



STATE OF NORTH CAROLINA

**Department of Administration
Office of Fiscal Management – Purchasing Section**

Invitation for Bid #: 13-MS22671217

State Parking - PARCS

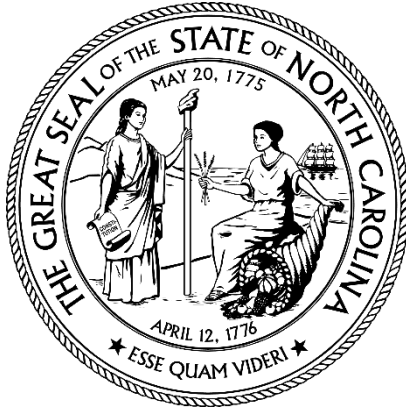
Date Issued: May 19, 2020

Bid Opening Date: July 21, 2020

At 2:00PM ET

Direct all inquiries concerning this IFB to:

Meredith Swartz
Purchasing Officer
Email: Meredith.Swartz@doa.nc.gov
Phone: 919-807-2464



STATE OF NORTH CAROLINA

Invitation for Bids # 13-MS22671217

For internal State agency processing, including tabulation of bids in the Interactive Purchasing System (IPS), provide your company's Federal Employer Identification Number or alternate identification number (e.g. Social Security 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 shall be sufficient cause to reject your bid.**

ID Number:

Federal ID Number or Social Security Number

Vendor Name

Electronic responses ONLY will be accepted for this solicitation

STATE OF NORTH CAROLINA DEPARTMENT OF ADMINISTRATION State Parking Division	REQUEST FOR PROPOSAL NO. 13-MS22671217	
	Offers will be publicly opened: July 21, 2020 @ 2:00PM	
	Issue Date: May 19, 2020	
Refer <u>ALL</u> inquiries regarding this RFP to: Meredith Swartz, NCDOA Purchasing Office Meredith.swartz@doa.nc.gov 919-807-2464	Commodity Number: 936-37 - Gates, Electric (Card Reader, etc.) Maintenance and Repair	
	Description: State Parking - PARCS	
	Using Agency: Department of Administration (DOA)	
See page 2 for mailing instructions.	Requisition No.: RQ22671217	

OFFER AND ACCEPTANCE: The State seeks offers for the Services and/or goods described in this solicitation. All offers and responses received shall be treated as offers to contract. The State's acceptance of any offer must be demonstrated by execution of the acceptance found below, and any subsequent Request for Best and Final Offer, if issued. Acceptance shall create a contract having an order of precedence as follows: Best and Final Offers, if any, Special terms and conditions specific to this RFP, Specifications of the RFP, the Department of Information Technology Terms and Conditions, and the agreed portion of the awarded Vendor's offer.

EXECUTION: In compliance with this Request for Proposal, and subject to all the conditions herein, the undersigned offers and agrees to furnish any or all Services or goods upon which prices are offered, at the price(s) offered herein, within the time specified herein. By executing this offer, I certify that this offer is submitted competitively and without collusion.

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

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

Offer valid for ninety (90) days from date of offer opening unless otherwise stated here: ____ days

**If submitting an electronic response Vendor has two options: 1) Vendor may apply a wet signature, scan, and then upload this attestation page as an attachment for submission through NC BIDS; or 2) Vendor may apply a digital/electronic signature in the designated box, scan, and then upload as an attachment along with its bids*

ACCEPTANCE OF OFFER: If any or all parts of this offer are accepted, an authorized representative of Department of Administration shall affix his/her signature hereto and this document and the documents identified above shall then constitute the written agreement between the parties. A copy of this acceptance will be forwarded to the awarded Vendor(s).

<u>FOR AGENCY USE ONLY</u> Offer accepted and contract awarded this ____ day of _____, 20__, as indicated on attached certification, by _____ (Authorized representative of Department of Administration).

DELIVERY INSTRUCTIONS:

DUE TO THE CURRENT HEALTH RISKS ASSOCIATED WITH COVID-19, all proposal responses shall be submitted electronically via the North Carolina Business Invitation Delivery System (NC BIDS)

<https://ncadmin.nc.gov/about-doa/divisions/purchase-and-contract/nc-bids>. NC BIDS has a file size limitation of 24MB. If the proposal exceeds 24MB, the vendor shall split the file into multiple files to be submitted.

For additional information, the [NC BIDS for Vendors](#) page includes online training videos and a link to [NC BIDS FAQs for Vendors](#). Vendors are to use the standard naming convention when uploading proposals:

[BID NUMBER] - [VENDOR NAME] - [FILE NUMBER and SECTION INCLUDED]

Failure to submit a proposal in strict accordance with these instructions shall constitute sufficient cause to reject a vendor's proposal(s).

Critical updated information may be included in Addenda to this RFP. It is important that all Vendors submitting a proposal for this RFP periodically check the State's IPS website for any Addenda that may be issued prior to the bid opening date. All Vendors shall be deemed to have read and understood all information in this RFP and all Addenda thereto.

Contact with anyone working for or with the State regarding this RFP other than the State Contract Lead named on the face page of this RFP in the manner specified by this RFP shall constitute grounds for rejection of said Vendor's offer, at the State's election.

DUE TO THE CURRENT HEALTH RISKS ASSOCIATED WITH COVID-19, BID OPENINGS WILL NOT BE OPEN TO THE PUBLIC.

The Department of Administration will be conducting live bid openings over conference call. Below is the call-in information for this procurement's bid opening scheduled for 7/21/2020 at 2:00pm

Join Microsoft Teams Meeting

[+1 984-204-1487](tel:+19842041487) United States, Raleigh (Toll)

Conference ID: 877 816 102#

At the date and time specified as the bid opening, the bids from each responding Vendor will be opened publicly and the name of the Vendor will be announced. Bid tabulations can be electronically retrieved at the Interactive Purchasing System (IPS), <https://www.ips.state.nc.us/ips/BidNumberSearch.aspx>. Click on the IPS BIDS icon, click on Search for Bid, enter the bid number, and then search. Tabulations will normally be available at this web site not later than one working day after the bid opening. Lengthy or complex tabulations may be summarized, with other details not made available on IPS, and requests for additional details or information concerning such tabulations cannot be honored.

This RFP is available electronically at <https://www.ips.state.nc.us/ips/>. All inquiries regarding the RFP specifications or requirements are to be addressed to the contact person listed on Page One.

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

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

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

DIGITAL IMAGING: The State will digitize the Vendor's response if not received electronically, and any awarded contract together with associated contract documents. This electronic copy shall be a preservation record and serve as the official record of this solicitation with the same force and effect as the original written documents comprising such record. Any printout or other output readable by sight shown to reflect such record accurately is an "original."

MANDATORY PRE-PROPOSAL CONFERENCE:

Due to COVID-19, there **will not** be a mandatory Pre-Proposal Conference for PARCS. However, NCDOA is providing the following link to a video that will replace the Pre-Bid Conference.

Link: <https://youtu.be/I7AtQZrsVX4>

The purpose of this video is for all prospective Vendors to apprise themselves of the current configuration of the parking lot entry and exit lanes including cashier booths. DOA has multiple parking lots and decks. For this video, we selected the 4 lots and decks that are most representative of all of the 9 lots and decks maintained by DOA. This video includes parking lot 20 (non-revenue generating), and parking lots 18, 75 and 77 (both non-revenue as well as revenue generating) and presents the on-site configurations of these lots. Vendors (at their discretion) can also visit lots and decks without NCDOA representation, but as stated on page two of this RFP, any questions pertaining to this RFP and video must be submitted to the contact person listed on Page one.

Vendors are cautioned that any information released to attendees via the video, other than that involving the physical aspects of the facility referenced above, and which conflicts with, supersedes, or adds to requirements in this RFP, must be confirmed by written addendum before it can be considered to be a part of this bid.

QUESTIONS CONCERNING RFP: Written questions concerning this RFP will be received until June 9, 2020 at 2:00PM Eastern Standard Time. They must be sent via e-mail to: bid.inquiry@doa.nc.gov. Please insert "Questions 13-MS22671217" as the subject for the email. The questions should be submitted in the following format:

Citation	Vendor Question	The State's Response
Offer Section, Page Number		

The State will prepare responses to all written questions submitted and post an addendum to the Interactive Purchasing System (IPS) <https://www.ips.state.nc.us/ips/>. Oral answers are not binding on the State.

Vendor contact regarding this RFP with anyone other than NCDOA-Purchasing Office may be grounds for rejection of said Vendor's offer.

ADDENDUM TO RFP: If a pre-offer conference is held or written questions are received prior to the submission date, an addendum comprising questions submitted and responses to such questions, or any additional terms deemed necessary by the State will be posted to the Interactive Purchasing System (IPS), <https://www.ips.state.nc.us/ips/>, and shall become an Addendum to this RFP. Vendors' questions posed orally at any pre-offer conference must be reduced to writing by the Vendor and provided to the Purchasing Officer as directed by said Officer.

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

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

NOTICE TO VENDORS: The State may, but will not be required to, evaluate or consider any additional terms and conditions submitted with an Offeror's response. This applies to any language appearing in or attached to the document as part of the Offeror's response. By execution and delivery of this Invitation for Offer and response(s), the Offer agrees that any additional terms and conditions, whether submitted purposely or inadvertently, shall have no force or effect unless such are specifically accepted by the State.

LATE OFFERS: Regardless of cause, late offers will not be accepted and will automatically be disqualified from further consideration. It shall be the Vendor's sole risk to ensure delivery at the designated office by the designated time. Late offers will not be opened and may be returned to the Vendor at the expense of the Vendor or destroyed if requested.

VENDOR REGISTRATION AND SOLICITATION NOTIFICATION SYSTEM: The NC electronic Vendor Portal (eVP) allows Vendors to electronically register with the State to receive electronic notification of current procurement opportunities for goods and Services available on the Interactive Purchasing System at the following web site: <https://www.ips.state.nc.us/ips>

POINTS OF CONTACT: Contact by the Offeror with the persons shown below for contractual and technical matters related to this RFP is only permitted if expressly agreed to by the procurement officer named on page 2, or upon award of contract:

Vendor Contractual Point of Contact	Vendor Technical Point of Contact
[NAME OF VENDOR] Street: [STREET ADDRESS] [CITY, STATE, ZIP] Attn: Assigned Contract Manager	[NAME OF VENDOR] Street: [STREET ADDRESS] [CITY, STATE, ZIP] Attn: Assigned Technical Lead

State Contractual Point of Contact	State Technical Point of Contact
<div data-bbox="103 310 462 344">[NAME OF DEPARTMENT]</div> <div data-bbox="103 361 500 394">[DIVISION OR SUB AGENCY]</div> <div data-bbox="103 411 479 445">Street: [STREET ADDRESS]</div> <div data-bbox="103 462 358 495">[CITY, STATE, ZIP]</div> <div data-bbox="103 512 544 546">Attn: Assigned Contracting Officer</div>	<div data-bbox="813 310 1172 344">[NAME OF DEPARTMENT]</div> <div data-bbox="813 361 1208 394">[DIVISION OR SUB AGENCY]</div> <div data-bbox="813 411 1187 445">Street: [STREET ADDRESS]</div> <div data-bbox="813 462 1068 495">[CITY, STATE, ZIP]</div> <div data-bbox="813 512 1208 546">Attn: Assigned Technical Lead</div>

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I. Introduction

The purpose of this RFP and any resulting contract award is to solicit offers for a new State Parking Access and Revenue Control System (identified as "PARCS") for the North Carolina Department of Administration (NCDOA), Division of State Parking, which is a receipt supported division.

The NCDOA is seeking proposals and pricing from qualified firms for providing the services described in this RFP. NCDOA desires a single Vendor contract for these services using its own resources. Subcontracting with other vendors is permissible pursuant to the NCDIT Terms and Conditions in this RFP. Vendors are encouraged to suggest any creative approach to meet the State Parking requirements while keeping costs low and allowing for long term fiscal and operational sustainability.

RFP / Construction IFB Process Description

NCDOA desires a complete end-to-end solution to replace its current PARCS system. Two different procurements (RFP & IFB) are needed: (1). this Request for Proposal (RFP) for the Vendor's software and hardware solution, integration pieces of the system, equipment installation and connection of low voltage items; and (2) a Construction Invitation for Bid (IFB) for the selection of a construction contractor for the civil electrical work necessary for the PARCS system and for construction elements such as demolition, curbs, striping, bollards, conduit, power, and data to the lanes/islands.

As part of this RFP, the awarded Vendor will work alongside NCDOA, State Construction, and the North Carolina Department of Information Technology (DIT) to help finalize the design that will be issued as part of the construction IFB process to select a Contractor. The awarded Vendor resulting from this RFP will have thirty (30) days after contract award to develop shop drawings and provide all information that will be used for the IFB process.

In response to this RFP, Vendors should include costs for any design service and drawings for equipment needs and commit to coordinate with the awarded Contractor of the IFB for work needed for the installation of equipment, power or communication needs.

The procurement process for the RFP and IFB is as follows:

1. NCDOA State Parking will post the RFP
2. NCDOA State Parking will award the RFP
3. Awarded RFP Vendor submits shop drawings
4. NCDOA State Construction submits IFB
5. NCDOA State Construction awards contract for construction
6. Both Vendors will work in parallel to install necessary components

7. The final schedule and sequence of installation will be coordinated between NCDOA, DIT, State Construction, and the Vendor.

Background

State Parking is located within the NC Department of Administration and is responsible for managing (including operations and maintenance) over 8,500 spaces in 25 locations for employees and visitors in the State Government Capital Complex. The majority of the parking lots and decks are used by state employees, while a few parking lots and decks generate revenue from visitor parking.

There are 2 different operation hours for parking lots and decks:

- Gate and permit operations are between 5AM and 7PM Monday through Friday.
- Revenue collecting parking lots and decks are between 7 AM and 7 PM Monday through Friday.
- All lots and decks are open for free public parking from 7PM Friday through 5AM Monday morning.

For each of the revenue generating lots, State Parking has the following business rules for collecting parking revenue:

- State Parking allows a 15 minute grace period.
- Parking fees are \$2 per hour.
- Lost tickets are \$16.
- VISA and Mastercard are the only credit cards accepted.

NCDOA is looking for a system that does not store credit card information, but utilizes the Pay Point Gateway token for credit card authorization.

The current government complex has fiber serving most lots and decks. The fiber in place should be reused unless damage has been identified. Switches exist at the cashier stations to support all devices and communicate back to the DIT IT datacenter.

There is another project in process that will replace existing fiber in the downtown government complex. The new fiber has been identified as the “Metro Ring”. At some point, the lots and decks will need to connect to the new “Metro Ring”.

The current configuration and details for parking lots and decks are listed below to describe the existing conditions. However, going forward, NCDOA State Parking is looking to implement additional functionality for lots and decks.

