

STATE OF NORTH CAROLINA DEPARTMENT OF TRANSPORTATION PURCHASING	REQUEST FOR PROPOSAL NO. 54-VB-10404059	
	Bids will be publicly opened: February 13, 2007	
	Contract Type: Open Market	
<i>Refer <u>ALL</u> Inquiries to:</i> Vickie Boykin Telephone No. 919-733-3470	Date Issued: January 16, 2007 Commodity Number: 920 Commodity: Internet International Registration Plan and Liability Insurance Tracking Enforcement Systems	
E-Mail: vboykin@dot.state.nc.us	Using Agency Name: N. C. Department of Transportation	
(See page 2 for delivery instructions.)	Agency Requisition No. 10404059	

OFFER AND ACCEPTANCE: This solicitation advertises the State's needs for the services and/or goods described herein. The State seeks proposals comprising competitive bids offering to sell the services and/or goods described in this solicitation. All proposals and responses received shall be treated as offers to contract. The State's acceptance of any proposal 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 among terms as follows: Special terms and conditions specific to this RFP, Specifications of the solicitation documents, except as amended, the State's General Terms and Conditions for Goods and Related Services, as may be amended by the Supplemental Terms annexed hereto, if any, Best and Final Offers, if any and the awarded Vendor's proposal.

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 bid, at the price(s) offered herein, within the time specified herein. By executing this bid, I certify that this bid is submitted competitively and without collusion.

Failure to execute/sign bid prior to submittal shall render bid invalid.

VENDOR:		FEDERAL ID OR SOCIAL SECURITY NO.	
STREET ADDRESS:		P.O. BOX:	ZIP:
CITY & STATE & ZIP:		TELEPHONE NUMBER:	TOLL FREE TEL. NO
TYPE OR PRINT NAME & TITLE OF PERSON SIGNING:		FAX NUMBER:	
AUTHORIZED SIGNATURE:	DATE:	E-MAIL:	

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

ACCEPTANCE OF BID: If any or all parts of this bid are accepted, an authorized representative of the Department of Transportation shall affix their signature hereto and this document. A copy of this acceptance will be forwarded to the successful Vendor(s).

<u>FOR DEPARTMENT OF TRANSPORTATION USE ONLY</u> Offer accepted and contract awarded this ____ day of _____, 20__, as indicated on attached certification, by _____ (Authorized representative of DOT).
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ISSUING AGENCY: Department of Transportation
401 Oberlin Road, Suite 250
Raleigh, North Carolina 27605

USING AGENCY: Department of Transportation
1100 New Bern Avenue
Raleigh, North Carolina 27697

DELIVERY INSTRUCTIONS: Deliver **two (2) signed originals with six (6) copies and one (1) CD in Microsoft Word format** of the Proposal to Issuing Agency in a sealed package with Company Name and RFP Number clearly marked on the front.

DELIVERED BY US POSTAL SERVICE	DELIVERED BY ANY OTHER MEANS
BID NUMBER: 54-VB-10404059 Department of Transportation Attn: Vickie Boykin, Purchasing 1510 Mail Service Center Raleigh, NC 27699-1510	BID NUMBER: 54-VB-10404059 Department of Transportation Attn: Vickie Boykin, Purchasing 401 Oberlin Road, Suite 250 Raleigh, NC 27605

Sealed bids, subject to the conditions made a part hereof, will be received at location **401 Oberlin Road, Suite 250 Raleigh, NC until 2:00 p.m.** on the day of opening and then opened, for furnishing and delivering the commodity as described herein. Proposals for this RFP must be submitted in a sealed package with the Execution of Proposal signed and dated by an official authorized to bind the Vendor's firm. Failure to return a signed execution of proposal shall result in disqualification. All proposals must comply with Section V, Technical & Business Specifications.

Proposals will not be accepted by electronic means. This RFP is available electronically at <http://www.ips.state.nc.us/ips/pubmain.asp>. All inquiries regarding the RFP requirements are to be addressed to the contact person listed on Page One.

Written questions concerning the RFP specifications will be received until 2:00 p.m., EST, January 24, 2007. They must be sent via e-mail to: vboykin@dot.state.nc.us or faxed to (919) 715-8743. Please insert **"54-VB-10404059 Questions"** in the subject matter of your e-mail. A summary of all questions and answers will be posted to the Interactive Purchasing System (IPS) as an addendum to this RFP.

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 requirements 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 requirement 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 objects to and will not be required to evaluate or consider any additional terms and conditions submitted with a Vendor response. This applies to any language appearing in or attached to the document as part of the Vendor's response. By execution and delivery of this Request for Proposal and response(s), the Vendor agrees that any additional terms and conditions, whether submitted purposely or inadvertently, shall have no force or effect.

Late Proposals. Regardless of cause, late proposals 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 proposals will not be opened and may be returned to the Vendor at the expense of the Vendor or destroyed if requested.

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Section I. Bidding Information

A. Instructions to Vendors

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

- 1) Proposals submitted electronically, or via facsimile (FAX) machine will not be accepted.
- 2) EXECUTION: Failure to sign under EXECUTION section will render proposal invalid.
- 3) TIME FOR CONSIDERATION: Unless otherwise indicated on the first page of this document, Vendor's offer must be valid for 90 days from the date of proposal opening
- 4) FAILURE TO MEET PROPOSAL REQUIREMENTS: While it is not anticipated that the awarded Vendor will fail to meet the proposal requirements, if such should occur, the right is reserved to further evaluate the responses to this RFP and then to recommend an award to the next Vendor response that represents the best interest of the State.
- 5) 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 contract except as a factor to aid in resolving cases of identical prices.
- 6) 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.
- 7) VENDOR REGISTRATION AND SOLICITATION NOTIFICATION SYSTEM: Vendor Link NC 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. Online registration and other purchasing information are available through our Internet web site: <http://www.its.state.nc.us/ITProcurement/>
- 8) ORGANIZATION: Vendors are directed to carefully review Section VII, Proposal Content and Organization herein and fully comply with the content and organizational requirements therein.
- 9) E-PROCUREMENT: **This is not an e-procurement solicitation.** Paragraphs #47 and #48 of the attached Information Technology Procurement Office General Terms and Conditions for Goods and Related Services do not apply for this procurement. General information on the e-procurement service can be found at <http://eprocurement.ncgov.com>

Within two days after notification of award of a contract, Vendor must register in NC E-Procurement @ Your Service in order to receive a purchase order.

