights by Outputs, should any Outputs become the subject of a claim of infringement of a patent, copyright, Trademark or a trade secret in the United States, the Vendor at its own expense, shall defend any action brought against the State. The Vendor shall pay those costs and damages finally awarded or agreed in a settlement against the State in any such action. Such defense and payment shall be conditioned on the following: i) That the Vendor shall be notified within a reasonable time in writing by the State of any such claim; and, ii) That the Vendor shall have the sole control of the defense of any action on such claim and all negotiations for its settlement or compromise provided, however, that the State shall have the option to participate in such action at its own expense.

**8) Special Restrictions on Use of AI Features.** The State will not and will not permit anyone else to:

- (a) use the AI Features or any Output to infringe any third-party rights,

- (b) use the AI Features or any Output to develop, train or improve any AI or ML models (separate from authorized use of the Software or Services under this Agreement),
- (c) represent any Output as being approved or vetted by Vendor,
- (d) represent any Output as being an original work or a wholly human-generated work,
- (e) use the AI Features for automated decision-making that has legal or similarly significant effects on individuals, unless it does so with adequate human review and in compliance with laws applicable to the State, or
- (f) use the AI Features for purposes or with effects that are discriminatory, harassing, harmful or unethical.

**9) Limitation of Liability Modifications.** The Limitation of Vendor’s Liability in Section 1 of the NCDIT Terms and Conditions shall not apply to claims for data privacy or intellectual property infringement arising from Vendor’s AI.

**10) Updates.** Vendor’s AI has a data cutoff date of \_\_\_\_\_ **[Fill in date]**. The State has the right to receive updates to the dataset, notification of those updates, and delivery of those updates made generally available to Vendor’s Customers receiving similar AI Services.

**11) Confidentiality.** Vendor will ensure that the Services and Software, provided via a third-party cloud (“Cloud Service Provider”) and AI environment (“Cloud AI Service Environment”), shall maintain strict confidentiality and security of the State’s Data. The State’s Data will be securely retained within the specific, dedicated Cloud AI Service Environment allocated for the Vendor, and will not contribute to the training of the Vendor’s or the Cloud Service Provider’s AI models, nor be utilized by any third party outside of the State’s express approval (in writing). Upon receipt of a notice from the State, Vendor will remove all State Data from the Cloud AI Service Environment. Vendor will ensure that the governing contractual terms (e g terms of service) issued by the Cloud Service Provider include provisions materially consistent with this provision and will identify the forgoing to the State. Vendor will allow Customer to first approve in writing a given Cloud Service Provider and its Cloud AI Service Environment, such approval not to be unreasonably withheld or delayed. If there is any conflict or ambiguity between this provision and the rest of the Agreement, this provision governs and controls

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