LOT, DECK#	WIRED / WIRELESS	USAGE	DETAILS
3	Wireless - Verizon	Employee	<p>The lot has two (2) entry lanes using AVI readers (one Sirit reader and one infinity Reader).</p> <ul style="list-style-type: none"> * The lot does not have a controlled system for lot exits but does have a presence activated gate arm. * The facility does not have anti-passback features to prohibit patrons from using the same hangtag for multiple vehicle entries.
18	DSL - Bellsouth	Employee & Visitor	<ul style="list-style-type: none"> * The lot is separated into two (2) sections by barriers. * Section 1 (larger area) is for visitors and is identified as Visitor Lot #1. * Section 2 (smaller area) is for employees. <p><u>Visitor Lot</u></p> <ul style="list-style-type: none"> * The visitor lot has 2 entry points. Each entry point has one entry lane and one exit lane. * The visitor exit lane has an attendant booth that accepts cash and credit cards. <p><u>Employee Lot</u></p> <ul style="list-style-type: none"> * The employee lot has assigned parking spaces and does not have a gate for lane entry or lane exit.
20	Wireless - Verizon	Employee	<ul style="list-style-type: none"> * The lot has unassigned parking spaces. * The lot has two (2) entry points that uses pole mounted Sirit AVI readers. * The lot does not have a controlled system for lot exits but does have a presence activated gate arm. * The facility does not have anti-passback features to prohibit patrons from using the same hangtag for multiple vehicle entries. * The lot has two (2) entry lanes and three (3) exit lanes.
17	Fiber - DIT	Employee	<ul style="list-style-type: none"> * The deck is located below grade beneath museums and plaza space. * The facility does not have anti-passback features to prohibit patrons from using the same hangtag for multiple vehicle entries. * The lot has two (2) entry points. Each entry point has one (1) entry lane and one (1) exit lane. * The two (2) entry lanes use Sirit AVI readers.
64	Fiber – DIT	Employee	<ul style="list-style-type: none"> * The facility does not have anti-passback features to prohibit patrons from using the same hangtag for multiple vehicle entries. * The lot has two (2) entry lanes and two (2) exit lanes. * The two (2) entry lanes use Sirit AVI readers. * The lot does not have a controlled system for lot exits but does have a presence activated gate arm for each of the two (2) exit lanes.
65	Wireless - Verizon	Employee and Proximity Parking	<ul style="list-style-type: none"> * The deck is located beneath building and plaza space. * The deck is multi-functional serving employees as well as proximity card permits. The Proximity Card permits are managed by different departments to allow parking in the deck. * The facility does not have anti-passback features to prohibit patrons from using the same hangtag or proximity cards for multiple vehicle entries. * The four (4) entry lanes use Sirit AVI readers. * The lot has two (2) entry lanes and two (2) exit lanes. * The lot does not have a controlled system for lot exits but does have a presence activated gate arm for each of the four (4) exit lanes.
75	DSL - Bellsouth	Employee & Visitor	<ul style="list-style-type: none"> * The deck is separated into two (2) sections by barriers.

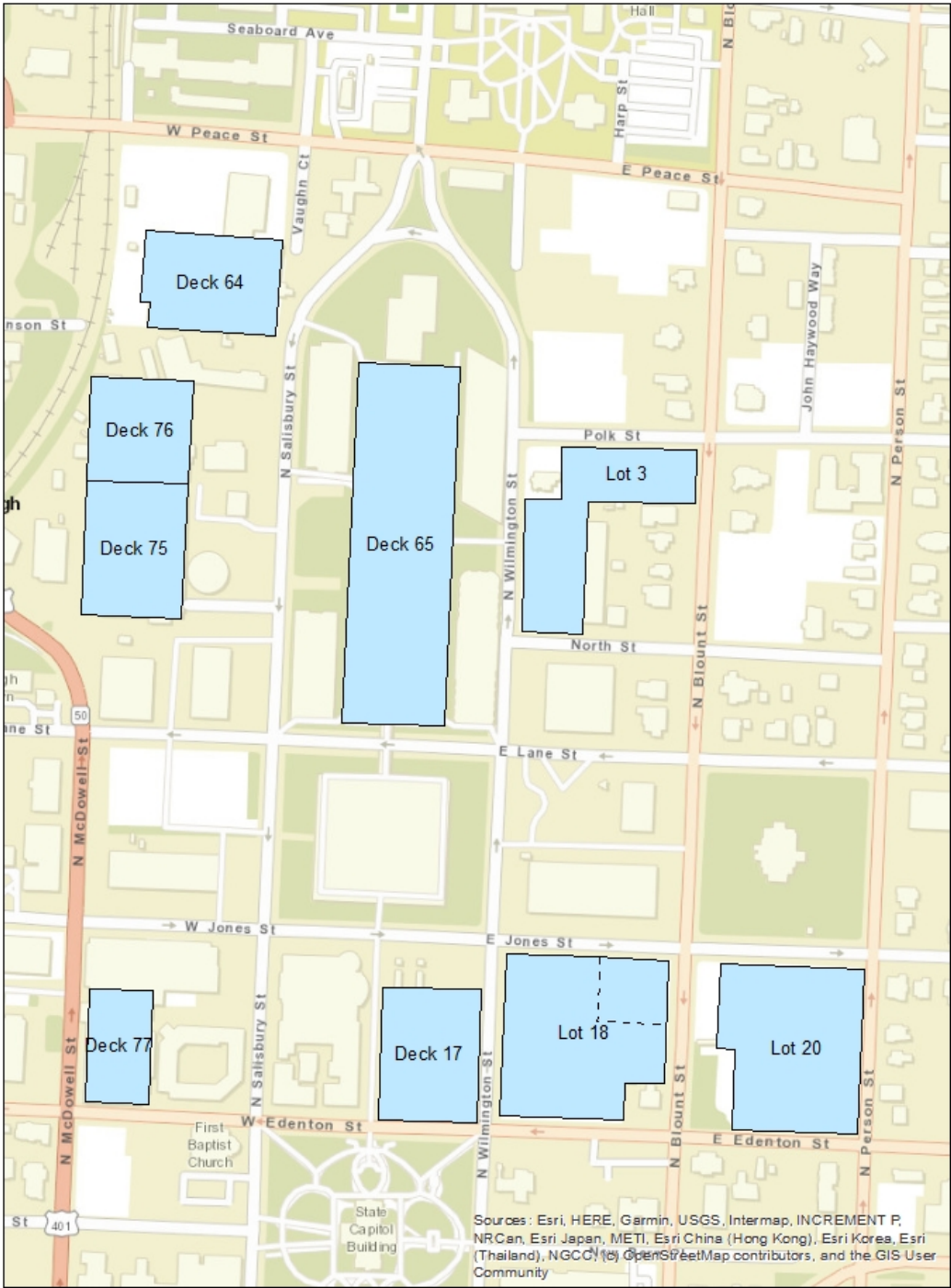
LOT, DECK#	WIRED / WIRELESS	USAGE	DETAILS
			<ul style="list-style-type: none"> * Section 1 (smaller area) is for visitors and is identified as Visitor Lot #2. * Section 2 (larger area) is for employees. <p><u>Visitor Lot</u></p> <ul style="list-style-type: none"> * The visitor lot has one (1) entry lane and one (1) exit lane. * One (1) visitor exit lane has an attendant booth that accepts cash and credit cards. * One (1) visitor exit lane has a credit card only pay-in-lane machine. * * AWID (proxy) cards are also used. <p><u>Employee Deck</u></p> <ul style="list-style-type: none"> * The employee deck has assigned and unassigned parking spaces. The unassigned spaces are located on the very top of the deck. * The deck has two (2) entry points. Each entry point has one (1) entry lane and one (1) exit lane. * One (1) entry lane uses a Sirit reader. * One (1) entry lane uses a infinity reader. * The deck does not have a controlled system for lot exits but does have a presence activated gate arm for each of the two (2) exit lanes.
76	Fiber – DIT	Employee	<ul style="list-style-type: none"> * The employee deck has assigned and unassigned parking spaces. The unassigned spaces are located on the very top of the deck. * The deck has two (2) entry points. Each entry point has one (1) entry lane and one (1) exit lane. * The two (2) entry lanes use Sirit AVI readers. * The deck does not have a controlled system for lot exits but does have a presence activated gate arm for each of the two (2) exit lanes.
77	DSL - Bellsouth	Employee & Visitor	<ul style="list-style-type: none"> * The deck is separated into two sections by barriers. * At 12 noon, one entry lane converts to an exit lane. * The deck has a total of 10 Transcore readers. * Section 1 (smaller area) is for visitors and is identified as Visitor Lot #3. * Section 2 (larger area) is for employees. <p><u>Visitor Lot</u></p> <ul style="list-style-type: none"> * The visitor lot has two (2) entry points. Each entry point has one (1) entry lane and one (1) exit lane. * One (1) visitor exit lane has an attendant booth that accepts cash and credit cards. It also has a credit card only pay-in-lane machine. * <p><u>Employee Deck</u></p> <ul style="list-style-type: none"> * The employee deck has assigned parking spaces. * The deck has two (2) entry points. Each entry point has one (1) entry lane and one (1) exit lane. * The entry lanes use Transcore AVI readers

LOT, DECK#	WIRED / WIRELESS	USAGE	DETAILS
			* The deck does not have a controlled system for lot exits but does have a presence activated gate arm for each of the two (2) exit lanes.

The current PARCS system is at the end of its useful life, is unsupported by the equipment manufacturer 3M (3M is no longer in the business of supplying or supporting parking hardware / software), and NCDOA State Parking has experienced loss of revenue on a monthly basis due to problems processing credit card information.

Vendor will be responsible for shipping and storing all items needed for the implementation of the PARCS system. Any items damaged during shipping shall be replaced and shipped at the vendors expense with no additional cost to NCDOA. The Vendor will secure supplies and equipment in a locked storage unit at the vendor's cost. NCDOA will not provide a storage unit but will provide a location in one of the surface lots the size of one (1) standard parking stall. It is the Vendor's responsibility to protect the equipment from theft and damage until final acceptance including installation of fencing, locks, and any other security provisions. Should the stored equipment be stolen or damaged prior to final acceptance by NCDOA, the Vendor shall replace the equipment at no additional cost to NCDOA.

State Government Complex Parking Map:



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

In addition, the State reserves the right to make partial, progressive or multiple awards: where it is advantageous to award separately by items; or where more than one (1) supplier is needed to provide the contemplated specifications as to quantity, quality, delivery, service, geographical areas; and where other factors are deemed to be necessary or proper to the purchase in question.

State agencies are required to use the State infrastructure to host their projects, services, data, and applications unless an exception is authorized by the State Chief Information Officer. NCDOA will consider an on-premise hosted solution, cloud solution or a SaaS solution. The applicable terms for a software solution and a SaaS solution are included in this RFP, in Attachment B, Sections 2 and 4, respectively. Section 2 terms apply to a software solution, while Section 4 terms apply to a SaaS solution. Negotiation is anticipated, and the State will retract the inapposite licensing terms at the appropriate time.

II. Bidding Information

A. Procurement Schedule

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

Action	Responsibility	Date
Issue of RFP	State	5/19/2020
Deadline to Submit Written Questions	Vendor(s)	6/9/2020 @ 2:00PM
Response to Written Questions	State	6/23/2020
Submission of Offer	Vendor(s)	7/21/2020 @ 2:00PM
Offer Evaluation	Evaluation Committee	TBD
Selection of Finalists	Evaluation Committee	TBD
Negotiations (optional)	Evaluation Committee designees and selected Vendor(s)	TBD
Oral Presentation and/or Product Demonstrations by Finalists	Vendors	TBD

Action	Responsibility	Date
(optional)		
Best and Final Offers from Finalists (optional)	Vendors	TBD
Contract Award	IT Procurement Office	TBD
Protest Deadline	Vendors	15 days after award

B. Instructions to Vendors

Additional acronyms, definitions and abbreviations may be included in the text of the RFP.

- 1) Offers submitted electronically, or via facsimile (FAX) machine will not be accepted.
- 2) **EXECUTION**: Failure to sign under EXECUTION section will render offer invalid.
- 3) **PROMPT PAYMENT DISCOUNTS**: Vendors are urged to compute all discounts into the price offered. If a prompt payment discount is offered, it will not be considered in the award of the Agreement except as a factor to aid in resolving cases of identical prices.
- 4) **MISCELLANEOUS**: Masculine pronouns shall be read to include feminine pronouns and the singular of any word or phrase shall be read to include the plural and vice versa.
- 5) **VENDOR REGISTRATION AND SOLICITATION NOTIFICATION SYSTEM**: Electronic Vendor Portal (eVP) allows Vendors to electronically register with the State to receive electronic notification of current procurement opportunities for goods and Services available on the Interactive Purchasing System at the following web site: <https://vendor.ncgov.com/vendor/login>
- 6) **ORGANIZATION**: Vendors are directed to carefully review Section VI herein and fully comply with the content and organizational requirements therein.
- 7) **E-PROCUREMENT**: **This is an E-Procurement solicitation.** See Section 1, paragraph #38 of the attached North Carolina Department of Information Technology Terms and Conditions Services made part of this solicitation contain language necessary for the implementation of North Carolina's statewide E-Procurement initiative. It is the Vendor's responsibility to read these terms and conditions carefully and to consider them in preparing the offer. By signature, the Vendor acknowledges acceptance of all terms and conditions including those related to E-Procurement.
 - a. General information on the E-Procurement service can be found at <http://eprocurement.nc.gov/>
 - b. Within two days after notification of award of a contract, the Vendor must register in NC E-Procurement @ Your Service at the following web site: <http://eprocurement.nc.gov/Vendor.html>
 - c. As of the RFP submittal date, the Vendor must be current on all E-Procurement fees. If the Vendor is not current on all E-Procurement fees, the State may disqualify the Vendor from participation in this RFP.
- 8) **E-VERIFY**: Pursuant to N.C.G.S. §143B-1350(k), the State shall not enter into a contract unless the awarded Vendor and each of its subcontractors comply with the E-Verify requirements of N.C.G.S. Chapter 64, Article 2. Vendors are directed to review the foregoing laws. Any awarded Vendor must

submit a certification of compliance with E-Verify to the awarding agency, and on a periodic basis thereafter as may be required by the State.

9) **RESTRICTIONS ON CONTRACTS WITH THE STATE:** Reserved

C. General Conditions for Proposals

- 1) **DEFINITIONS, ACRONYMS AND ABBREVIATIONS:** Generally, see 9 NCAC 06A.0102 for definitions. The following are additional defined terms:
 - a) **24x7:** A statement of availability of systems, communications, and/or supporting resources every hour (24) of each day (7 days weekly) throughout every year for periods specified herein. Where reasonable downtime is accepted, it will be stated herein. Otherwise, 24x7 implies NO loss of availability of systems, communications, and/or supporting resources.
 - b) **Deliverables:** Deliverables, as used herein, shall comprise all Hardware, Vendor Services, professional Services, Software and provided modifications to any Software, and incidental materials, including any goods, Software or Services access license, data, reports and documentation provided or created during the performance or provision of Services hereunder. Deliverables include "Work Product" and means any expression of Licensor's findings, analyses, conclusions, opinions, recommendations, ideas, techniques, know-how, designs, programs, enhancements, and other technical information; but not source and object code or software.
 - c) **Goods:** Includes intangibles such as computer software; provided, however that this definition does not modify the definition of "goods" in the context of N.C.G.S. §25-2-105 (UCC definition of goods).
 - d) **NCBIT or DIT:** The NC Department of Information Technology, formerly Office of Information Technology Services.
 - e) **NCDOA:** North Carolina Department of Administration
 - f) **Open Market Contract:** A contract for the purchase of goods or Services not covered by a term, technical, or convenience contract.
 - g) **Reasonable, Necessary or Proper:** as used herein shall be interpreted solely by the State of North Carolina.
 - h) **RFP:** Request for Proposal
 - i) **The State:** Is the State of North Carolina, and its Agencies.
 - j) **Vendor:** Company, firm, corporation, partnership, individual, or other entity submitting an offer in response to a solicitation for this RFP for software services, payment components and hardware for the PARCS being installed for NCDOA..
 - k) Additional acronyms and definitions:
 1. **AIMS** - Automated Issuance Management System: parking (permit and ticketing) management software.
 2. **Barrier Gate** – An automated gate utilized by the PARCS system to control access in and out of the parking lot or parking deck.
 3. **Cashier Station** – A computerized PARCS device located in a staffed cashier booth at an exit lane to collect revenue from a patron that parked in the lot or parking deck.
 4. **Contractor** - Company, firm, corporation, partnership, individual, etc., submitting an offer in response to a solicitation for the IFB that will be developed after selecting a Vendor with this RFP. The Contractor will work along with State Construction for the construction of changes needed with any construction work associated with the PARCS. This includes (but is not limited to) power, communications and construction of concrete islands.
 5. **Crash** – A system failure in which the PARCS system cannot process revenue transactions.