B. 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) **AAMVA** – American Association of Motor Vehicle Administrators
- (c) **CH** – International Registration Plan Clearinghouse
- (d) **CICS** – Customer Information Control System
- (e) **CISO** – Chief Information Security Officer
- (f) **CTA** – Transponder Administration System
- (g) **CTG** – Transaction Gateway
- (h) **CVIEW** – Commercial Vehicle Exchange Window
- (i) **CVISN** – Commercial Vehicle Information and Networks
- (j) **DMV** – Division of Motor Vehicles
- (k) **DOH** – Division of Highways
- (l) **DOR** – Department of Revenue
- (m) **DTM** – Digital Terrain Models
- (n) **EFT** – Electronic Fund Transfer
- (o) **FHWA** – Federal Highway Workforce Administration
- (p) **FMCSA** – Federal Motor Carrier Safety Administration
- (q) **GIS** – Geographic Information Systems
- (r) **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).
- (s) **HTTP** - Hyper text transfer protocol
- (t) **IEX** – Interstate Exempt System
- (u) **Infrastructure** - The basic framework or features of a system
- (v) **IRP** – International Registration Plan
- (w) **ITS**: Office of Information Technology Services.
- (x) **JAD** – Joint Application Development
- (y) **LITES** – Liability Insurance Tracking Enforcement System

- (z) **MC** – Motor Carrier
- (aa) **MOU** – Memo of Understanding
- (bb) **NCDOT** - North Carolina Department of Transportation
- (cc) **NCDOT-IT** – North Carolina Department of Transportation, Information Technology
- (dd) **NCSTA** – North Carolina Statewide Architecture
- (ee) **Open Market Contract:** A contract for the purchase of goods or services not covered by a term, technical, or convenience contract.
- (ff) **Reasonable, Necessary or Proper:** as used herein shall be interpreted solely by the State of North Carolina.
- (gg) **ROC** - Roadside Operations Computer
- (hh) **SADLS** – State Automated Drivers License System
- (ii) **SAFER** – Safety and Fitness Electronic Records
- (jj) **SAP** – Systems Applications and Data Processing
- (kk) **SLA** – Service Level Agreement
- (ll) **SMTP** - Simple Mail Transfer Protocol
- (mm) **SSH** - Secure Shell
- (nn) **SSL** - Secure sockets layer
- (oo) **SSR** – Single State Registration System
- (pp) **STARS** – State Titling and Registration System
- (qq) **TCP/IP** - Transmission Control Protocol/Internet Protocol
- (rr) **The State:** Is the State of North Carolina, and its Agencies.
- (ss) **Vendor:** Company, firm, corporation, partnership and individual submitting a response to a solicitation.
- (tt) **Visual SourceSafe:** Is the name of revision control software or a source control system. It allows users to store multiple versions of files and is particularly geared towards managing versions of source code by software.

- 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 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 their 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 their proposed hardware, product and software solution(s) along with costs therefore. 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.
- 4) Oral Explanations. The State will not be bound by oral explanations or instructions given at any time during the bidding process or after award. Vendor contact regarding this RFP with anyone other than Vickie Boykin 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.
- 5) Insufficiency of References to Other Data. Only information that is received in response to this RFP will be evaluated. Reference to information previously submitted will not suffice as a response to this solicitation.
- 6) Conflict of Interest. Applicable standards may include: N.C.G.S. §§ 147-33.100, 14-234, 133-32. The Vendor shall not knowingly employ, during the period of this contract, 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.
- 7) 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 **six** (6) months, and will expire 6 months from date of award unless otherwise stated in the Notice of Award, or unless terminated earlier. The State retains the option to extend this contract for one (1) additional six (6) months period at its sole discretion.
- 8) 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 Vendor for goods provided nor services rendered prior to the appropriate signatures and the arrival of the effective date of the Contract. No contract shall be binding on the State until an encumbrance of funds has been made for payment of the sums due under the contract.
- 9) 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. We also encourage and promote 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 Statewide IT Procurement Office those products or packaging they offer which have recycled content and that are recyclable.

- 10) Historically Underutilized Businesses. Pursuant to General Statute 143-48 and Executive Order #150, 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://www.doa.state.nc.us/doa/hub/>
- 11) Clarifications/Interpretations. Any and all amendments or revisions to this document shall be made by written addendum from the IT 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.
- 12) 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 proposals received in response to this document;
 - e) waive any undesirable, inconsequential, or inconsistent provisions of this document, which would not have significant impact on any proposal;
 - 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 responses are deficient, determine whether Waiver of Competition criteria may be satisfied, and if so, negotiate with one or more Vendors.
- 13) Alternate Bids. Vendor may submit alternate bids for various levels of service(s) or products meeting specifications. Alternate bids must specifically identify the RFP requirements and advantage(s) addressed by the alternate bid. Any alternate proposals must be clearly marked with the legend as shown herein. Each proposal must be for a specific set of services or products and bid at specific pricing. If a Vendor chooses to respond with various service or product offerings, each must be bid with a different price and a separate proposal response. Vendors may also provide multiple proposals for software or systems coupled with support and maintenance options, provided, however, all proposals must satisfy the specifications.

Alternate bids must be clearly marked
“Alternate bid for ‘name of Vendor’”

and numbered sequentially with the first bid if separate proposals are submitted.

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

14)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.

15)Submitting a Proposal. Each Vendor submitting a proposal warrants and represents that:

- a) The proposal 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 proposal 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 proposals.

16)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 Vendor resulting from this RFP process.

17)A proposal may not be unilaterally modified by the Vendor for a 90 - day period following the delivery of the proposal, or of any best and final offer.

Section II. Introduction

A. Purpose

The purpose of this RFP and any resulting contract award is to solicit proposals from eligible vendors to:

- Analyze and replace the existing in-house developed Internet International Registration Plan System (hereinafter referred to as “IRP”) Host Publisher and WebSphere components with Customer Information Control System (CICS) Transaction Gateway (CTG) for the North Carolina Department of Transportation, Division of Motor Vehicle (NCDOT-DMV).
- Analyze and replace the existing in-house developed Internet Single State Registration System (hereinafter referred to as “SSR”) Host Publisher and WebSphere components with CTG.

- Analyze and replace the existing in-house developed Internet Interstate Exempt System (hereinafter referred to as “IEX”) Host Publisher and WebSphere components with CTG.
- Analyze and replace the existing in-house developed Internet Liability Insurance Tracking Enforcement System (hereinafter referred to as “LITES”) Host Publisher and WebSphere components with CTG.
- Analyze and migrate the IRP, SSR, IEX and LITES systems from the current platform environment of Windows NT 4.0 to a Windows 2003 platform, J2EE application server.

B. Background

Department of Transportation

The North Carolina Department of Transportation (hereinafter referred to as “DOT”) is a very complex organization with an annual budget of over \$3 billion dollars and has over 14,000 employees. The mission of DOT is to provide and support a safe and integrated transportation system for the citizens of North Carolina (NC). DOT consists of two major divisions, the Division of Highways (DOH) and Division of Motor Vehicles (DMV). DOH directs, plans, constructs, maintains and operates the second largest state-maintained transportation system in the nation. It is divided into 11 main divisions with 14 local division offices located geographically throughout the state. DMV licenses and regulates the citizens and motor vehicles that utilize these transportation systems. DMV operates 124 driver license offices, 128 license plate agencies, three mobile driver license offices; nine weigh stations and eight enforcement district offices. DMV oversees the licensing International Registration Plan/Motor Carrier (IRP/MC) registrants at 37 of the 128 license plate agencies, Raleigh and the Charlotte office.

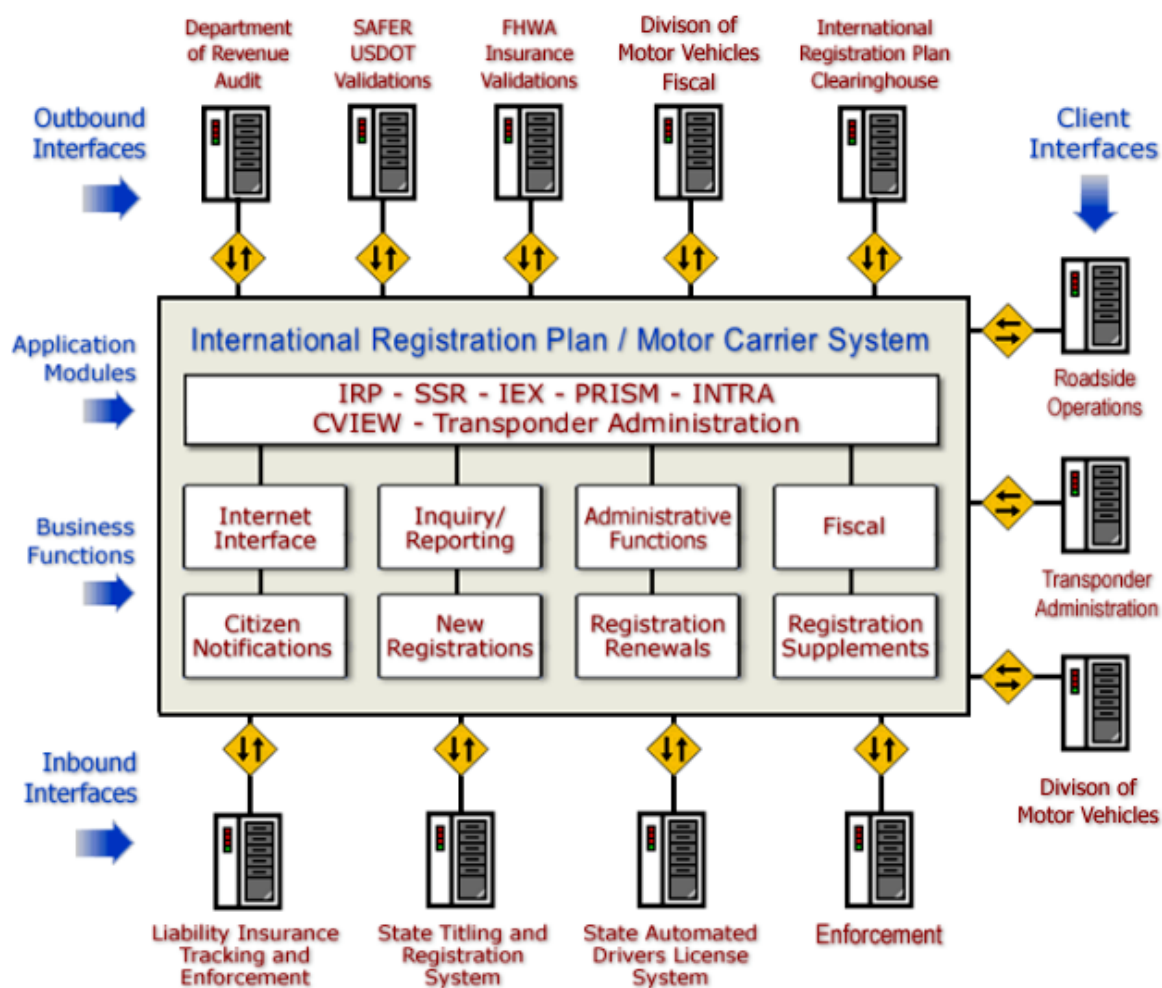
International Registration Plan Inc.

The participants in the International Registration Plan (IRP) are the 48 (mainland) states of United States, and 3 Canadian Provinces (Alberta, British Columbia, and Saskatchewan). Alaska, Mexico and other Canadian Provinces are expected to join the plan in the future. Registration consists of one license plate and registration card displaying the vehicle description; jurisdictions of travel and registered weights in each member jurisdictions (states and provinces). The plan is a common system of rules, and regulations, policies, and procedures adopted by each member jurisdiction with approval at the federal and state levels. IRP is a different approach to licensing. The registrant pays license fees based on the percentage of miles traveled in each state. The fees for North Carolina based truckers are collected for all states and transmitted or mailed to the respective states, just as the other states collect our fees and transmit or mail them to us. The plan also uses a fleet concept of grouping vehicles with like operations together. NC IRP joined the International Registration Plan Incorporation in 1977. The IRP Incorporated governs NC IRP, which is a part of the American Association of Motor Vehicle Administrators (AAMVA).

C. IRP System Overview

The IRP, SSR, and IEX systems are also referred to as the International Registration Plan/Motor Carrier (IRP/MC) System. These systems provide automated business support for the International Registration Plan Section within DMV. The IRP/MC Systems are intended to renew registrations for NC motor carriers who participate in interstate commerce. In order to renew credentials, the fleet operations must be re-defined, registered, NC foreign jurisdiction fees calculated, payment recorded, and credentials issued. This issuance of credentials and registration is done using the Internet.