6. **Critical Design Document** – The document containing detailed descriptions of the proposed PARCS and proposed system components including schematics, diagrams, interface control documents.
7. **Construction Contractor**
8. **DOA** – Department of Administration
9. **EM** – Emergency Maintenance Services.
10. **EMV** – European Master Card / Visa credit card standard, referring to a chip embedded credit card associated with a personal PIN used for payment of parking fee due.
11. **Entry Station** – a computerized PARCS device located in an unattended entry lane that facilitates entry into the gate or lot.
12. **Exit Station** - a computerized PARCS device located in an unattended exit lane that facilitates exit out of the gate or lot.
13. **FAT** – Factory Acceptance Test: a test of a Vendor's equipment with simulated lane conditions at a factory provided by the Vendor with the intent to test functional specifications. FAT's are conducted on one revenue entry lane, one revenue exit lane, one Pay-on-foot ("POF") and simulated employee access equipment.
14. **FMS** – Facility Monitoring System: A system that provides operational and performance information of the system components.
15. **IFB** – Construction Invitation for Bid. This process will occur after a Vendor has been selected for this RFP. The purpose of the contractor selected in the IFB will be to perform any civil work needed for the installation of the PARCS system proposed by the Vendor selected in the RFP process.
16. **ISO** – short for International Organization for Standardization: An international organization comprised of national standards bodies from around the world. ISO is the world's largest developer and publisher of standards.
17. **LAT** – Lane Acceptance Test: a test of a Vendor's installed equipment at a lane level to ensure that the equipment meets the intent of the functional specifications. LAT's are conducted on all entry and exit lanes.
18. **Major Deviation** – Any deviation or failure of a LAT or Site Acceptance Test (SAT) procedure that affects fee calculation accuracy, transaction count accuracy, exception count accuracy, active ticket inventory accuracy (system vs. actual), revenue processing, calculations, or reporting.
19. **Metro Ring** – New fiber installation for the downtown government complex.
20. **Minor Deviation** – Any deviation or failure of a LAT or Site Acceptance Test (SAT) procedure that does not affect fee calculation accuracy, transaction count accuracy, exception count accuracy, active ticket inventory accuracy (system vs. actual), revenue processing, calculations, or reporting.
21. **NC BIDS** - North Carolina Business Invitation Delivery System (NC BIDS). NC BIDS enables vendors respond to specified solicitations electronically, saving vendors time and money by eliminating the need to print and ship paper proposal packages.
<https://ncadmin.nc.gov/about-doa/divisions/purchase-and-contract/nc-bids>.
22. **NCID** - NCID is the North Carolina Identity management service for authentication.
23. **NEMA** – National Electrical Manufacturers Association: An association that develops standards related to the generation, transmission, distribution, control, and end-use of electricity.
24. **NEC** – National Electric Code: part of the National Fire Code, the NEC is a standard for the safe installation of electrical wiring and equipment.
25. **Normal Weather Conditions** - Normal weather conditions are applicable to weather conditions that are common to the Raleigh, NC region such as rain, strong thunderstorms, freezing temperatures, snow, hail, ice, 100+ degree temperatures, high winds, and high humidity, among others.

26. **North Carolina Account System (NCAS)** - Provides primary budgetary control and financial accounting to most state agencies and statewide financial reporting and information access for all agencies. NCAS is a mainframe system.
27. **ODT** – Operational Demonstration Test: a test of a fully installed PARCS to monitor the system during normal operating conditions and ensure that the system is functional over a defined period of time in a manner consistent with the intent of these Functional Specifications.
28. **PA DSS** – Payment Application Data Security Standard: a set of comprehensive data security requirements and parameters for computer applications that process credit card payments.
29. **PARCS** – Parking Access Revenue Control System. A combination of equipment, subsystems, and infrastructure to 1) allow entry & exit to parking lots and decks; and 2) calculate, collect, track, and report on revenue from designated parking lots and decks.
30. **Pay-on-Foot Station**- a computerized PARCS device that facilitates payment of parking fees prior to a patron returning to their vehicle. Also referred to as an *Automated Pay Station, POF or APS*.
31. **PayPoint Gateway** - A gateway service provided by the North Carolina Office of the State Controller (“OSC”) under Amendment Number 2 to the Merchant Services Contract with SunTrust Merchant Services (STMS). In addition to a “payment engine” (similar to what was offered by the Common Payment Service gateway), PayPoint offers a “web consumer interface” component, also referred to as a “presentment engine.” By virtue of having a presentment engine, four important features distinguish the PayPoint gateway service from most other gateway services.
<https://www.osc.nc.gov/state-agency-resources/statewide-electronic-commerce-program-secp/merchant-card-program/paypoint-0>
32. **PCI DSS** – Payment Card Industry Data Security Standard: a set of comprehensive requirements and parameters for enhancing payment card account data security to help facilitate the broad adoption of consistent data security measures on a global basis.
33. **PIN** – Personal Identification Number: A number selected by a user to gain access to certain areas of the PARCS or to associate with a chip embedded credit card required by EMV standards.
34. **Preventive Maintenance** - This type of maintenance includes but is not limited to scheduled inspection, testing, necessary adjustment, alignments, lubrication, parts cleaning, replacement of consumables, communication system maintenance, server administration, database administration, and application support of the PARCS hardware and software.
35. **QR Code** – A QR code is a form of a bar code that can store more data than a standard binary bar code.
36. **SAT** – Site Acceptance Test: a test of a Vendor’s installed equipment at the site to ensure that the equipment meets the intent of the functional specifications.
37. **Swapped Ticket** – The occurrence when a patron “swaps” the original parking ticket obtained upon entry to a parking facility with a second, more current parking ticket and attempts to exit using the more current parking ticket.
38. **UL – Underwriters Laboratories, Inc.**- UL is a U.S. not-for-profit, privately owned and operated product safety testing and certification organization. Based in Northbrook, Illinois, UL develops standards and test procedures for products, materials, components, assemblies, tools and equipment, chiefly dealing with product safety. UL is one of several companies approved for such testing by the U.S. federal agency OSHA. OSHA maintains a list of approved testing laboratories, known as Nationally Recognized Testing Laboratories.

39. **UPS** – Uninterruptible Power Supply: a device that maintains a continuous supply of electrical power to connected equipment by supplying power from a separate source when utility power is not available.
40. **Validation Program** – The offering of discounted parking through a paper or electronic credential that may be presented to either a cashier or read by a bar code or magnetic striped card reader in an Unattended Exit Lane.
- 2) **READ AND REVIEW:** It shall be the Vendor's responsibility to read this entire document, review all enclosures and attachments, and comply with all specifications, requirements and the State's intent as specified herein. If a Vendor discovers an inconsistency, error or omission in this solicitation, the Vendor should request a clarification from the State's contact person listed on the front page of the solicitation. Questions and clarifications must be submitted in writing and may be submitted by personal delivery, letter, fax or e-mail within the time period identified hereinabove
- 3) **VENDOR RESPONSIBILITY:** The Vendor(s) will be responsible for investigating and recommending the most effective and efficient technical configuration. Consideration shall be given to the stability of the proposed configuration and the future direction of technology, confirming to the best of the Vendor's ability that the recommended approach is not short lived. Several approaches may exist for hardware configurations, other products and any software. The Vendor(s) must provide a justification for the proposed hardware, product and software solution(s), along with costs thereof. Vendors are encouraged to present explanations of benefits and merits of their proposed solutions together with any accompanying Services, maintenance, warranties, value added Services or other criteria identified herein. The Vendor acknowledges that, to the extent the awarded contract involves the creation, research, investigation or generation of a future RFP or other solicitation; the Vendor will be precluded from bidding on the subsequent RFP or other solicitation and from serving as a subcontractor to an awarded vendor. The State reserves the right to disqualify any bidder if the State determines that the bidder has used its position (whether as an incumbent Vendor, or as a subcontractor hired to assist with the RFP development, or as a Vendor offering free assistance) to gain a competitive advantage on the RFP or other solicitation.
- 4) **ELIGIBLE VENDOR:** The Vendor certifies that in accordance with N.C.G.S. §143-59.1(b), Vendor is not an ineligible vendor as set forth in N.C.G.S. §143-59.1 (a).
- 5) **ORAL EXPLANATIONS:** The State will not be bound by oral explanations or instructions given at any time during the bidding process or after award. Vendor contact regarding this RFP with anyone other than the Agency contact or procurement officer named on Page 2 above may be grounds for rejection of said Vendor's offer. Agency contact regarding this RFP with any Vendor may be grounds for cancellation of this RFP.
- 6) **INSUFFICIENCY OF REFERENCES TO OTHER DATA:** Only information that is received in response to this RFP will be evaluated. Reference to information previously submitted or Internet Website Addresses (URLs) will not suffice as a response to this solicitation.
- 7) **CONFLICT OF INTEREST:** Applicable standards may include: N.C.G.S. §§143B-1352 and 143B-1353, 14-234, and 133-32. The Vendor shall not knowingly employ, during the period of the Agreement, nor in the preparation of any response to this solicitation, any personnel who are, or have been, employed by a Vendor also in the employ of the State and who are providing Services involving, or similar to, the scope and nature of this solicitation or the resulting contract.
- 8) **CONTRACT TERM:** A contract awarded pursuant to this RFP shall have an effective date as provided in the Notice of Award. The term shall be **three (3)** year and will expire upon the anniversary date of the effective date unless otherwise stated in the Notice of Award, or unless terminated earlier.

The State retains the option to extend the Agreement for **two (2)** additional **one (1)** year periods at its sole discretion.

- 9) **EFFECTIVE DATE:** This solicitation, including any Exhibits, or any resulting contract or amendment shall not become effective nor bind the State until the appropriate State purchasing authority/official or Agency official has signed the document(s), contract or amendment; the effective award date has been completed on the document(s) by the State purchasing official, and that date has arrived or passed. The State shall not be responsible for reimbursing the Vendor for goods provided nor Services rendered prior to the appropriate signatures and the arrival of the effective date of the Agreement. No contract shall be binding on the State until an encumbrance of funds has been made for payment of the sums due under the Agreement.
- 10) **RECYCLING AND SOURCE REDUCTION:** It is the policy of this State to encourage and promote the purchase of products with recycled content to the extent economically practicable, and to purchase items which are reusable, refillable, repairable, more durable, and less toxic to the extent that the purchase or use is practicable and cost-effective. The State also encourages and promotes using minimal packaging and the use of recycled/recyclable products in the packaging of goods purchased. However, no sacrifice in quality of packaging will be acceptable. The Vendor remains responsible for providing packaging that will protect the commodity and contain it for its intended use. Vendors are strongly urged to bring to the attention of the purchasers at the NCDIT Statewide IT Procurement Office those products or packaging they offer which have recycled content and that are recyclable.
- 11) **HISTORICALLY UNDERUTILIZED BUSINESSES:** Pursuant to N.C.G.S. §§143B-1361(a), 143-48 and 143-128.4 and any applicable Executive Order, the State invites and encourages participation in this procurement process by businesses owned by minorities, women, disabled, disabled business enterprises and non-profit work centers for the blind and severely disabled. Additional information may be found at: <http://ncadmin.nc.gov/businesses/hub/>.
- 12) **CLARIFICATIONS/INTERPRETATIONS:** Any and all amendments or revisions to this document shall be made by written addendum from the DIT Procurement Office. Vendors may call the purchasing agent listed on the first page of this document to obtain a verbal status of contract award. If either a unit price or extended price is obviously in error and the other is obviously correct, the incorrect price will be disregarded.
- 13) **RIGHTS RESERVED:** While the State has every intention to award a contract as a result of this RFP, issuance of the RFP in no way constitutes a commitment by the State of North Carolina, or the procuring Agency, to award a contract. Upon determining that any of the following would be in its best interests, the State may:
 - a) waive any formality;
 - b) amend the solicitation;
 - c) cancel or terminate this RFP;
 - d) reject any or all offers received in response to this RFP;
 - e) waive any undesirable, inconsequential, or inconsistent provisions of this RFP;
 - f) if the response to this solicitation demonstrate a lack of competition, negotiate directly with one or more Vendors;
 - g) not award, or if awarded, terminate any contract if the State determines adequate State funds are not available; or
 - h) if all offers are found non-responsive, determine whether Waiver of Competition criteria may be satisfied, and if so, negotiate with one or more known sources of supply.
- 14) **ALTERNATE OFFERS:** The Vendor may submit alternate offers for various levels of service(s) or products meeting specifications. Alternate offers must specifically identify the RFP specifications and advantage(s) addressed by the alternate offer. Any alternate offers must be clearly marked with the

legend as shown herein. Each offer must be for a specific set of Services or products and offer at specific pricing. If a Vendor chooses to respond with various service or product offerings, each must be an offer with a different price and a separate RFP offer. Vendors may also provide multiple offers for software or systems coupled with support and maintenance options, provided, however, all offers must satisfy the specifications.

Alternate offers must be clearly marked

“Alternate Offer for ‘name of Vendor’”

and numbered sequentially with the first offer if separate offers are submitted.

This legend must be in bold type of not less than 14-point type on the face of the offer, and on the text of the alternative offer.

- 15) **CO-VENDORS**: Vendors may submit offers as partnerships or other business entities. Such partners or other “co-Vendors”, if any, shall disclose their relationship fully to the State. The State shall not be obligated to contract with more than one Vendor. Any requirements for references, financial statements or similar reference materials shall mean **all** such partners or co-Vendors.
- 16) **SUBMITTING AN OFFER**: Each Vendor submitting an offer warrants and represents that:
 - a) The offer is based upon an understanding of the specifications and requirements described in this RFP.
 - b) Costs for developing and delivering responses to this RFP and any subsequent presentations of the offer as requested by the State are entirely the responsibility of the Vendor. The State is not liable for any expense incurred by the Vendors in the preparation and presentation of their offers.
- 17) **SUBMITTED MATERIALS**: All materials submitted in response to this RFP become the property of the State and are to be appended to any formal documentation, which would further define or expand any contractual relationship between the State and the Vendor resulting from this RFP process.
- 18) **MODIFICATIONS TO OFFER**: An offer may not be unilaterally modified by the Vendor.

D. Evaluation Process

- 1) **SOURCE SELECTION**: A trade-off/ranking one step method of source selection will be utilized in this procurement to allow the State to award this RFP to the Vendor providing the Best Value, and recognizing that Best Value may result in award other than the lowest price or highest technically qualified offer. By using this method, the overall ranking may be adjusted up or down when considered with or traded-off against other non-price factors.
 - a) The evaluation committee may request clarifications, an interview with or presentation from any or all Vendors as allowed by 9 NCAC 06B.0307. However, the State may refuse to accept, in full or partially, the response to a clarification request given by any Vendor. Vendors are cautioned that the evaluators are not required to request clarifications; therefore, all offers should be complete and reflect the most favorable terms. Vendors should be prepared to send qualified personnel to Raleigh, North Carolina, to discuss technical and contractual aspects of the offer.
 - b) Evaluation Process Explanation. State Agency employees will review all offers. All offers will be initially classified as being responsive or non-responsive. If an offer is found non-responsive, it will not be considered further. All responsive offers will be evaluated based on stated evaluation criteria. Any references in an answer to another location in the RFP materials or Offer shall have specific page numbers and sections stated in the reference.
 - c) To be eligible for consideration, a Vendor’s offer **must** substantially conform to the intent of all specifications. Compliance with the intent of all specifications will be determined by the State.

Offers that do not meet the full intent of all specifications listed in this RFP may be deemed deficient. Further, a serious deficiency in the offer to any one factor may be grounds for rejection regardless of overall score.

d) Vendors are advised that the State is not obligated to ask for, or accept after the closing date for receipt of offer, data that is essential for a complete and thorough evaluation of the offer.