A diagram of IRP/MC with Outbound Interfaces, Client Interfaces, Application Modules, Business Functions, and Inbound Interfaces is listed below.



1. Outbound Interfaces

- a. Department of Revenue (DOR) - Interfaces with the Audit Group and verifies accuracy of mileage percentages and fees paid by IRP registrants.
- b. Federal Motor Carrier Safety Administration (FMCSA) - Validates motor carriers USDOT number.
- c. Federal Highway Administration (FHWA) - Validates motor carrier insurance information.
- d. International Registration Plan Clearinghouse (CH) - Enables jurisdictions to electronically exchange motor carrier and fee information between jurisdictions. Establishes an electronic remittance process in conjunction with Electronic Fund Transfer (EFT) capability.
- e. Division of Motor Vehicles (Fiscal) - Validates daily and monthly fee reports generated by IRP. Reports consist of payments received based on type of payment.

2. Client Interfaces

- a. Division of Motor Vehicles - Interfaces with International Registration Plan / Motor Carrier System by providing application support and development.
- b. Roadside Operations Computer (ROC) – This interface includes the uploading and downloading of Safety and Fitness Electronic Records (SAFER) data.
- c. Transponder Administration- Supports the enrollment, administration and distribution of transponders, which focuses on vehicle inspections and automated credential verification.

3. Inbound Interfaces

- a. State Titling and Registration System (STARS) – Supports IRP/MC titling, registration and some fiscal activity.
- b. Liability Insurance Tracking and Enforcement System (LITES) - Supports enforcement of liability coverage on commercial vehicles registered in North Carolina.
- c. State Automated Drivers License System (SADLS) - Validation of IRP customers.
- d. Enforcement - Ensures that a customer has the correct credentials in order to operate.

D. IRP Modules

- a. International Registration Plan (IRP) - Enables cost-efficient registration renewals for commercial carriers with apportioned vehicles. An apportioned vehicle is any vehicle, except RVs, displaying restricted plates for use in chartered parties and government-

owned vehicles. This process allows individuals and businesses to perform registration and issuance of registration stickers and cab cards.

b. Single State Registration (SSR) - Facilitates the registration renewal for commercial carriers hauling regulated commodities across state lines. This process allows individuals and businesses to register motor carrier accounts for hauling regulated goods and issuing RS3 Form.

c. Interstate Exempt (IEX) - Supports the renewal process for commercial carriers hauling regulated commodities across state lines. This process enables individuals and businesses to register motor carrier accounts for hauling regulated goods and issuing RS3 Form.

d. Intrastate Carriers (INTRA) - Verifies that a carrier has the proper insurance, documentation and complies with Motor Carrier Regulatory Unit requirements. This certification process enables the customer to purchase a For-Hire tag.

e. Performance and Registration Information Systems Management (PRISM) – This Commercial¹ Vehicle Information Systems and Networks (CVISN) module supports the vehicle registration process and ensures that all carriers engaged in interstate commerce are uniquely identified through the USDOT number when registering vehicles.

f. Transponder Administration - Transponders are unique to the vehicle to which they are registered. This Commercial² Vehicle Information Exchange Window (CVIEW) module supports the Transponder Administration Application used by administrators, vendors and transponder service providers. CVIEW provides instantaneous credentials and safety-related data for electronic screening, allowing certain trucks to bypass weigh and inspection stations at mainline speeds.

E. Business Functions

The business functions describe the major processes of the system and describe how the system is used and operated. Services are available online or at a local IRP Office.

a. Citizen Notifications - The IRP office sends staggered renewal invitation packages to their customers. These packages contain important account information.

¹ Commercial Vehicle Information Systems and Networks (CVISN) refers to the collection of information and communication systems owned and operated by the Federal Motor Carrier Safety Administration (FMCSA), states, motor carriers and other stakeholders. This includes both PRISM and Transponder Administration modules.

² Commercial Vehicle Information Exchange Window (CVIEW) refers to the database storage of Safety and Fitness Electronic Records (SAFER) data and includes connections to the State's Roadside Operations Computer (ROC) and Federal databases. This module is also part of CVISN.

b. New Registrations - The new registration process allows NC motor carriers to register their commercial vehicles for the first time. In order to obtain their credentials, an IRP account must be established and the fleet's vehicles registered. These services are available online or at a local IRP Office.

c. Registration Renewal - NC motor carriers who participate in interstate commerce must register and renew their fleets. The renewal process includes vehicle registration (titled if necessary), calculation of jurisdiction fees, and payment. These services are available online or at a local IRP Office.

d. Registration Supplements - In addition to the renewal and registration, motor carriers may perform a variety of supplemental tasks throughout the fleet registration year. These supplements include the addition of jurisdictions and change of fleet or vehicle information.

e. Inquiry/Reporting – NC IRP customers can access account data using secured login procedures. Various types of inquiry processes are available.

f. Administrative Functions - IRP users have access to administrative options allowing them to maintain fee charts or any IRP related data.

g. Fiscal - Fiscal functions allow IRP users to view or print account fee activity per service, and view breakdown of fees based on jurisdiction and vehicle.

h. Internet - This business function provides customers the opportunity to update their insurance and perform renewals on IRP, SSR and IEX accounts through a user-friendly web interface. This interface is designed to guide customers through every step of the process in a safe and secure online environment.

Advantages of Online Renewals:

- Timely Access – Service is accessible 24 hours a day, seven days a week.
- Easy Access – Customers with Internet access have the ability to use these services from home or office.
- Knowledge Base – Extensive online documentation and interactive demos.
- Online Payment – Customers have access to Electronic Fund Transfer (EFT, Credit Card and Bank Draft options.