- 2) **BEST AND FINAL OFFERS (BAFO)**: If negotiations or subsequent offers are solicited, the Vendors shall provide BAFOs in response. Failure to deliver a BAFO when requested shall disqualify the non-responsive Vendor from further consideration. The State may establish a competitive range based upon evaluations of offers, and request BAFOs from the Vendors within this range; e.g. "Finalist Vendors". The State will evaluate BAFOs and add any additional weight to the Vendors' respective offer. Additional weight awarded from oral presentations and product demonstrations during negotiations, if any, will be added to the previously assigned weights to attain their final ranking.

DUE TO THE CURRENT HEALTH RISK ASSOCIATED WITH COVID-19, the State will follow Governor Cooper's Executive Order pertaining to COVID-19 in effect when product demonstrations are to be conducted. If social distancing is in place under the effective Executive Order when product demonstrations are to be conducted, there will not be an on-sight product demonstration. The product demonstration will be conducted using Microsoft Teams. If the Vendor cannot use Microsoft Teams, the product demonstration can be done using WEBEX. The Vendor will need to coordinate the product demonstration with the contract specialists.

- 3) **EVALUATION CRITERIA**: Each of the criteria below shall be evaluated in order of accordance with the solicitation documents:
- a) Substantial Conformity to Solicitation Specifications
 - b) Demonstrated ability to meet Technical Requirements
 - c) Demonstrated ability to meet the Functional and Non-Functional Specifications
 - d) Strength of qualifications and references relevant or material to technology area(s) or Specifications
 - e) Illustration(s) and/or explanations of the Statewide Technical Architecture objectives, principles and best practices to the proposed solution
 - f) Cost
- 4) **PAST PERFORMANCE**: The Vendor may be disqualified from any evaluation or award if the Vendor or any key personnel proposed, has previously failed to perform satisfactorily during the performance of any contract with the State, or violated rules or statutes applicable to public bidding in the State.
- 5) **EVALUATION METHOD**: this procurement will be evaluated in accordance with the narrative method.
- 6) **INTERACTIVE PURCHASING SYSTEM (IPS)**: The State has implemented links to the Interactive Purchasing System (IPS) that allow the public to retrieve offer award information electronically from our Internet web site: <https://www.ips.state.nc.us/ips/>. Click on the IPS BIDS icon, click on Search for BID, enter the Agency prefix-offer number (XXXX), and then search. This information may not be available for several weeks dependent upon the complexity of the acquisition and the length of time to complete the evaluation process.
- 7) **PROTEST PROCEDURES**: Protests of awards exceeding \$25,000 in value must be submitted to the issuing Agency at the address given on the first page of this document. Protests must be received in this office within fifteen (15) calendar days from the date of this RFP award and provide specific reasons and any supporting documentation for the protest. **All protests will be governed by Title**

III. Technical Proposal

- 1) **ENTERPRISE STRATEGIES, SERVICES, AND STANDARDS:** Agencies and Vendors should refer to the Vendor Resources Page for information on North Carolina Information Technology enterprise services, security policies and practices, architectural requirements, and enterprise contracts. The Vendor Resources Page can be found at the following link: <https://it.nc.gov/vendor-engagement-resources>. This site provides Vendors with statewide information and links referenced throughout the RFP document. Agencies may request additional information.
- 2) **ARCHITECTURE DIAGRAMS DEFINED:** The State utilizes diagrams to better understand the design and technologies of a proposed solution. The architecture diagrams required at offer submission can be found at the following link: <https://it.nc.gov/architectural-artifacts>. There may be additional architectural diagrams requested of the Vendor after contract award. This will be communicated to the Vendor by the agency as needed during the project. The additional diagrams can be found at the link above. **Note: Use Google CHROME or Microsoft EDGE browsers to access the documents for best results.**
- 3) **VIRTUALIZATION:** The State desires the flexibility to host Vendor's proposed solution in a virtualized environment, should it determine in the future that virtualized hosting for such solution would be more economical or efficient. The State currently utilizes server virtualization technologies including VMware, Solaris and zLinux. The Vendor should state whether its solution operates in a virtualized environment. Vendor also should identify and describe all differences, restrictions or limitations of its proposed solution with respect to operation, licensing, support, certification, warranties, and any other details that may impact its proposed solution when hosted in a virtualized environment.
- 4) **NCID:** The proposed solution must externalize identity management and will be required to utilize the North Carolina Identity Service (NCID) for the identity management and authentication related functions performed by this application. NCID is the State's enterprise identity management (IDM) service. It is operated by the North Carolina Department of Information Technology. Additional information regarding this service can be found in the DIT Service Catalog at: <http://it.nc.gov/it-services> (see Identity Management - NC Identity Management under the main menu item Application Services) and the NCID Web site at: <https://it.nc.gov/ncid/>.
- 5) **CLOUD SERVICE PROVIDERS (CSPs):** For offers featuring a cloud-hosted solution, Vendors shall provide a completed Vendor Readiness Assessment Report Not State Hosted Solutions ("VRAR"), which includes cloud services. This report is located at the following website: <https://it.nc.gov/documents/vendor-readiness-assessment-report-vrar>. *The State Parking System (PARCS) will be required to receive and securely manage passwords. As such, the State Parking System (PARCS) will be classified as high.* Refer to the North Carolina Statewide Data Classification and Handling policy for more information regarding this data classification. The policy is located at the following website: <https://it.nc.gov/document/statewide-data-classification-and-handling-policy>. To comply with the State's Security Standards and Policies, State agencies are required to perform annual security/risk assessments on their information systems using NIST 800-53 controls. 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. Assessment reports such as the Federal Risk and Authorization Management Program (FedRAMP) certification, SOC 2 Type 2, or ISO 27001 are required for any cloud service providing support for data classified as

Restricted or Highly Restricted. A current assessment report will be required prior to contract award for the selected vendor.

An IaaS vendor cannot provide a certification or assessment report for a SaaS provider UNLESS that is written in the agreement between the two vendors.

- 6) **SOLUTIONS HOSTED ON STATE INFRASTRUCTURE:** For offers featuring a solution hosted on State infrastructure, Vendors shall provide a completed Vendor Readiness Assessment Report State Hosted Solutions (“VRAR”). This report is located at the following website: <https://it.nc.gov/documents/vendor-readiness-assessment-report-vrar>. *The State Parking System (PARCS) will be required to receive and securely manage passwords. As such, the State Parking System (PARCS) will be classified as high.* Refer to the North Carolina Statewide Data Classification and Handling policy for more information regarding this data classification. The policy is located at the following website: <https://it.nc.gov/document/statewide-data-classification-and-handling-policy>.
- 7) **EQUIVALENT ITEMS:** Whenever a material, article or piece of equipment is identified in the specification(s) by reference to a manufacturer’s or Vendor’s name, trade name, catalog number or similar identifier, it is intended to establish a standard for determining substantial conformity during evaluation, unless otherwise specifically stated as a brand specific requirement (no substitute items will be allowed). Any material, article or piece of equipment of other manufacturers or Vendors shall perform to the standard of the item named. Equivalent offers must be accompanied by sufficient descriptive literature and/or specifications to provide for detailed comparison. Samples of items, if required, shall be furnished at no expense to the State and if not destroyed in the evaluation process, may be returned to the Vendor at the Vendor’s expense.
- 8) **LITERATURE:** All offers shall include specifications and technical literature sufficient to allow the State to determine that the proposed solution substantially meets all specifications. This technical literature will be the primary source for evaluation. If a specification is not addressed in the technical literature, it must be supported by additional documentation and included with the offer. Offer responses without sufficient technical documentation may be rejected.
- 9) **EQUIVALENT GOODS:** The State may, in its sole discretion, investigate any substitute or equivalent goods irrespective of any representation made by a Vendor or manufacturer.
- 10) **DEVIATION FROM SPECIFICATIONS:** Any deviation from specifications indicated herein must be clearly identified as an exception and listed on a separate page labeled “Exceptions to Specification.” Any deviations shall be explained in detail. **The Vendor shall not construe this paragraph as inviting deviation or implying that any deviation will be acceptable. Offers of alternative or non-equivalent goods or services may be rejected if not found substantially conforming; and if offered, must be supported by independent documentary verification that the offer substantially conforms to the specified goods or services specification.**

11) **BUSINESS OBJECTIVES:**

The Division of State Parking is seeking a solution to replace the current Parking Access Revenue Control System (PARCS) in multiple lots and decks within the State Government Complex. As previously noted in this RFP, State agencies are required to use the State infrastructure to host their projects, services, data, and applications unless an exception is authorized by the State Chief Information Officer. NCDOA will consider an on-premise hosted solution, cloud solution or a SaaS solution. Vendor shall provide all related

architecture documents and hardware specifications supporting the solution, and as requested by NCDOA to meet the requirements of NCGS 143B-1365.

The Division of State Parking is seeking a solution to support the following business functions for the organization:

- **Revenue Collection**
 - Calculation of parking fees. These fees can be hourly, monthly for state employees, or monthly for external customers.
- **Parking Validation**
 - Entry and exit lane parking pass validation for employee lots and decks.
 - Tracking of which parking spaces are assigned to employees.
 - Tracking of parking space usage.
 - System shall provide anti-passback features for any monthly parker at all facilities.
- **Enterprise Content Management:**
 - Document Management - The tracking, management and storage of electronic documents and electronic images.
- **Credit Card Processing**
 - Process credit cards using the PayPoint Gateway.
 - PCI compliant
- **Accounts Receivable** – Industry standard accounts receivable functionality.
 - Accounts Receivable Reporting - The management and creation of reports to allow analysis of the accounts receivable.
 - Invoice Management - The creation, distribution and management of invoices, including viewing invoice and payment history, viewing outstanding balance, viewing invoices paid, printing invoices.
 - Parking Revenue – The processing of cash and credit card revenue.

12) **TECHNICAL SPECIFICATIONS:** Means, as used herein, a specification that documents the requirements of a system or system component. It typically includes functional requirements, performance requirements, interface requirements, design requirements, development standards, maintenance standards, or similar terms. Substantial conformity with technical specifications is required.

- a) Site and System Preparation: Vendors shall provide the Purchasing State Agency complete site requirement specifications for the Deliverables, if any. These specifications shall ensure that the Deliverables to be installed or implemented shall operate properly and efficiently within the site and system environment. The Vendor shall advise the State of any site requirements for any Deliverables required by the State's specifications. Any alterations or modification in site preparation which are directly attributable to incomplete or erroneous specifications provided by the Vendor and which would involve additional expenses to the State, shall be made at the expense of the Vendor.
- b) Specifications: The apparent silence of the specifications as to any detail, or the apparent omission of detailed description concerning any point, shall be regarded as meaning that only the best commercial practice is to prevail and only processes, configuration, material and workmanship of the first quality may be used. Upon any notice of noncompliance provided by the

State, Vendor shall supply proof of compliance with the specifications. Vendor must provide written notice of its intent to deliver alternate or substitute Services, products, goods or other Deliverables. Alternate or substitute Services, products, goods or Deliverables may be accepted or rejected in the sole discretion of the State; and any such alternates or substitutes must be accompanied by Vendor's certification and evidence satisfactory to the State that the function, characteristics, performance and endurance will be equal or superior to the original Deliverables specified. See, Acceptance Criteria of Terms and Conditions, below.

- c) Please describe your proposed solution's ability to meet the following specifications, including capabilities, features, and limitations:

i. **TECHNICAL REQUIREMENT**

1. **Accessibility** Vendor's solution must conform to current accessibility standards, including Section 508, W3C WCAG 2.0, in accordance with [N.C.G.S. § 168A-7](#) and the Code of Federal Regulations (CFR) at 28 CFR parts 35 (title II) and 36 (title III). Describe how the service conforms to current accessibility standards, including Section 508, W3C WCAG 2.0, in accordance with [N.C.G.S. § 168A-7](#) and the Code of Federal Regulations (CFR) at 28 CFR parts 35 (title II) and 36 (title III).

Technical Architecture A technical architecture diagram of the proposed solution must be provided. Any 3rd party software must be noted in the architecture.

ii. **FUNCTIONAL SPECIFICATIONS**

1. **Administrative**

Administration functions are adherent in managing accounts, user profiles and account settings.

- a. Describe how the solution can limit the amount of data any user can see based upon the listed user roles and account privileges.
 - i. Supervisors
 - ii. Auditors and accounting personnel
 - iii. NCDOA State Parking staff and Administrator
 - iv. Command Center staff for image review
 - v. staff.
- b. Describe how the solution provides workflows for review and approval processes for the following roles:
 - i. Supervisors
 - ii. Auditors and accounting personnel
 - iii. NCDOA State Parking staff and Administrator
 - iv. Command Center staff for image review
 - v. staff.

2. **Document Management**

State Parking has a variety of documents and images that need to be stored electronically. These documents are used for a variety of tasks.

- a. Describe how your solution can store, manage, and track parking documents. Include any documents for hourly and monthly revenue collection.

- b. Describe how the system can automatically distribute reports to specific State Parking office staff.
- c. Describe what type of documents can be stored in the proposed system. Also describe any size limitations to documents.
- d. Describe what types of files (example pictures and video) can be stored in the proposed system.
- e. Describe how files (pictures and videos) can be attached to specific transactions.

3. **Financial**

- a. Describe how the solution will integrate with the PayPoint Gateway to process credit cards.
- b. Describe what data your system will collect and store for credit card processing to ensure it is PCI DSS compliant.
- c. Describe if your system is P2Pe certified.
- d. Describe how the system will calculate parking revenue due

4. **Self Help**

Users of the PARCS System will often have questions on how to perform certain tasks or reference Frequently Asked Questions (FAQ's).

- a. Describe your web-based support for the service(s) as a searchable knowledge-base or Frequently Asked Questions (FAQ's).
- b. Describe your solutions self-help functions. Your response should include but not be limited to descriptions of self-paced, pre-recorded closed-caption videos.
- c. Describe if your solution has on-line videos that can be viewed for self-help.
- d. Describe all documents and manuals NCDOA will receive to support the day to day activities needed to support the state parking system. Ex:
 - i. User manual;
 - ii. Cashier manual;
 - iii. Training manual;
 - iv. Other manuals or documents.

5. **Reporting and Data Analytics**

State Parking has a variety of needs for reporting and analytics.

- a. Describe the solution's on demand reporting as well as any other reporting functions.
- b. Describe the solution's data analytics for all transactions.
- c. Describe the solution's data analytics for different user levels.
 - i. State Parking customers;
 - ii. State Parking staff.
- d. Describe the solution's e-reporting functions for accounts receivables and accounts payables.
- e. Describe how the system reports on hourly and monthly parking.
- f. Describe how the solution generates reports (custom or ad-hoc) based upon user profiles.

- i. State Parking customers;
 - ii. State Parking staff.
- g. Describe how the solution provides the automation of reports and scheduled reporting.
- h. Describe the method for how the solution delivers the dashboards, as well as any configuration and set up needed. Describe if the dashboards are customizable.
- i. Provide a sample copy of all reports your system can produce.

6. Mobile Technology

Describe all functionality the proposed system can provide for mobile technology.

7. Parking

- a. Describe how the solution manages and tracks parking space usage and parking space availability.
- b. Describe how the solution identifies maintenance items.
- c. For revenue generating lots, describe how the solution will utilize “Pay on Foot (POF)” options when an attendant is not available in the booth. (Currently lot 18 does not have a Pay on Foot machine and one would need to be added).
- d. Describe potential integration with current AVI readers or if the proposed solution would replace the AVI readers.
- e. Describe how the system identifies and tracks theft or loss of revenue.
- f. Describe how the system provides an anti-passback process and describe all processing requirements for the anti-passback process.
- g. Describe how the system alerts operators of broken barrier gates or any issues with the equipment.
- h. Describe how the system would work in offline mode (if there is a failure in the network or power supply)

iii. NON-FUNCTIONAL SPECIFICATIONS

1. Service Performance Levels

- a. Describe the solution’s performance metric functions and reporting for the State Parking system, including system up time, system availability, processing credit cards, and all other metric functions and reporting applicable to the proposed solution.
- b. Describe the most recent load and performance testing conducted and the resulting outcomes.
- c. Describe the fault tolerant and redundant systems in place to ensure that service levels are met or exceeded.

2. Security & Administration

- a. Describe your application vulnerability management capabilities.
- b. Provide a copy of your service application vulnerability testing results as an attachment.
- c. If your solution is a SaaS or Cloud-based solution, describe your vulnerability scan/penetration test capabilities. Provide a copy of your

vulnerability scans/penetration testing schedule and results as an attachment.

- d. Provide evidence of FedRAMP or Federal Information Processing (FIPs) 140-2 compliant encryption at rest and in transit design as an attachment.
- e. Describe **All** functionalities a system administrator will have and how role-based user profiles will be managed.
- f. Describe how the system will activate or deactivate user roles.
- g. Describe how the solution will unlock accounts for:
 - i. Supervisors
 - ii. Auditors and accounting personnel
 - iii. NCDOA State Parking staff and Administrator
 - iv. Command Center staff for image review
 - v. Staff.

3. **Disaster Recovery and Business Continuity** (If your solution is a SaaS or Cloud-based solution)

- a. Describe your incident response capabilities and provide a copy of the incident response as an attachment with the bid response.
- b. Describe the decommissioning process capabilities.
- c. Provide a plan for a full decommissioning process including the return of any state data to NCDOA as an attachment.
- d. Describe your disaster recovery and continuity of operations capabilities.
- e. Provide a copy of your Disaster Recovery Plan (DRP) and/or Continuity of Operations Plan (COOP) as an attachment.
- f. Describe your backup plan capabilities and provide a copy of your system backup plan as an attachment with the bid response.
- g. Provide a copy of your system backup plan as an attachment.
- h. Describe how your system will capture transactional data on revenue transactions in the event of a system failure and how those transactions will be processed when the system is back on-line.
- i. Describe failover and fallback procedures.
- j. Provide your RTO (Recovery Time Objective) and RPO (Recovery Point Objective) metrics.

4. **Project Management**

- a. Describe your Project Team Organization and Staffing plan, including key personnel with contact information and résumés.
- b. Provide a detailed initial schedule and the associated Work Breakdown Structure (WBS) for the work effort(s) in the proposal. Include in your response, the significant phases, activities, tasks, milestones, deliverables and resource requirements necessary for NCDOA to evaluate the implementation plan.

The awarded Vendor shall provide any documents needed for the development of the construction IFB for each lot and deck within the 30 days after the RFP is awarded.

The initial project schedule shall include the following:

Request to begin Lane Acceptance Test	30 calendar days prior to completion of LATs
Manual - Manufacturer's recommended maintenance procedures manual	45 calendar days prior to implementation
Manual - PARCS user manuals	45 calendar days prior to implementation
Manual - Cashier manual	45 calendar days prior to implementation
Manual - Audit manual	45 calendar days prior to implementation
Systems Administration Manuals	45 calendar days prior to implementation
Naming conventions for field devices	30 calendar days prior to installation
Conceptual Design Document	Within 30 days of Contract Award
Critical Design Document	45 days prior to LAT
Software Design Document	10 business days prior to Critical Design Review meeting
Test Procedures – Lane Acceptance Test	45 calendar days prior to test start
Test Procedures – Site Acceptance Test	45 calendar days prior to test start
Test Procedures – Operational Demonstration Test	45 calendar days prior to test start
Manual - Instructional training manuals (workbooks, lecture notes, user manuals)	45 days prior to the respective training class
Instructional Training course outline	45 days prior to the respective training class
Failover & Failback procedures manual for PARCS (Disaster Recovery)	45 calendar days prior to implementation
Existing conditions documentation for power, communications and electrical service	30 days after contract award.
Report Formats and layout for all reports	45 calendar days prior to LAT
Software Documentation	Six weeks prior to implementation
Manufacturer Specifications of components in the event of industry withdrawal	60 calendar days prior to withdrawal
Written evaluation of software modification's impact on PARCS	Seven calendar days prior to installing modification
Proposed Instructional Training Schedule	Prior to system implementation
Perpetual Software Licenses	When software is installed
Credit Card Clearinghouse Interface Design	Within 30 Days of Contract Award

Parking Ticket Specifications	Within 30 Days of Contract Award
System Design Document	Within 90 Days of Contract Award
Outstanding Punch List items w/estimated completion date	Weekly after the completion of LAT
As-Built Documentation	Prior to Final System Acceptance

- c. Explain how you will provide status reports and with what frequency.
- d. Describe the deployment process for new feature(s) additions; enhancement of current features (include the various environments i.e., test and production, that will be made available for NCDOA).
- e. Describe your change management process for schedule changes and / or additional features.
- f. Describe your communication process and frequency to the team and major stakeholders.
- g. Describe your test methodology.
- h. Describe the phased approach to implement all lots and decks supported by state parking.
- i. Describe the approach for supplying spare parts.
- j. Describe options to supply receipt paper and tickets and ensure sufficient supply for operations in the facilities.
- k. Describe your experience working with a construction vendor to communicate and deliver you solution on time and within budget. Also describe the size and cost of related construction projects.

5. **Data Migration and Data Archival**

- a. Describe how the last 3 years of data will be converted from the current PARCS system to the new state parking system.
- b. Describe how the solution will archive data and specify the archive frequency.
- c. Describe how any archived data can be retrieved upon request.

6. **System Integration**

- a. Describe how the solution will integrate with NCID for office staff.
- b. Describe how the solution will integrate with the NC accounting system for revenue collected.
- c. Describe how the solution will integrate with the PayPoint Gateway to process credit cards.
- d. Describe how the solution will integrate with the AIMS system or if the solution has the capability to replace the functionality the AIMS system provides.
 - i. Describe all reporting functions that are needed for both parking operations and financial reporting. (The current PARCS system creates a CSV file.)
- e. Explain potential integration with current AVI readers or if the propose solution would replace the AVI reader.

7. **Scalability**

- a. Describe how the solution is scalable to add additional parking lots, decks, or gates in the future.
- b. Describe how the solution is scalable without impacting system performance.

8. **External Hardware**

- a. Describe how the external housing of components exposed to weather meet NEMA 4 standards or better to be moisture proof and will not be impacted in any way by normal weather conditions.
- b. Describe and provide configuration drawings of all ticket dispensers and the ticket dispenser displays.
- c. Describe and provide configuration drawings of all unattended exit stations and the ticket dispenser displays.
- d. Describe functionality and provide configuration drawings of all AVI readers.
- e. Describe functionality and provide configuration drawings of all EMV / Chip card Readers.
- f. Describe functionality and provide configuration drawings of entry lanes and exit lane intercoms.
- g. Describe functionality and provide configuration drawings of cashier stations.
- h. Describe functionality and provide configuration drawings of network switches needed at entry lanes and exit lanes.
- i. Describe functionality and provide configuration drawings of POF devices.
- j. Describe and provide configuration drawings needed to connect lots and decks to fiber for connectivity.
- k. Describe and provide configuration drawings needed to connect lots and decks to wireless points for connectivity.
- l. Describe power requirements for the solution.
- m. Describe and provide configuration drawings of UPS units to be used for each lot and deck for lanes to provide thirty minutes of power to either restore failed electrical service or allow for equipment to shut down properly.
- n. Describe functionality and provide configuration specifications of barrier gates
- o. Describe functionality and provide configuration drawings of validation encoders or validation system proposed.
- p. Describe server solution (if on-site servers are the option provided by vendor describe hardware on site, if cloud-based is the option, provide equipment on site and specifications of cloud solution)

9. **Testing**

- a. Describe how you will perform Factory Acceptance Test (FAT).
- b. Describe how you will perform Lane Acceptance Test (LAT).
- c. Describe how you will perform Site Acceptance Test (SAT).
- d. Describe how you will perform Operational Demonstration Test (ODT).
- e. Describe the UAT (User Acceptance Testing) to validate system functionality.

10. Training

- a. Describe in detail your proposed approach to on-site training for the State Parking system. Your response should include, but not be limited to, the train-the-trainer model and any differences between training for Administrative/Technical users, training materials, equipment needed for training, and duration of the training. Estimated number of participants are ten (10).
- b. Describe the recommended training for a successful implementation.
- c. Describe the differences in training provided for administrative/technical users and end users.
- d. Describe the training for the following users:
 - i. Cashiers
 - ii. Supervisors
 - iii. Auditors and accounting personnel
 - iv. NCDOA State Parking staff and Administrators
 - v. Command Center staff for image review.
- e. Describe preventive maintenance training for parking operators.

11. Customer Service

- a. Describe the levels of customer support available to the customer including, but not limited to self-service and call center.
- b. Describe the options available for different types of users including hourly and monthly parkers?
- c. Describe your customer support 24x7x365 and escalation process.
- d. Describe response times for different types of issues.
- e. Describe warranty periods for all equipment.
- f. Describe how the system works with lost tickets.
- g. Describe how the system provides support for all hardware components associated with the system.
- h. Describe how the system provides support for all software components associated with the system.

12) Decommissioning

- a. Describe the decommissioning strategy for each of the lots and decks to provide minimal outage to parking patrons and maintain all critical systems during the transition phase from the current PARCS system to the new state parking system. Any and all decommissioned equipment will be the responsibility of NCDOA to dispose of.
- b. Describe the removal process (i.e., disassemble, uninstall, and transport) for existing equipment with no interference to ongoing revenue activity that is replaced under this project.

13) Resumes

- a. Provide resumes of key personnel for the implementation phase of the project.

- b. Provide resumes of key personnel for all maintenance staff positions.
- c. Provide similar projects with similar components as a reference including contact information for agency responsible for project.

14) Connect to “Metro Ring”

- a. Describe how you will connect to the new “Metro Ring” once you have already connected to the existing fiber for each lot and deck. The plan should include the order of connection, any construction components, and additional work needed, and anticipated outages.

15) Maintenance Agreement

- a. Describe the service level agreement needed to support the proposed solution for a new parking system for hardware and software including any travel expenses.
- b. Describe the phone service and ticket system to report outages and maintenance issues.
- c. Describe the process and fees to replace any failed hardware.
- d. Describe the process for after hours, holiday, and emergency service in the event of an outage or maintenance issue.

IV. Cost Proposal

- 1) **OFFER COSTS**: Using Attachment A Cost Worksheet, the Vendor must list and describe any applicable offer costs.
- 2) **PAYMENT PLAN PROPOSAL**: Vendors who propose a specific payment plan based upon deliverables must submit a separate document labeled “DELIVERABLES BASED PAYMENT PLAN”.
- 3) **ALTERNATIVE COST RESPONSE**: Vendors who propose an Alternative cost response must submit a separate document labeled “ALTERNATIVE COST RESPONSE”.

V. Other Requirements and Special Terms

- 1) **VENDOR UTILIZATION OF WORKERS OUTSIDE U.S.**: In accordance with N.C.G.S. §143B-1361(b), the Vendor must detail the manner in which it intends to utilize resources or workers in the RFP response. The State of North Carolina will evaluate the additional risks, costs, and other factors associated with such utilization prior to making an award for any such Vendor’s offer. The Vendor shall provide the following for any offer or actual utilization or contract performance:
 - a) The location of work performed under a state contract by the Vendor, any subcontractors, employees, or other persons performing the Agreement and whether any of this work will be performed outside the United States
 - b) The corporate structure and location of corporate employees and activities of the Vendors, its affiliates or any other subcontractors

- c) Notice of the relocation of the Vendor, employees of the Vendor, subcontractors of the Vendor, or other persons performing Services under a state contract outside of the United States
- d) Any Vendor or subcontractor providing call or contact center Services to the State of North Carolina shall disclose to inbound callers the location from which the call or contact center Services are being provided

Will any work under the Agreement be performed outside the United States?

Where will Services be performed:

YES _____ NO _____

2) **SPECIAL TERMS AND CONDITIONS:** Reserved.

3) **FINANCIAL STATEMENTS.** Agencies must determine that a Vendor has sufficient financial resources to perform. GS 143B-1350(h1). The Vendor shall provide evidence of financial stability with its response to this RFP as further described hereinbelow. As used herein, Financial Statements shall exclude tax returns and compiled statements.

- a) For a publicly traded company, Financial Statements for the past three (3) fiscal years, including at a minimum, income statements, balance sheets, and statement of changes in financial position or cash flows. If three (3) years of financial statements are not available, this information shall be provided to the fullest extent possible, but not less than one year. If less than 3 years, The Vendor must explain the reason why they are not available.
- b) For a privately held company, when certified audited financial statements are not prepared: a written statement from the company's certified public accountant stating the financial condition, debt-to-asset ratio for the past three (3) years and any pending actions that may affect the company's financial condition.
- c) The State may, in its sole discretion, accept evidence of financial stability other than Financial Statements for the purpose of evaluating Vendors' responses to this RFP. The State reserves the right to determine whether the substitute information meets the requirements for Financial Information sufficiently to allow the State to evaluate the sufficiency of financial resources and the ability of the business to sustain performance of this RFP award. Scope Statements issued may require the submission of Financial Statements and specify the number of years to be provided, the information to be provided, and the most recent date required.

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

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

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

- c) All notices under subsection A and B herein shall be provided in writing to the State within thirty (30) calendar days after the Vendor learns about any such criminal or civil matters; unless such matters are governed by the DIT Terms and Conditions annexed to the solicitation. Details of settlements which are prevented from disclosure by the terms of the settlement shall be annotated as such. Vendor may rely on good faith certifications of its subcontractors addressing the foregoing, which certifications shall be available for inspection at the option of the State.
- 5) **CRIMINAL CONVICTION:** Reserved.
- 6) **SECURITY AND BACKGROUND CHECKS:** The Agency reserves the right to conduct a security background check or otherwise approve any employee or agent provided by the Vendor, and to refuse access to or require replacement of any such personnel for cause, including, but not limited to, technical or training qualifications, quality of work or change in security status or non-compliance with the Agency's security or other requirements.
- 7) **ASSURANCES:** Reserved.
- 8) **CONFIDENTIALITY OF DATA AND INFORMATION:** Reserved..
- 9) **PROJECT MANAGEMENT:** All project management and coordination on behalf of the Agency shall be through a single point of contact designated as the Agency Project Manager. The Vendor shall designate a Vendor Project Manager who will provide a single point of contact for management and coordination of the Vendor's work. All work performed pursuant to the Agreement shall be coordinated between the Agency Project Manager and the Vendor Project Manager.
- 10) **MEETINGS:** The Vendor is required to meet with Agency personnel, or designated representatives, to resolve technical or contractual problems that may occur during the term of the Agreement. Meetings will occur as problems arise and will be coordinated by Agency. The Vendor will be given reasonable and sufficient notice of meeting dates, times, and locations. Face to face meetings are desired. However, at the Vendor's option and expense, a conference call meeting may be substituted. Consistent failure to participate in problem resolution meetings, two (2) consecutive missed or rescheduled meetings, or failure to make a good faith effort to resolve problems, may result in termination of the Agreement.
- 11) **STOP WORK ORDER:** The State may issue a written Stop Work Order to Vendor for cause at any time requiring Vendor to suspend or stop all, or any part, of the performance due under the Agreement for a period up to ninety (90) days after the Stop Work Order is delivered to the Vendor. The ninety (90) day period may be extended for any further period for which the parties may agree.
 - a) The Stop Work Order shall be specifically identified as such and shall indicate that it is issued under this term. Upon receipt of the Stop Work Order, the Vendor shall immediately comply with its terms and take all reasonable steps to minimize incurring costs allocable to the work covered by the Stop Work Order during the period of work suspension or stoppage. Within a period of ninety (90) days after a Stop Work Order is delivered to Vendor, or within any extension of that period to which the parties agree, the State shall either:
 - i) Cancel the Stop Work Order, or
 - ii) Terminate the work covered by the Stop Work Order as provided for in the termination for default or the termination for convenience clause of the Agreement.