F. IRP System Attributes

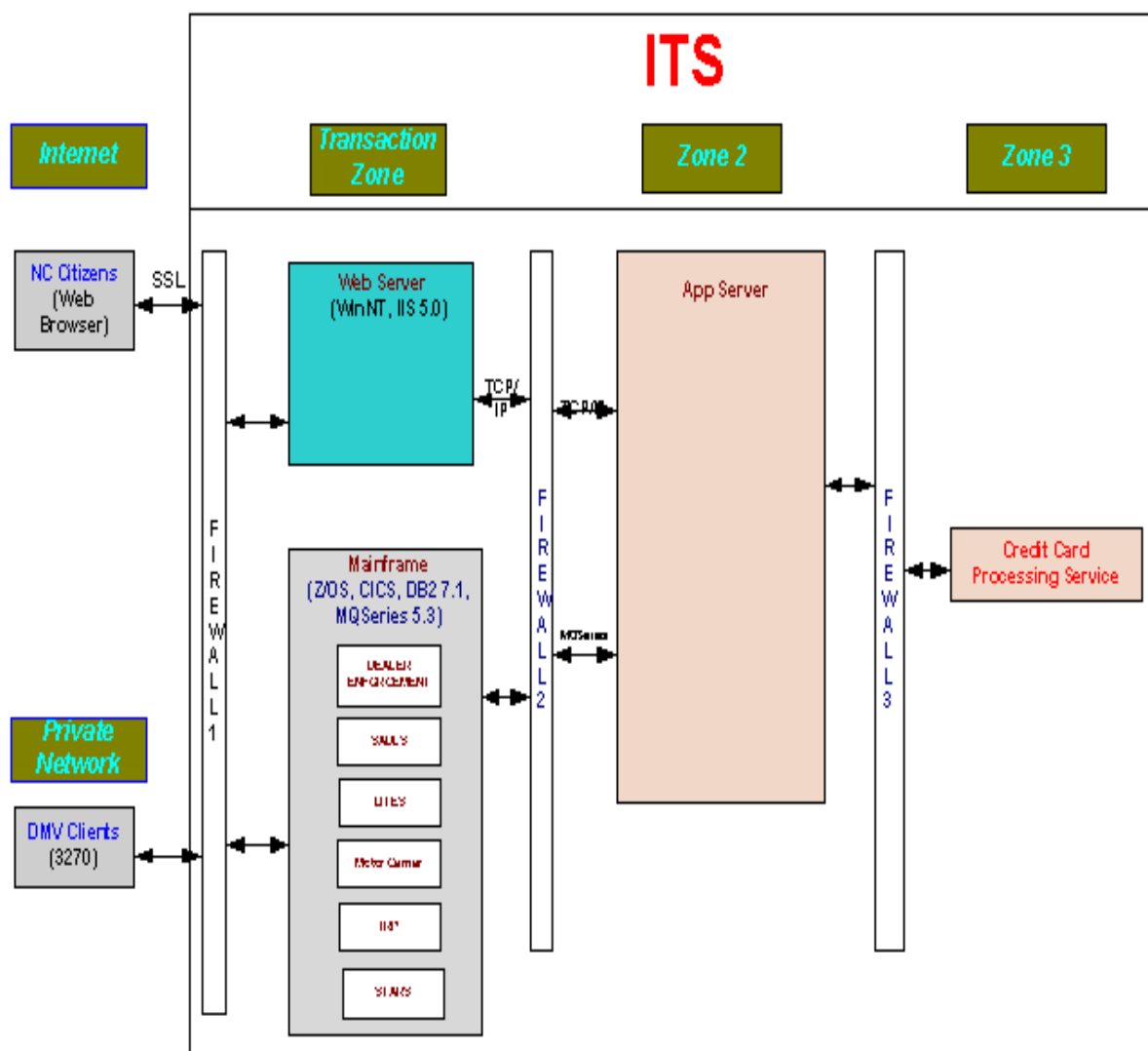
The primary user of the IRP/MC application is the IRP section within DMV. This system has mainframe and Internet components. The technical components of the systems align with the North Carolina Statewide Architecture (NCTSA). The Internet components of IRP are written in JAVA, utilizing Host Publisher and WebSphere. The table below categorizes the Internet programs by language (server/client), number of programs, type and program size.

Programs Category	Small <5KB	Average 5KB-10KB	Large 10-KB-25KB	Very Large >25KB	Total
Server					
Java	631	238	116	36	1021
JSP	136	98	50	7	291
Properties	19	2	3	2	26
Host Macros	116	48	22	1	187
Client					
HTML	1686	595	6	9	2296
XSL	56	63	346	49	514
JavaScript		1	2		3
CSS (Stylesheet)	2	10			12
Totals	2464	1055	545	104	4186

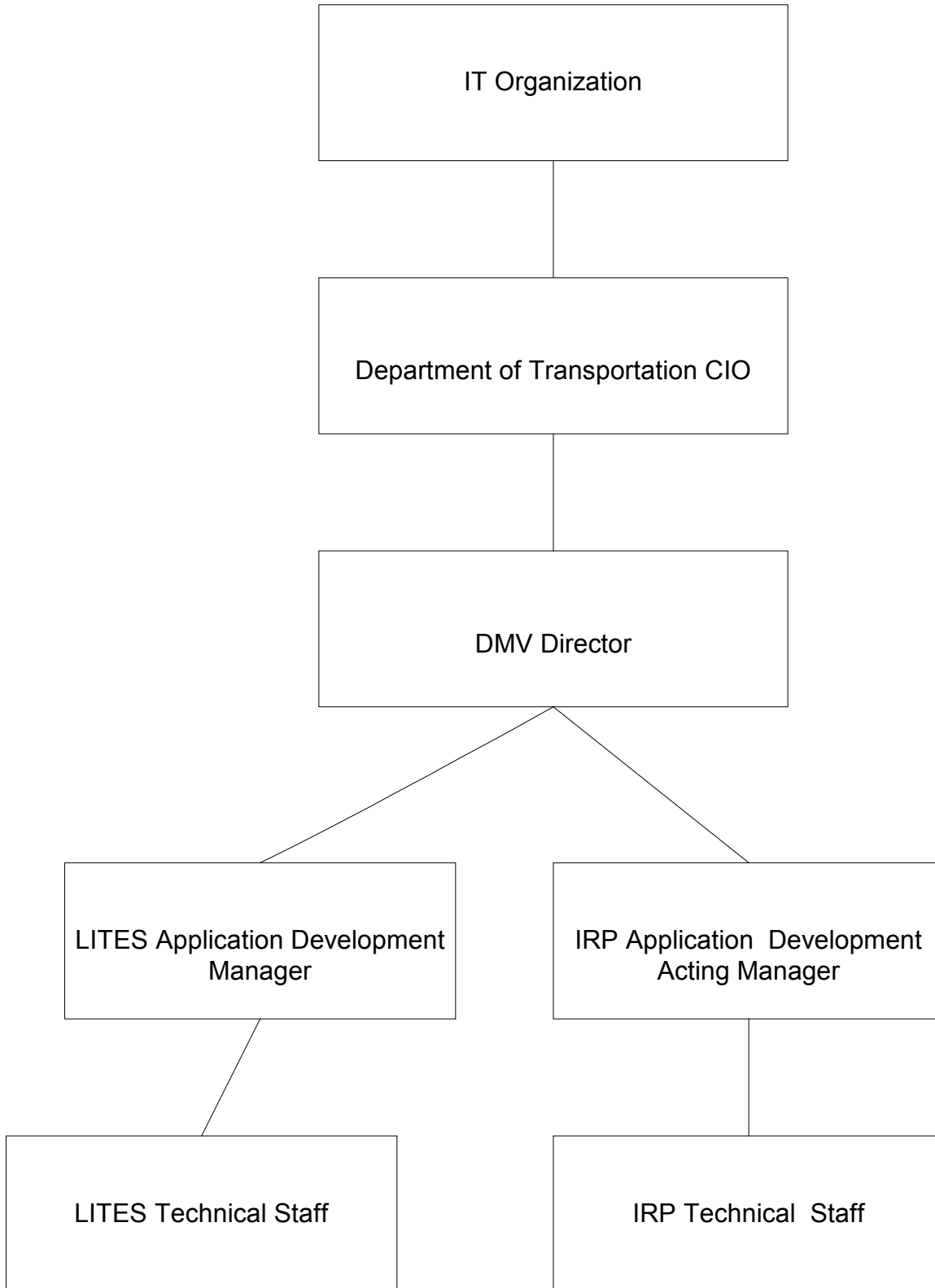
The major Internet related tools include: Sun Java JDK, Activation Package, BEA WebLogic Connection Pool, BEA WebLogic Tanga-3 Driver, Common Payment Service, Crimson, JAAS, JAXP, DB2, JDOM, Java FDF Toolkit, JMX Log4J, Oracle JDBC Driver, ORG, XML/XSLT, W3C XML, RSA, SAXON TIDY, XALAN, XERCES, IBM MQ-Series, IBM Websphere Application Server, IBM Websphere Application Development Studio, IBM Host Publisher, ITEXT, Macro-Media Dream Weaver Studio, Common Framework, OJB, Apache Workflow, Digester, JXPath, P6Spy.JDBC Driver, Eclipse, Squirrel-SQL.

The mainframe programs are written using IBM Enterprise Cobol utilizing the ZOS 390 as the operating system. Other mainframe components used are CICS, and DB2. The IRP/MC application also uses Easytrieve Plus to print labels. The IRP/MC mainframe application consists of 335 mainframe Cobol programs, of which 128 are considered complex, 185 medium, and 22 small in terms of the business process performed. The IRP/MC application utilizes a DB2 database with over 22 million rows distributed among approximately 67 DB2 tables. The major commercial mainframe tools associated with IRP/MC include TSO, Endevor, Xpediter, File Aid, Insight, Zeke, BMS/GT, Visio, JCL, Finalist, Designer (for online forms), Elixir (for batch forms), and SAP.

IRP/MC System Design Description



NCDOT-IT Organization



IRP Customer Organizational Chart



Section III. Liability Insurance Tracking System (LITES)

A. LITES Overview

Implemented in August 1999, the LITES application supports the liability insurance business needs for NC Motor Vehicles and provides automated business support for the DMV clients. LITES has mainframe and Internet components. Some of the technical components of this system align with NCSTA; however, the online component is written in Sapiens ObjectPool running under CICS 1.3. Several batch mainframe components of this system are written in Enterprise COBOL 3.3 and DB2 7.1. The batch and online components operate under the IBM Z/OS operating system. The LITES Internet components are written in Java 1.2 and utilize OJB 1.0 (Object Relational Bridge), DB2 Connect 7.1, WebSphere Application Server 3.5, and Windows NT 4.0 as the Operating System.

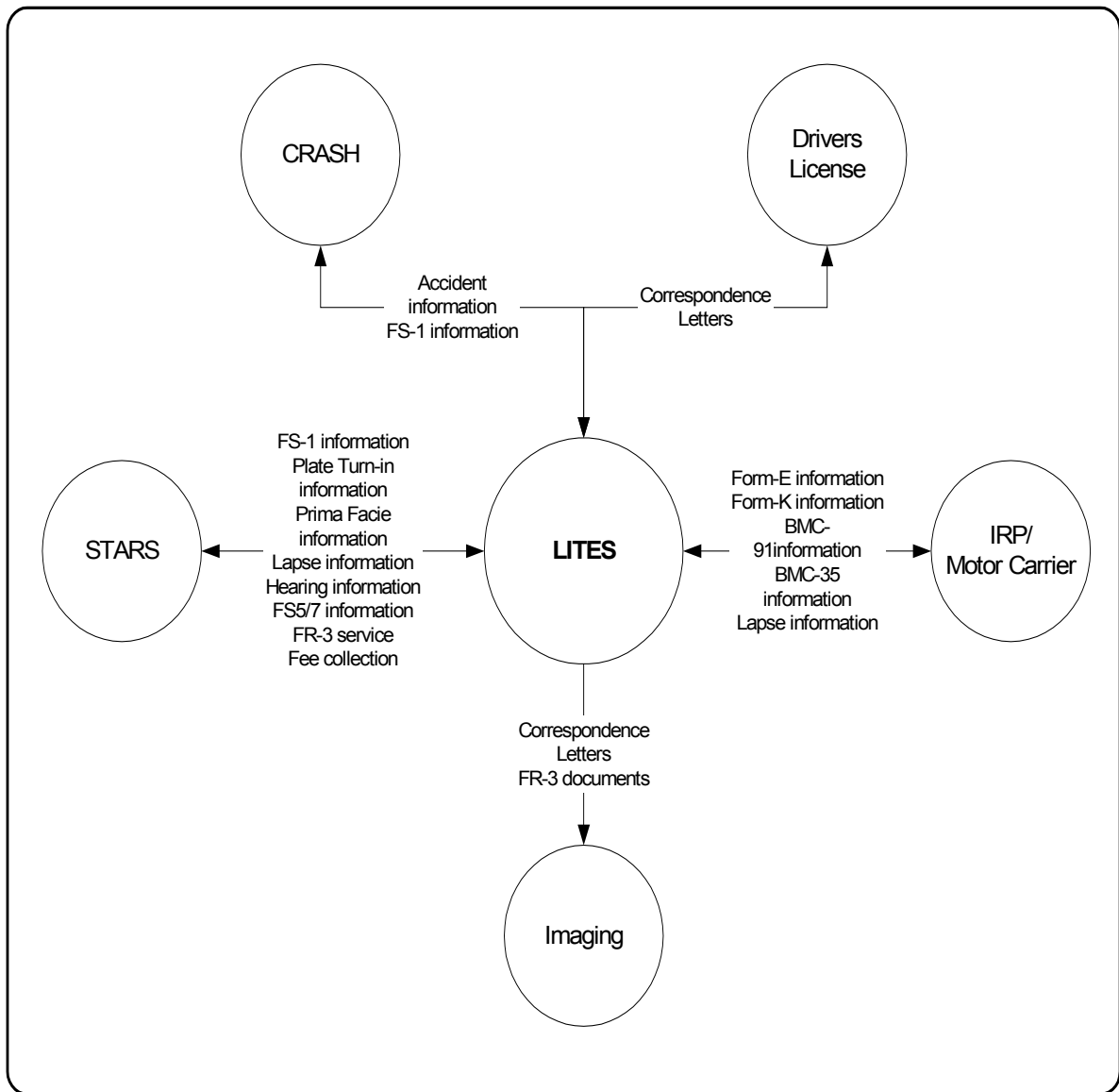
In NC, the registered owner of a motor vehicle must have the proper level of liability insurance coverage provided by an insurance company authorized to do business in the state. LITES Internet components support the recording of new insurance and terminated liability insurance by insurance companies and insurance agencies. LITES also provides the self-certification of liability insurance and payment of civil penalties for violation of NC liability insurance mandates by NC citizens.