- b) If a Stop Work Order issued under this clause is canceled or the period of the Stop Work Order or any extension thereof expires, the Vendor shall resume work. The State shall make an equitable adjustment in the delivery schedule, the Agreement price, or both, and the Agreement shall be modified, in writing, accordingly, if:
 - i) The Stop Work Order results in an increase in the time required for, or in the Vendor's cost properly allocable to the performance of any part of the Agreement, and
 - ii) The Vendor asserts its right to an equitable adjustment within thirty (30) days after the end of the period of work stoppage; provided that if the State decides the facts justify the action, the State may receive and act upon an offer submitted at any time before final payment under the Agreement.
 - c) If a Stop Work Order is not canceled and the work covered by the Stop Work Order is terminated in accordance with the provision entitled Termination for Convenience of the State, the State shall allow reasonable direct costs resulting from the Stop Work Order in arriving at the termination settlement.
 - d) The State shall not be liable to the Vendor for loss of profits because of a Stop Work Order issued under this term.
- 12) **TRANSITION ASSISTANCE:** If the Agreement is not renewed at the end of this term, or is canceled prior to its expiration, for any reason, the Vendor must for up to six (6) months after the expiration or cancellation of the Agreement: provide all reasonable transition assistance requested by the State (including but not limited to extracting and transitioning all State Data in the format determined by the State): allow for the Services to continue without interruption, alteration, or adverse effect; and facilitate the orderly transition of the Services and Data to the State or its designees. Such transition assistance will be deemed by the parties to be governed by the terms and conditions of the Agreement, (notwithstanding this expiration or cancellation) except for those Contract terms or conditions that do not reasonably apply to such transition assistance. The State shall pay the Vendor for any resources utilized in performing such transition assistance at the most current rates provided by the Agreement for Contract performance. Vendor agrees to compensate the State for damages or losses the State incurs as a result of Vendor's failure to comply with this Transition Period section in accordance with the Limitation of Liability provisions above. If the State cancels the Agreement for cause, then the State will be entitled to off set the cost of paying the Vendor for the additional resources the Vendor utilized in providing transition assistance with any damages the State may have otherwise accrued as a result of said cancellation
- 13) **TERM EXTENSIONS:** Reserved.
- 14) **FINANCIAL RESOURCES ASSESSMENT, QUALITY ASSURANCE, PERFORMANCE AND RELIABILITY:**
- a) Pursuant to N.C.G.S. §143B-1350(h)(1), Agencies must conduct a risk assessment, including whether the Vendor has sufficient financial resources to satisfy the agreed upon limitation of liability prior to the award of a contract with Vendor.
 - b) Contract Performance Security. N.C.G.S. §143B-1340(f) and 09 NCAC 06B.1207 require provisions for performance review and accountability in State IT contracts from the Vendor without expense to the State.. For this procurement, these shall include holding a retainage of 10% of the contract value and withholding the final payment contingent on final acceptance by the State as provided in 09 NAC 06B .1207(3) and (4) unless waived or otherwise agreed in writing. The Deliverables and Services herein will be provided consistent with and under these performance review and accountability guarantees.
 - c) Project Assurance, Performance and Reliability Evaluation – Pursuant to N.C.G.S. §143B-1340, the State CIO may require quality assurance reviews of Projects as necessary.

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

VI. Proposal Content and Organization

- 1) **CONTENTS OF PROPOSAL**: This section should contain all relevant and material information relating to the Vendor's organization, personnel, and experience that would substantiate its qualifications and capabilities to perform the Services and/or provide the goods described in this RFP. If any relevant and material information is not provided, the offer may be rejected from consideration

and evaluation. Offers will be considered and evaluated based upon the Vendor's full completion and response to the following, and any additional requirements herein, or stated in a separate Exhibit.

- 2) **INFORMATION AND DESCRIPTIVE LITERATURE:** The Vendor must furnish all information requested; and if response spaces are provided in this document, the Vendor shall furnish said information in the spaces provided. Further, if required elsewhere in this RFP, each Vendor must submit with their offer sketches, descriptive literature and/or complete specifications covering the products offered. References to literature submitted with a previous offer will not satisfy this provision. Proposals that do not comply with these requirements may be rejected.
- 3) **PROPOSAL CONTENT:** Demonstrate substantial conformity to the RFP specifications.
 - a) Clearly state your understanding of the problem(s) presented by this RFP.
 - i) Response to Section technical specifications
 - ii) Cost offer
 - b) Detailed description of the Vendor's firm should include all of the following:
 - i) Full name, address, and telephone number of the organization;
 - ii) Date established;
 - iii) Background of firm;
 - iv) Ownership (public company, partnership, subsidiary, etc.);
 - v) If incorporated, state of incorporation must be included.
 - vi) Number of full-time employees on January 1st for the last three years or for the duration that the Vendor's firm has been in business, whichever is less.
- 4) **ERRATA OR EXCEPTIONS:** Any errata or exceptions must be stated on a separate page, labeled "Errata and/or Exceptions" with references to the corresponding terms or provisions of the Solicitation.
- 5) **OFFER FORMAT:** The offers should contain the entire solicitation and be organized in the exact order in which the requirements and/or desirable performance criteria are presented in the RFP. **The Execution page of this RFP must be placed at the front of the Proposal.** Each page should be numbered. The offer should contain a table of contents, which cross-references the RFP requirement and the specific page of the response in the Vendor's offer. All offers should be typewritten on standard 8 ½ x 11 paper (larger paper is permissible for charts, spreadsheets, etc.) and placed within a binder with tabs delineating each section.
- 6) **GENERAL INSTRUCTIONS:** Vendors are strongly encouraged to adhere to the following general instructions in order to bring clarity and order to the offer and subsequent evaluation process:
 - a) Elaborate offers in the form of brochures or other presentations beyond that necessary to present a complete and effective offer are not desired.
 - b) The response should be complete and comprehensive with a corresponding emphasis on being concise and clear.
- 7) **RFP RESPONSE ORGANIZATION:** The offer should be organized and indexed in the following format and should contain, at a minimum, all listed items in the sequence indicated.
 - a) Letter of Transmittal - Each offer must be accompanied by a letter of transmittal that provides the following information:
 - i) Identify the submitting organization;

- ii) Identify the name, title, telephone and fax number, along with an e-mail address of the person authorized by the organization to contractually obligate the organization;
 - iii) Identify the name, title, telephone and fax number, along with an e-mail address of the person authorized to negotiate the Agreement on behalf of the organization;
 - iv) Identify the names, titles, telephone and fax number, along with an e-mail address of the person to be contacted for clarification;
 - v) Acknowledge receipt of all amendments to this RFP.
- b) Table of Contents.
- c) Response to Technical Specifications.
- d) Completed Cost Offer.
- e) References: Provide four (4) references for similarly sized endeavors, preferably in a government setting. The reference information must provide a Point of Contact (POC) name, POC email address and/or telephone number, and the endeavor description. Also provide any lessons learned, case studies, or additional materials to substantial vendor experience.
- f) Financial Information.
- g) Conflict of Interest:
 - i) Provide a statement that no assistance in preparing the response was received from any current or former employee of the State of North Carolina whose duties relate(d) to this RFP, unless such assistance was provided by the state employee in his or her official public capacity and that neither such employee nor any member of his or her immediate family has any financial interest in the outcome of this RFP;
 - ii) State if the Vendor or any employee of the Vendor is related by blood or marriage to an Agency employee or resides with an Agency employee. If there are such relationships, list the names and relationships of said parties. Include the position and responsibilities within the Vendor's organization of such Vendor employees; and
 - iii) State the employing State Agency, individual's title at that State Agency, and termination date.
- h) Errata and Exceptions, if any. Offers conditioned upon acceptance of Vendor Exceptions may be determined to be non-responsive by the State.
- i) Copy of the Vendor's License and Maintenance Agreements, if any. The State reserves the right to edit or modify these agreements to conform to the best interest of the State.
- j) Other Supporting Material Including Technical System Documentation.
- k) Training and Other Materials, Samples or Examples.
- l) Within each section of their offer, Vendors should address the items in the order in which they appear in this RFP. Forms, if any provided in the RFP, must be completed and included in the appropriate section of the offer. All discussion of proposed costs, rates, or expenses must be presented with the cost response.
- 8) **ADHERENCE TO INSTRUCTIONS:** Any offer that does not adhere to these instructions may be deemed non-responsive and rejected on that basis.
- 9) **ATTACHMENTS:** Vendors may attach other materials that they feel may improve the quality of their responses. However, these materials should be included as items in a separate appendix.

Attachment A. Cost Worksheet

Section 1. Cost Spreadsheet Template

Use the spreadsheet below to capture the total system costs of the proposed system. Instructions and considerations listed in Section V apply.

						Operation and Maintenance Support						
Item	Cost Category	Base Cost	Included Additional Cost	Optional Cost	Subtotal	Year1	Year2	Year3	Year4	Year5	Sub-Total	Grand Total
A	Equipment for All Entry & Exit Lanes See Attachment A Section 2 for supporting detail.											
B	Maintenance											
B1	Hourly maintenance Rate											
B2	Parts Replacement											
C	Software											
C1	Software and Licensing Fees											
C2	Base System Software											
C3	Hourly Cost for Customizations needed for the Proposed Solution											
C4	Additional Modules Required or proposed Addressing Specifications											
C5	Software Installation											
C6	AIMS Integration											
C7	NCID Integration											

						Operation and Maintenance Support						
Item	Cost Category	Base Cost	Included Additional Cost	Optional Cost	Subtotal	Year1	Year2	Year3	Year4	Year5	Sub-Total	Grand Total
C8	Annual Software Maintenance Cost											
C9	3 rd Part Software, If any, Required for the Operation of the System											
D	Other											
D1	Connect to Metro Ring (Estimated Cost)											
D2	Data Conversion											
D3	Miscellaneous – Please Specify											
E	Administration											
E1	Shop Drawings & Submittals											
E2	Technical and User Documentation											
E3	Travel / Lodging Expenses											
E4	Training											
E5	Training Materials											
E6	Training Manuals											
E7	Unlimited Phone Technical Support for the Technical Staff											
E8	Technical Support / Customer Service, per year											
E9	Revisions to Documentation											
Sub-Total												

						Operation and Maintenance Support						
Item	Cost Category	Base Cost	Included Additional Cost	Optional Cost	Subtotal	Year1	Year2	Year3	Year4	Year5	Sub-Total	Grand Total
Grand Total												

Section 2. Equipment Cost Breakdown for all Exit and Entry Lanes

Use the spreadsheet below to show supporting detail for equipment cost for all entry and exit lanes.

Detail Cost Proposal for all Exit & Entry Lanes					
Location	Description	Manufacturer and Model	# Units	Unit Cost	Extended Cost
Parking Lot 3 - Employee					
Entry Lane	AVI Reader				
	UPS				
	Gate				
	Vehicle Detection Device (Loop)				
	Switch(es)				
	Other:				
Sub-Total					
Exit Lane	AVI Reader				
	UPS				
	Gate				
	Vehicle Detection Device (Loop)				
	Switch(es)				

Detail Cost Proposal for all Exit & Entry Lanes					
Location	Description	Manufacturer and Model	# Units	Unit Cost	Extended Cost
	Other:				
Sub-Total					
Parking Lot 18					
Entry Lane	Entry Station				
	UPS				
	Intercom				
	Gate				
	Lane Status Sign				
	Vehicle Detection Device (Loop)				
	Switch(es)				
	Other:				
Sub-Total					
Cashiered Exit Lane	Cashier Station				
	Gate				
	Vehicle Detection Device (Loop)				
	EMV Reader (Credit Card, Contactless, and PIN Pad)				
	Switch(es)				
	Other:				
Sub-Total					

Detail Cost Proposal for all Exit & Entry Lanes					
Location	Description	Manufacturer and Model	# Units	Unit Cost	Extended Cost
<i>POF</i>	Credit Card POPF				
	Intercom				
	EMV reader (Credit Card, Contactless, and PIN PAD)				
	Other				
Sub-Total					

Lot 20 - Employee					
<i>Entry Lane</i>	AVI Reader				
	UPS				
	Gate				
	Vehicle Detection Device (Loop)				
	Switch(es)				
	Other:				
Sub-Total					

<i>Exit Lane</i>	AVI Reader				
	UPS				
	Gate				
	Vehicle Detection Device (Loop)				
	Switch(es)				
	Other:				

Detail Cost Proposal for all Exit & Entry Lanes					
Location	Description	Manufacturer and Model	# Units	Unit Cost	Extended Cost

Sub-Total

Deck 17 - Employee

Entry Lane

AVI Reader					
UPS					
Gate					
Vehicle Detection Device (Loop)					
Switch(es)					
Other:					

Sub-Total

Exit Lane

AVI Reader					
UPS					
Gate					
Vehicle Detection Device (Loop)					
Switch(es)					
Other:					

Sub-Total

Deck 64 - Employee

Entry Lane

AVI Reader					
UPS					
Gate					
Vehicle Detection Device (Loop)					
Switch(es)					

Detail Cost Proposal for all Exit & Entry Lanes					
Location	Description	Manufacturer and Model	# Units	Unit Cost	Extended Cost
	Other:				
Sub-Total					

Exit Lane	AVI Reader				
	UPS				
	Gate				
	Vehicle Detection Device (Loop)				
	Switch(es)				
	Other:				
Sub-Total					

Deck 65 - Employee					
Entry Lane	AVI Reader				
	UPS				
	Gate				
	Vehicle Detection Device (Loop)				
	Switch(es)				
	Other:				
Sub-Total					

Exit Lane	AVI Reader				
	UPS				
	Gate				

Detail Cost Proposal for all Exit & Entry Lanes					
Location	Description	Manufacturer and Model	# Units	Unit Cost	Extended Cost
	Vehicle Detection Device (Loop)				
	Switch(es)				
	Other:				
Sub-Total					

Deck 75 - Visitor					
Entry Lane	Entry Station				
	UPS				
	Intercom				
	Gate				
	Lane Status Sign				
	Vehicle Detection Device (Loop)				
	Switch(es)				
	Other:				
Sub-Total					

Unattended Exit Lane	Unattended Exit Station				
	UPS				
	Intercom				
	EMV Reader (Credit Card and Contactless)				
	Gate				
	Lane Status Sign				
	Vehicle Detection Device (Loop)				

Detail Cost Proposal for all Exit & Entry Lanes					
Location	Description	Manufacturer and Model	# Units	Unit Cost	Extended Cost
	Switch(es)				
	Other:				
Sub-Total					

Cashiered Exit Lane	Cashier Station				
	Gate				
	Vehicle Detection Device (Loop)				
	EMV Reader (Credit Card,Contactless, and PIN Pad)				
	Switch(es)				
	Other:				
Sub-Total					

POF	Credit Card POF				
	Intercom				
	EMV Reader (Credit Card,Contactless, and PIN Pad)				
	Other:				
Sub-Total					

Deck 75 - Employee					
Entry Lane	AVI Reader				

Detail Cost Proposal for all Exit & Entry Lanes					
Location	Description	Manufacturer and Model	# Units	Unit Cost	Extended Cost
	UPS				
	Gate				
	Vehicle Detection Device (Loop)				
	Switch(es)				
	Other:				
Sub-Total					

Exit Lane	AVI Reader				
	UPS				
	Gate				
	Vehicle Detection Device (Loop)				
	Switch(es)				
	Other:				
Sub-Total					

Deck 76 - Employee					
Entry Lane	AVI Reader				
	UPS				
	Gate				
	Vehicle Detection Device (Loop)				
	Switch(es)				
	Other:				
Sub-Total					

Detail Cost Proposal for all Exit & Entry Lanes					
Location	Description	Manufacturer and Model	# Units	Unit Cost	Extended Cost

Exit Lane

AVI Reader					
UPS					
Gate					
Vehicle Detection Device (Loop)					
Switch(es)					
Other:					

Sub-Total

Deck 77 - Visitor

**Entry Lane
(Includes Reversible
Lane Entry)**

Entry Station					
UPS					
Intercom					
Gate					
AVI Reader					
Lane Status Sign					
Vehicle Detection Device (Loop)					
Switch(es)					
Other:					

Sub-Total

**Cashiered Exit Lane
(Includes Reversible
Lane Exit)**

Cashier Station					
AVI Reader					

Detail Cost Proposal for all Exit & Entry Lanes					
Location	Description	Manufacturer and Model	# Units	Unit Cost	Extended Cost
	Gate				
	Vehicle Detection Device (Loop)				
	EMV Reader (Credit Card,Contactless, and PIN Pad)				
	Switch(es)				
	Other:				
Sub-Total					

Deck 77 - Employee					
Entry Lane	AVI Reader				
	UPS				
	Gate				
	Vehicle Detection Device (Loop)				
	Switch(es)				
	Other:				
Sub-Total					

Exit Lane	AVI Reader				
	UPS				
	Gate				
	Vehicle Detection Device (Loop)				
	Switch(es)				
	Other:				

Detail Cost Proposal for all Exit & Entry Lanes					
Location	Description	Manufacturer and Model	# Units	Unit Cost	Extended Cost
Sub-Total					

System Subtotal (total for all sub totals above for each entry and exit lane to be entered Section Item A for equipment cost)	
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Attachment B. Department of Information Technology Terms and Conditions

Section 1. General Terms and Conditions Applicable to All Purchases

1) DEFINITIONS: As used herein;

Agreement means the contract awarded pursuant to this RFP.