LITES is a medium sized application system that interfaces with the following NCDOT applications:

- **STARS** (State Titling and Registration System) – automates titling and registration services
- **SADLS** (State Automated Driver License System) – automates driver license related services
- **IRP** (International Registration Plan) – automates registration services for commercial vehicles
- **MC** (Motor Carrier) – tracks insurance for commercial and other special vehicles
- **Crash Reporting System (CRS)** – tracks and maintains motor vehicle accident information
- **Imaging System** – allows special documents related to DOT services to be electronically stored and retrieved.

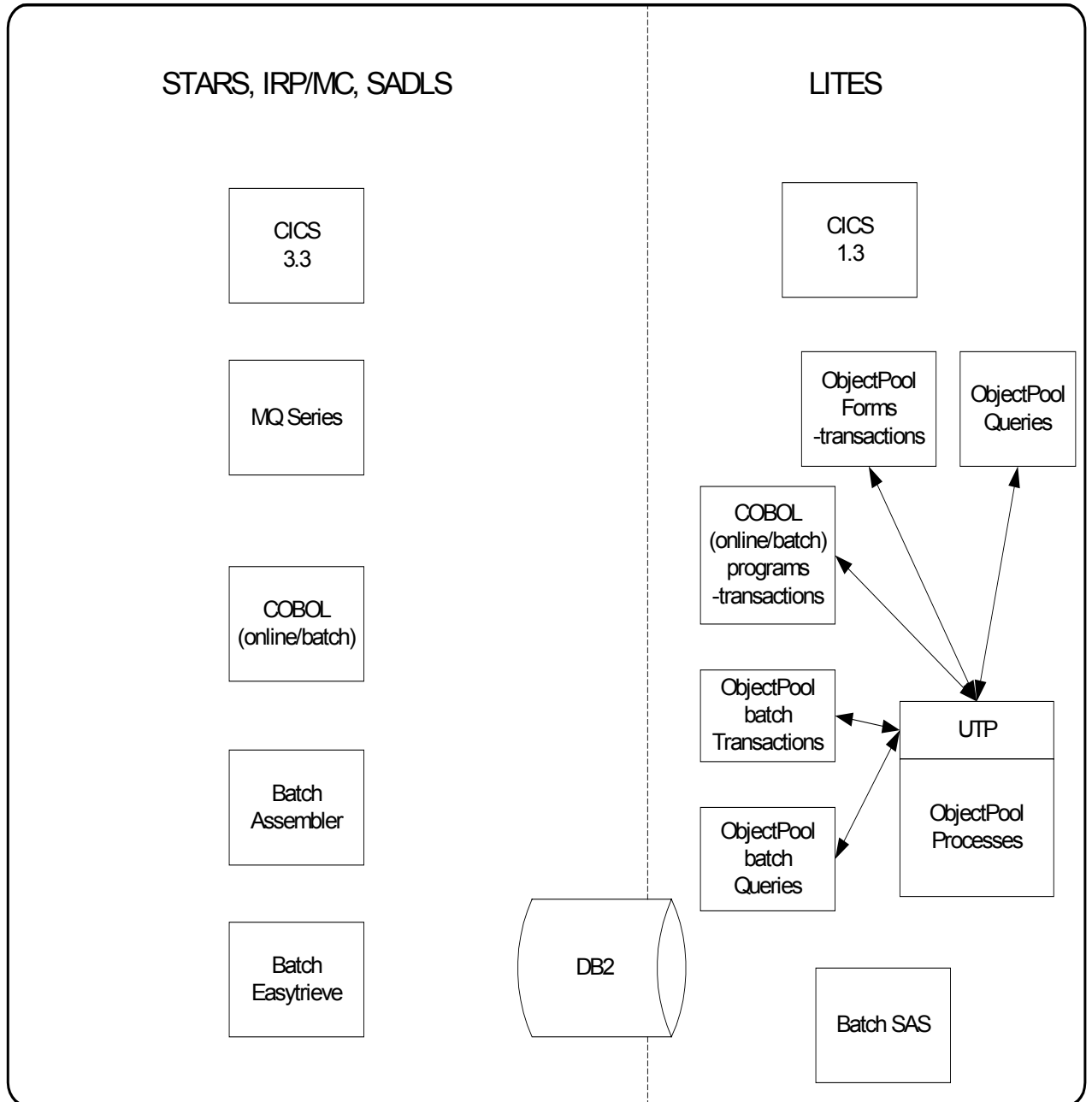
A diagram of the LITES mainframe interfaces is documented on the next page.