Deliverable/Product Warranties shall mean and include the warranties provided for products or deliverables licensed to the State in Section 2, Paragraph 2 and Paragraph 22)c) and in Section 4, Paragraph 7) c) of these Terms and Conditions unless superseded by a Vendor's Warranties pursuant to Vendor's License or Support Agreements.

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

Services shall mean the duties and obligations undertaken by the Vendor under, and to fulfill, the specifications, requirements, terms and conditions of the Agreement.

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

2) STANDARDS: Any Deliverables shall meet all applicable State and federal requirements, such as State or Federal Regulation, and NC State Chief Information Officer's (CIO) policy or regulation. Vendor will provide and maintain a quality assurance system or program that includes any Deliverables and will tender or provide to the State only those Deliverables that have been inspected and found to conform to the RFP specifications. All Deliverables are subject to operation, certification, testing and inspection, and any accessibility specifications.

3) WARRANTIES: Unless otherwise expressly provided, any goods Deliverables provided by the Vendor shall be warranted for a period of 90 days after acceptance.

4) SUBCONTRACTING: The Vendor may subcontract the performance of required Services with Resources under the Agreement only with the prior written consent of the State contracting authority. Vendor shall provide the State with complete copies of any agreements made by and between Vendor and all subcontractors. The selected Vendor remains solely responsible for the performance of its subcontractors. Subcontractors, if any, shall adhere to the same standards required of the selected Vendor and the Agreement. Any contracts made by the Vendor with a subcontractor shall include an affirmative statement that the State is an intended third party beneficiary of the Agreement; that the subcontractor has no agreement with the State; and that the State shall be indemnified by the Vendor for any claim presented by the subcontractor. Notwithstanding any other term herein, Vendor shall timely exercise its contractual remedies against any non-performing subcontractor and, when appropriate, substitute another subcontractor.

5) TRAVEL EXPENSES: **All travel expenses should be included in the Vendor's proposed hourly costs.** In the event that the Vendor, upon specific request in writing by the State, is deemed eligible to be reimbursed for travel expenses arising under the performance of the Agreement, reimbursement will be at the out-of-state rates set forth in N.C.G.S. §138-6; as amended from time to time. Vendor agrees to use the lowest available airfare not requiring a weekend stay and to use the lowest available rate for rental vehicles. All Vendor incurred travel expenses shall be billed on a monthly basis, shall be supported by receipt and shall be paid by the State within thirty (30) days after invoice approval. Travel expenses exceeding the foregoing rates shall not be paid by the State. The State will reimburse travel allowances only for days on which the Vendor is required to be in North Carolina performing Services under the Agreement.

6) GOVERNMENTAL RESTRICTIONS: In the event any restrictions are imposed by governmental requirements that necessitate alteration of the material, quality, workmanship, or performance of the Deliverables offered prior to delivery thereof, the Vendor shall provide written notification of the necessary alteration(s) to the Agency Contract Administrator. The State reserves the right to accept any such

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

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

thirty (30) days is required by the Agency. The Purchasing State Agency is responsible for all payments under the Agreement. No additional charges to the Agency will be permitted based upon, or arising from, the Agency's use of a Business Procurement Card. The State may exercise any and all rights of Set Off as permitted in Chapter 105A-1 *et. seq.* of the N.C. General Statutes and applicable Administrative Rules. Upon Vendor's written request of not less than thirty (30) days and approval by the State or Agency, the Agency may:

- a) Forward the Vendor's payment check(s) directly to any person or entity designated by the Vendor, or
- b) Include any person or entity designated in writing by Vendor as a joint payee on the Vendor's payment check(s), however
- c) In no event shall such approval and action obligate the State to anyone other than the Vendor and the Vendor shall remain responsible for fulfillment of all Contract obligations.

- 11) EQUAL EMPLOYMENT OPPORTUNITY:** Vendor shall comply with all Federal and State requirements concerning fair employment and employment of the disabled, and concerning the treatment of all employees without regard to discrimination by reason of race, color, religion, sex, national origin or physical disability.
- 12) ADVERTISING/PRESS RELEASE:** The Vendor absolutely shall not publicly disseminate any information concerning the Agreement without prior written approval from the State or its Agent. For the purpose of this provision of the Agreement, the Agent is the Purchasing Agency Contract Administrator unless otherwise named in the solicitation documents.
- 13) LATE DELIVERY:** Vendor shall advise the Agency contact person or office immediately upon determining that any Deliverable will not, or may not, be delivered or performed at the time or place specified. Together with such notice, Vendor shall state the projected delivery time and date. In the event the delay projected by Vendor is unsatisfactory, the Agency shall so advise Vendor and may proceed to procure the particular substitute Services or other Deliverables.
- 14) ACCESS TO PERSONS AND RECORDS:** Pursuant to N.C.G.S. §147-64.7, the Agency, the State Auditor, appropriate federal officials, and their respective authorized employees or agents are authorized to examine all books, records, and accounts of the Vendor insofar as they relate to transactions with any department, board, officer, commission, institution, or other agency of the State of North Carolina pursuant to the performance of the Agreement or to costs charged to the Agreement. The Vendor shall retain any such books, records, and accounts for a minimum of three (3) years after the completion of the Agreement. Additional audit or reporting requirements may be required by any Agency, if in the Agency's opinion, such requirement is imposed by federal or state law or regulation.
- 15) ASSIGNMENT:** Vendor may not assign the Agreement or its obligations hereunder except as permitted by 09 NCAC 06B.1003 and this Paragraph. Vendor shall provide reasonable notice of not less than thirty (30) days prior to any consolidation, acquisition, or merger. Any assignee shall affirm the Agreement attorning and agreeing to the terms and conditions agreed, and that Vendor shall affirm that the assignee is fully capable of performing all obligations of Vendor under the Agreement. An assignment may be made, if at all, in writing by the Vendor, Assignee and the State setting forth the foregoing obligation of Vendor and Assignee.
- 16) INSURANCE COVERAGE:** During the term of the Agreement, the Vendor at its sole cost and expense shall provide commercial insurance of such type and with such terms and limits as may be reasonably associated with the Agreement. As a minimum, the Vendor shall provide and maintain the following coverage and limits:
 - a) **Worker's Compensation** - The Vendor shall provide and maintain Worker's Compensation Insurance, as required by the laws of North Carolina, as well as employer's liability coverage with minimum limits of \$100,000.00, covering all of Vendor's employees who are engaged in any work under the Agreement. If any work is sublet, the Vendor shall require the subcontractor to provide the same coverage for any of his employees engaged in any work under the Agreement; and

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

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

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

- a) **Care of Information:** Vendor agrees to use commercial best efforts to safeguard and protect any data, documents, files, and other materials received from the State or the Agency during performance of any contractual obligation from loss, destruction or erasure. Vendor agrees to abide by all facilities

and security requirements and policies of the agency where work is to be performed. Any Vendor personnel shall abide by such facilities and security requirements and shall agree to be bound by the terms and conditions of the Agreement.

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

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

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

by the State shall be extended by an amount of time reasonably necessary to compensate for the effect of such failure.

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

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

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

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

22) LIMITATION OF VENDOR'S LIABILITY:

- a) Where Deliverables or Services are under the State's exclusive management and control, the Vendor shall not be liable for direct damages caused by the State's failure to fulfill any State responsibilities of assuring the proper use, management and supervision of the Deliverables or Services and programs, audit controls, operating methods, office procedures, or for establishing all proper checkpoints

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

- b) The Vendor's liability for damages to the State arising under the contract shall be limited to two times the value of the Contract.
- c) The foregoing limitation of liability shall not apply to claims covered by other specific provisions including but not limited to Service Level Agreement or Deliverable/Product Warranties pursuant to Section 2, Paragraph 2) and to Section 4 Paragraph 7)c) of these Terms and Conditions, or to claims for injury to persons or damage to tangible personal property, gross negligence or willful or wanton conduct. This limitation of liability does not apply to contributions among joint tortfeasors under N.C.G.S. 1B-1 *et seq.*, the receipt of court costs or attorney's fees that might be awarded by a court in addition to damages after litigation based on the Agreement. For avoidance of doubt, the Parties agree that the Service Level Agreement and Deliverable/Product Warranty Terms in the Contract are intended to provide the sole and exclusive remedies available to the State under the Contract for the Vendor's failure to comply with the requirements stated therein.

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

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

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

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

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

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

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

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

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

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

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

32) GOVERNING LAWS, JURISDICTION, AND VENUE:

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

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

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

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

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

36) CHANGES: The Agreement and subsequent purchase order(s) is awarded subject to the provision of the specified Services and the shipment or provision of other Deliverables as specified herein. Any changes made to the Agreement or purchase order proposed by the Vendor are hereby rejected unless accepted in writing by the Agency or State Award Authority. The State shall not be responsible for

Services or other Deliverables delivered without a purchase order from the Agency or State Award Authority.

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

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

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

the security breach by e-mail. Vendor shall cooperate with the state and the Supplier Manager to mitigate and correct any security breach.

Section 2: Terms and Conditions Applicable to Information Technology Goods and Services

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

for archival or emergency purposes, for back up purposes, for use in preparing derivative works if allowed by the solicitation documents or statements of work, or to replace a worn copy.

- d) The State may modify non-personal Software in machine-readable form for its internal use in merging the same with other software program material. Any action hereunder shall be subject to uses described in this paragraph, the restrictions imposed by Paragraph 3), and applicable terms in the solicitation documents or statements of work.

3) WARRANTY TERMS: Notwithstanding anything in the Agreement or Exhibit hereto to the contrary, Vendor shall assign warranties for any Deliverable supplied by a third party to the State.

- a) a) Vendor warrants that any Software or Deliverable will operate substantially in conformity with prevailing specifications as defined by the current standard documentation (except for minor defects or errors which are not material to the State) for a period of ninety (90) days from the date of acceptance ("Warranty Period"), unless otherwise specified in the Solicitation Documents. If the Software does not perform in accordance with such specifications during the Warranty Period, Vendor will use reasonable efforts to correct any deficiencies in the Software so that it will perform in accordance with or substantially in accordance with such specifications.
- b) Vendor warrants to the best of its knowledge that:
 - i) The licensed Software and associated materials do not infringe any intellectual property rights of any third party;
 - ii) There are no actual or threatened actions arising from, or alleged under, any intellectual property rights of any third party;
 - iii) The licensed Software and associated materials do not contain any surreptitious programming codes, viruses, Trojan Horses, "back doors" or other means to facilitate or allow unauthorized access to the State's information systems.
 - iv) The licensed Software and associated materials do not contain any timer, counter, lock or similar device (other than security features specifically approved by Customer in the Specifications) that inhibits or in any way limits the Software's ability to operate.
- c) UNLESS MODIFIED BY AMENDMENT OR THE SOLICITATION DOCUMENTS, THE WARRANTIES IN THIS PARAGRAPH ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, OR WHETHER ARISING BY COURSE OF DEALING OR PERFORMANCE, CUSTOM, USAGE IN THE TRADE OR PROFESSION OR OTHERWISE, INCLUDING, BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, AND NO OTHER REPRESENTATIONS OR WARRANTIES HAVE FORMED THE BASIS OF THE BARGAIN HEREUNDER.

4) RESTRICTIONS: State's use of the Software is restricted as follows:

- a) The license granted herein is granted to the State and to any political subdivision or other entity permitted or authorized to procure Information Technology through the Department of Information Technology. If the License Grant and License Fees are based upon the number of Users, the number of Users may be increased at any time, subject to the restrictions on the maximum number of Users specified in the solicitation documents.
- b) No right is granted hereunder to use the Software to perform Services for commercial third parties (so-called "service bureau" uses). Services provided to other State Departments, Agencies or political subdivisions of the State is permitted.
- c) The State may not copy, distribute, reproduce, use, lease, rent or allow access to the Software except as explicitly permitted under this Agreement, and State will not modify, adapt, translate, prepare derivative works (unless allowed by the solicitation documents or statements of work,) decompile, reverse engineer, disassemble or otherwise attempt to derive source code from the Software or any internal data files generated by the Software.
- d) State shall not remove, obscure or alter Vendor's copyright notice, trademarks, or other proprietary rights notices affixed to or contained within the Software.

- 5) **SUPPORT OR MAINTENANCE SERVICES:** This paragraph recites the scope of maintenance Services due under the license granted, if not superseded by a separate licensing and maintenance agreement or as may be stated in the solicitation documents. Subject to payment of a Support Service or Maintenance Fee stated in the solicitation documents for the first year and all subsequent years, if requested by the State, Vendor agrees to provide the following support Services ("Support Services") for the current version and one previous version of the Software commencing upon delivery of the Software:
- a) **Error Correction:** If the error conditions reported by the State pursuant to the General Terms and Conditions are not corrected in a timely manner, the State may request a replacement copy of the licensed Software from Vendor. In such event, Vendor shall then deliver a replacement copy, together with corrections and updates, of the licensed Software within 24 hours of the State's request at no added expense to the State.
 - b) **Other Agreement:** This Paragraph 5 may be superseded by written mutual agreement provided that: Support and maintenance Services shall be fully described in such a separate agreement annexed hereto and incorporated herein
 - c) **Temporary Extension of License:** If any licensed Software or CPU/computing system on which the Software is installed fails to operate or malfunctions, the term of the license granted shall be temporarily extended to another CPU selected by the State and continue until the earlier of:
 - i) Return of the inoperative CPU to full operation, or
 - ii) Termination of the license.
 - d) **Encryption Code:** Vendor shall provide any temporary encryption code or authorization necessary or proper for operation of the licensed Software under the foregoing temporary license. The State will provide notice by expedient means, whether by telephone, e-mail or facsimile of any failure under this paragraph. On receipt of such notice, Vendor shall issue any temporary encryption code or authorization to the State within twenty-four (24) hours; unless otherwise agreed.
 - e) **Updates:** Vendor shall provide to the State, at no additional charge, all new releases and bug fixes (collectively referred to as "Updates") for any Software Deliverable developed or published by Vendor and made generally available to its other customers at no additional charge. All such Updates shall be a part of the Program and Documentation and, as such, be governed by the provisions of the Agreement.
 - f) **Telephone Assistance:** Vendor shall provide the State with telephone access to technical support engineers for assistance in the proper installation and use of the Software, and to report and resolve Software problems, during normal business hours, 8:00 AM - 5:00 PM Eastern Time, Monday-Friday. Vendor shall respond to the telephone requests for Program maintenance service, within four (4) hours or eight (8) hours or next business day, etc. (*edit this time to what you want your response time to be*), for calls made at any time
- 6) **PATENT, COPYRIGHT, AND TRADE SECRET PROTECTION:**
- a) Vendor has created, acquired or otherwise has rights in, and may, in connection with the performance of Services for the State, employ, provide, create, acquire or otherwise obtain rights in various concepts, ideas, methods, methodologies, procedures, processes, know-how, techniques, models, templates and general purpose consulting and software tools, utilities and routines (collectively, the "Vendor Technology"). To the extent that any Vendor Technology is contained in any of the Deliverables including any derivative works, the Vendor hereby grants the State a royalty-free, fully paid, worldwide, perpetual, non-exclusive license to use such Vendor Technology in connection with the Deliverables for the State's purposes.
 - b) Vendor shall not acquire any right, title and interest in and to the copyrights for goods, any and all software, technical information, specifications, drawings, records, documentation, data or derivative works thereof, or other work products provided by the State to Vendor. The State hereby grants Vendor a royalty-free, fully paid, worldwide, perpetual, non-exclusive license for Vendor's internal use to non-confidential Deliverables first originated and prepared by the Vendor for delivery to the State.

- c) The Vendor, at its own expense, shall defend any action brought against the State to the extent that such action is based upon a claim that the Services or other Deliverables supplied by the Vendor, or the operation of such Deliverables pursuant to a current version of Vendor-supplied software, infringes a patent, or copyright or violates a trade secret in the United States. The Vendor shall pay those costs and damages finally awarded against the State in any such action; damages shall be limited as provided in N.C.G.S. 143B-1350(h1). Such defense and payment shall be conditioned on the following:
 - i) That the Vendor shall be notified within a reasonable time in writing by the State of any such claim; and,
 - ii) That the Vendor shall have the sole control of the defense of any action on such claim and all negotiations for its settlement or compromise, provided, however, that the State shall have the option to participate in such action at its own expense.
 - d) Should any Services or other Deliverable supplied by Vendor, or the operation thereof become, or in the Vendor's opinion are likely to become, the subject of a claim of infringement of a patent, copyright, or a trade secret in the United States, the State shall permit the Vendor, at its option and expense, either to procure for the State the right to continue using the goods/hardware or Software, or to replace or modify the same to become noninfringing and continue to meet procurement specifications in all material respects. If neither of these options can reasonably be taken, or if the use of such goods/hardware or Software by the State shall be prevented by injunction, the Vendor agrees to take back such goods/hardware or Software, and refund any sums the State has paid Vendor less any reasonable amount for use or damage and make every reasonable effort to assist the State in procuring substitute Deliverables. If, in the sole opinion of the State, the return of such infringing Deliverables makes the retention of other items of Deliverables acquired from the Vendor under the Agreement impractical, the State shall then have the option of terminating the Contract, or applicable portions thereof, without penalty or termination charge. The Vendor agrees to take back such Deliverables and refund any sums the State has paid Vendor less any reasonable amount for use or damage.
 - e) Vendor will not be required to defend or indemnify the State if any claim by a third party against the State for infringement or misappropriation (i) results from the State's alteration of any Vendor-branded product or Deliverable, or (ii) results from the continued use of the good(s) or Services and other Deliverables after receiving notice they infringe a trade secret of a third party.
 - f) Nothing stated herein, however, shall affect Vendor's ownership in or rights to its preexisting intellectual property and proprietary rights.
- 7) **ACCEPTANCE:** Acceptance testing is required for all Vendor supplied software unless provided otherwise in the solicitation documents or a Statement of Work. The State may define such processes and procedures as may be necessary or proper, in its opinion and discretion, to ensure compliance with the State's specifications, and Vendor's Product Warranties and technical representations. Acceptance of software or Services may be controlled by amendment hereto, or additional terms as agreed by the parties. The State shall have the obligation to notify Vendor, in writing and within a reasonable time following installation of any software deliverable if it is not acceptable. The notice shall specify in reasonable detail the reason(s) a software deliverable is unacceptable. Acceptance by the State shall not be unreasonably withheld; but may be conditioned or delayed as required for installation and/or testing of software.
- 8) **STATE PROPERTY AND INTANGIBLES RIGHTS:** The parties acknowledge and agree that the State shall own all right, title and interest in and to the copyright in any and all software, technical information, specifications, drawings, records, documentation, data and other work products first originated and prepared by the Vendor for delivery to the State (the "Deliverables"). To the extent that any Vendor Technology is contained in any of the Deliverables, the Vendor hereby grants the State a royalty-free, fully paid, worldwide, perpetual, non-exclusive license to use such Vendor Technology in connection with the Deliverables for the State's internal business purposes. Vendor shall not acquire any right, title and

interest in and to the copyrights for goods, any and all software, technical information, specifications, drawings, records, documentation, data or derivative works thereof, or other work products provided by the State to Vendor. The State hereby grants Vendor a royalty-free, fully paid, worldwide, perpetual, non-exclusive license to non-confidential Deliverables first originated and prepared by the Vendor for delivery to the State.

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

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

may request acceptable substitute personnel or terminate the Contract Services provided by such personnel.

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

4) PERSONAL SERVICES: Reserved.

Section 4. SaaS Terms and Conditions Applicable to SaaS Solutions

1) DEFINITIONS:

- a) "Data" includes information, formulae, algorithms, or other content that the State, the State's employees, agents and end users upload, create or modify using the Services pursuant to this Agreement. Data also includes user identification information and metadata which may contain Data or from which the State's Data may be ascertainable.
- b) Deliverable/Product Warranties shall mean and include the warranties provided for products or deliverables licensed to the State as included in Paragraph 7) c) of these Terms and Conditions unless superseded by a Vendor's Warranties pursuant to Vendor's License or Support Agreements.
- c) "Services" shall mean the duties and tasks undertaken by the Vendor to fulfill the requirements and specifications of this solicitation, including, without limitation, providing web browser access by authorized users to certain Vendor online software applications identified herein, and to related services, such as Vendor hosted Computer storage, databases, Support, documentation, and other functionalities, all as a Software as a Service ("SaaS") solution.
- d) "Support" includes provision of ongoing updates and maintenance for the Vendor online software applications, and as may be specified herein, consulting, training and other support Services as provided by the Vendor for SaaS tenants receiving similar SaaS Services.

2) ACCESS AND USE OF SAAS SERVICES:

- a) Vendor grants the State a personal non-transferable and non-exclusive right to use and access, all Services and other functionalities or services provided, furnished or accessible under this Agreement. The State may utilize the Services as agreed herein and in accordance with any mutually agreed Acceptable Use Policy. The State is authorized to access State Data and any Vendor-provided data as specified herein and to transmit revisions, updates, deletions, enhancements, or modifications to the State Data. This shall include the right of the State to,

and access to, Support without the Vendor requiring a separate maintenance or support agreement. Subject to an agreed limitation on the number of users, the State may use the Services with any computer, computer system, server, or desktop workstation owned or utilized by the State or other authorized users. User access to the Services shall be routinely provided by the Vendor and may be subject to a more specific Service Level Agreement (SLA) agreed to in writing by the parties. The State shall notify the Vendor of any unauthorized use of any password or account, or any other known or suspected breach of security access. The State also agrees to refrain from taking any steps, such as reverse engineering, reverse assembly or reverse compilation to derive a source code equivalent to the Services or any portion thereof. Use of the Services to perform services for commercial third parties (so-called "service bureau" uses) is not permitted, but the State may utilize the Services to perform its governmental functions. If the Services fees are based upon the number of Users and/or hosted instances, the number of Users/hosted instances available may be adjusted at any time (subject to the restrictions on the maximum number of Users specified in the Furnish and Deliver Table herein above) by mutual agreement and State Procurement approval. All Services and information designated as "confidential" or "proprietary" shall be kept in confidence except as may be required by the North Carolina Public Records Act: N.C.G.S. § 132-1, *et. seq.*

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

3) WARRANTY OF NON-INFRINGEMENT; REMEDIES.

- a) Vendor warrants to the best of its knowledge that:
 - i) The Services do not infringe any intellectual property rights of any third party; and
 - ii) There are no actual or threatened actions arising from, or alleged under, any intellectual property rights of any third party;
- b) Should any Services supplied by Vendor become the subject of a claim of infringement of a patent, copyright, Trademark or a trade secret in the United States, the Vendor, shall at its option and expense, either procure for the State the right to continue using the Services, or replace or modify the same to become noninfringing. If neither of these options can reasonably be taken in Vendor's judgment, or if further use shall be prevented by injunction, the Vendor agrees to cease provision of any affected Services and refund any sums the State has paid Vendor and make every reasonable effort to assist the State in procuring substitute Services. If, in the sole opinion of the State, the cessation of use by the State of any such Services due to infringement issues makes the retention of other items acquired from the Vendor under this Agreement impractical, the State shall then have the option of terminating the Agreement, or applicable portions thereof, without penalty or termination charge; and Vendor agrees to refund any sums the State paid for unused Services.
- c) The Vendor, at its own expense, shall defend any action brought against the State to the extent that such action is based upon a claim that the Services supplied by the Vendor, their use or operation, infringes on a patent, copyright, trademark or violates a trade secret in the United States. The Vendor shall pay those costs and damages finally awarded or agreed in a settlement against the State in any such action. Such defense and payment shall be conditioned on the following:
 - i) That the Vendor shall be notified within a reasonable time in writing by the State of any such claim; and,
 - ii) That the Vendor shall have the sole control of the defense of any action on such claim and all negotiations for its settlement or compromise provided, however, that the State shall have the option to participate in such action at its own expense.
- d) Vendor will not be required to defend or indemnify the State if any claim by a third party against the State for infringement or misappropriation results from the State's material alteration of any Vendor-branded Services, or from the continued use of the good(s) or Services after receiving notice they infringe on a trade secret of a third party.

4) ACCESS AVAILABILITY; REMEDIES:

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

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

month period, the State may also terminate the contract for material breach in accordance with the Default provisions hereinbelow.

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

5) EXCLUSIONS:

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

6) PERFORMANCE REVIEW AND ACCOUNTABILITY. Reserved.

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

8) PAYMENT TERMS (SaaS):

- a) Payment may be made by the State in advance of or in anticipation of subscription Services to be actually performed under the Agreement or upon proper invoice for other Services rendered. Payment terms are Net 30 days after receipt of correct invoice. Initial payments are to be made after final acceptance of the Services. Payments are subject to any retainage requirements herein. The Purchasing State Agency is responsible for all payments under the Agreement. Subscription fees for term years after the initial year shall be as quoted under State options herein but shall not increase more than 5% over the prior term, except as the parties may have agreed to an alternate formula to determine such increases in writing. No additional charges to the State will be permitted based upon, or arising from, the State's use of a Business Procurement Card. The State may exercise any and all rights of Set Off as permitted in Chapter 105A-1 *et seq.* of the N.C. General Statutes and applicable Administrative Rules.
- b) Upon Vendor's written request of not less than 30 days and approval by the State, the State may:
 - i) Forward the Vendor's payment check(s) directly to any person or entity designated by the Vendor, or
 - ii) Include any person or entity designated in writing by Vendor as a joint payee on the Vendor's payment check(s), however,
 - iii) In no event shall such approval and action obligate the State to anyone other than the Vendor and the Vendor shall remain responsible for fulfillment of all Agreement obligations.
- c) For any third-party software licensed by Vendor or its subcontractors for use by the State, a copy of the software license including terms acceptable to the State, an assignment acceptable to the State, and documentation of license fees paid by the Vendor must be provided to the State before any related license fees or costs may be billed to the State.
- d) An undisputed invoice is an invoice for which the State and/or the Purchasing State Agency has not disputed in writing within thirty (30) days from the invoice date, unless the agency requests more time for review of the invoice. Upon Vendor's receipt of a disputed invoice notice, Vendor will work to correct the applicable invoice error, provided that such dispute notice shall not relieve the State or the applicable Purchasing State Agency from its payment obligations for the undisputed items on the invoice or for any disputed items that are ultimately corrected. The Purchasing State Agency is not required to pay the Vendor for any Software or Services provided without a written purchase order from the appropriate Purchasing State Agency. In addition, all such Services provided must meet all terms, conditions, and specifications of this Agreement and purchase order and be accepted as satisfactory by the Purchasing State Agency before payment will be issued.
- e) The Purchasing State Agency shall release any amounts held as retainages for Services completed within a reasonable period after the end of the period(s) or term(s) for which the retainage was withheld. Payment retainage

shall apply to all invoiced items, excepting only such items as Vendor obtains from Third Parties and for which costs are chargeable to the State by agreement of the Parties. The Purchasing State Agency, in its sole discretion, may release retainages withheld from any invoice upon acceptance of the Services identified or associated with such invoices.

9) ACCEPTANCE CRITERIA (SaaS):

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

10) 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.

11) ACCESS TO PERSONS AND RECORDS (SaaS): Pursuant to N.C. General Statute 147-64.7, the State, the State Auditor, appropriate federal officials, and their respective authorized employees or agents are authorized to examine all books, records, and accounts of the Vendor insofar as they relate to transactions with any department, board, officer, commission, institution, or other agency of the State of North Carolina pursuant to the performance of this Agreement or to costs charged to this Agreement. The Vendor shall retain any such books, records, and accounts for a minimum of three (3) years after the completion of this Agreement. Additional audit or reporting requirements may be required by any State, if in the State's opinion, such requirement is imposed by federal or state law or regulation. The Vendor shall allow the State to audit conformance including contract terms, system security and data centers as appropriate. The State may perform this audit or contract with a third party at its discretion at the State's expense. Such reviews shall be conducted with at least 30 days' advance written notice and shall not unreasonably interfere with the Service Provider's business.

Attachment C: SUPPLEMENTAL VENDOR INFORMATION

HISTORICALLY UNDERUTILIZED BUSINESSES

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

Pursuant to G.S. 143B-1361(a), 143-48 and 143-128.4, the State invites and encourages participation in this procurement process by businesses owned by minorities, women, disabled, disabled business enterprises and non-profit work centers for the blind and severely disabled. This includes utilizing subcontractors to perform the required functions in this IFB. Any questions concerning NC HUB certification, contact the [North Carolina Office of Historically Underutilized Businesses](#) at (919) 807-2330. The Vendor shall respond to question #1 and #2 below.

a) Is Vendor a Historically Underutilized Business? ☐ Yes ☐ No

b) Is Vendor Certified with North Carolina as a Historically Underutilized Business? ☐ Yes ☐ No

If so, state HUB classification: _____

c) Both Non-HUB Prime Vendors and HUB Prime Vendors submitting an offer to this solicitation are to disclose the following information. In an effort for the State to meet the goal of 10% NC HUB Certified Vendor utilization, please provide the list of any NC HUB Certified Vendors to be used as subcontractors in the scope of work under this contract. Prime Vendor is to list name of NC HUB Certified Vendors and the amount of total contract cost that will be distributed to those Vendors.

NC HUB Certified Vendor Name: _____

Amount of total contract cost distributed: \$ _____

NC HUB Certified Vendor Name: _____

Amount of total contract cost distributed: \$ _____

NC HUB Certified Vendor Name: _____

Amount of total contract cost distributed: \$ _____