LITES SYSTEM INTERFACES



LITES is one of several critical DMV applications. The primary user of LITES is the DMV Liability Insurance Unit; however, LITES also interfaces with STARS, IRP, Motor Carrier, SADLS, Imaging, and CRS applications. LITES has mainframe and Internet components. A diagram of the mainframe architecture for LITES and other major DMV systems is as follows:

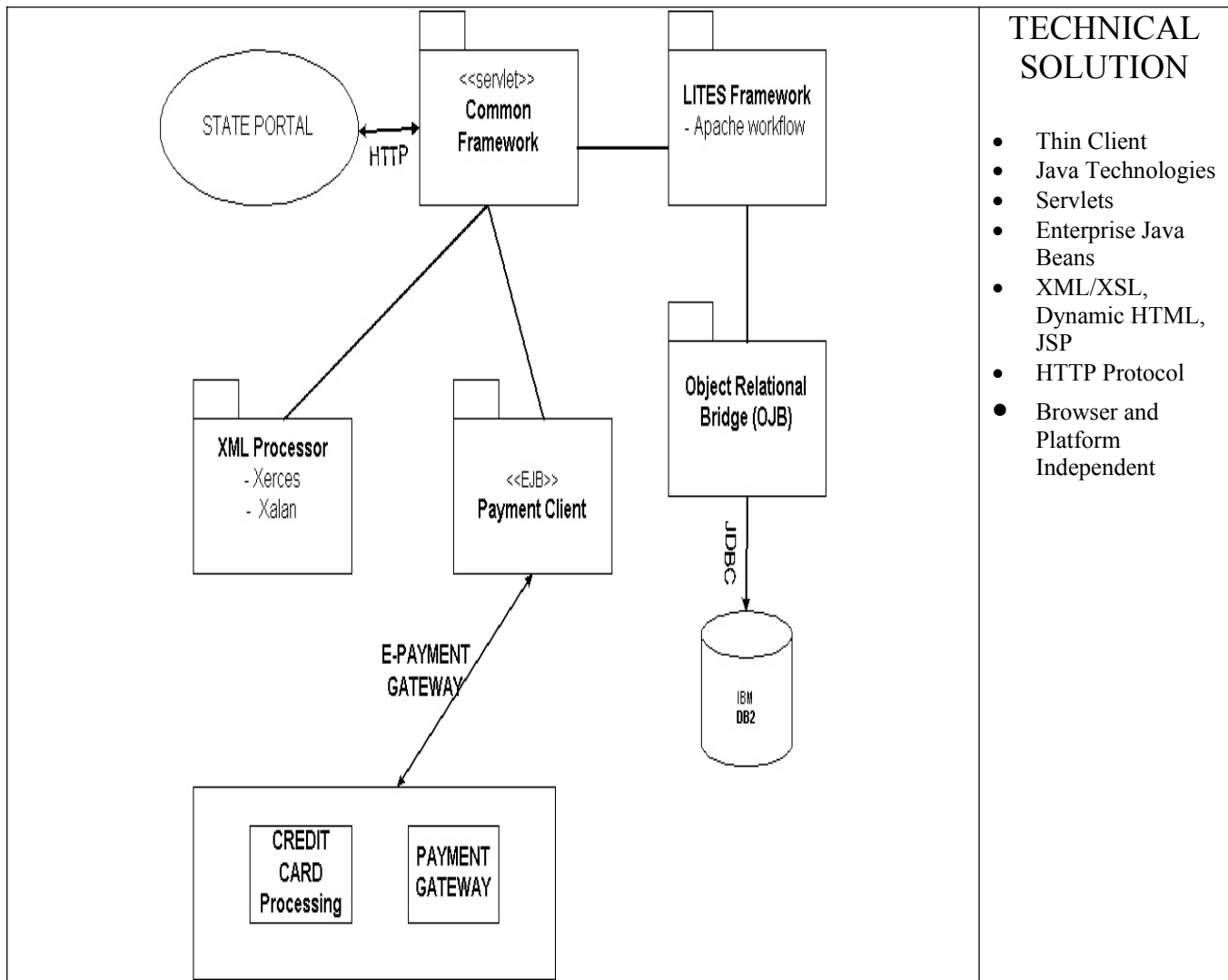
DMV SYSTEMS MAINFRAME ARCHITECTURE



Major Software/Tools on Mainframe	
Product	Description / Function
Z/OS	Z/OS 390 is the operating system on the mainframe.
Enterprise COBOL 3.3	COBOL is the language used for developing mainframe programs.
DB2 7.1	DB2 is the Relational Database used on the mainframe for storing the application data.
CICS 1.3 (Customer Information and Control System)	CICS is the platform for the Sapiens online environment.
Endevor	Endevor is the mainframe source code version controller.
TSO (Timesharing Sharing Option)	TSO provides general purpose services that allow the programmer to perform computer related tasks in an interactive environment.
ISPF/PDF (Interactive System Productivity Facility/Program Development Facility)	ISPF/PDF is a component of TSO that facilitates interaction with the TSO services.
Xpediter	Debugging tool for batch and online COBOL programs.
Sapiens ObjectPool	Used to develop and execute online and batch components.

A Diagram of the LITES Internet Architecture is documented below:

LITES INTERNET COMPONENT DIAGRAM



Major Software/Tools on Internet Application Server/ Web Server	
Product	Description / Function
Windows NT 4.0	Microsoft Windows NT Operating System
Remote OSE (Open Servlet Engine)	Remote OSE uses OSE protocol as a transport mechanism to allow communication between the web server and application server.
IIS Server 4.0	Web server; runs on Windows NT 4.0 and responds to www (http and https) requests.
WebSphere 5.0	IBM WebSphere Application Server is a high performance and extremely scalable transaction engine for dynamic e-business applications; Available on different platforms including Windows NT 4.0. A, Java™ 2 Enterprise Edition (J2EE) application server environment Provides connectivity to different enterprise resources including legacy systems applications and data. Allows use of different connectors like IBM MQ Series, JDBC.
DB2 Connect 7.1	Allows communication with DB2 by using JDBC (Java Database Connectivity)
J2SE 1.2 (Java 2 Standard Edition)	This is required since the current version of WebSphere Application Server 3.5 uses JDK 1.2; this is platform on which the Java programs run.

Major Software/Tools on Internet Developer's Workstation	
Product	Description / Function
Windows 2000 Professional	Microsoft Operating System
WSAD 5.0 (WebSphere Application Developer)	WebSphere Application Developer is an Integrated Development Environment (IDE) for WebSphere Server 5.0 suite. Applications developed and tested on this IDE will run seamlessly on WebSphere Suite of Application Servers.
Visual Source Safe (VSS) Client 6.0	Allows interaction with Microsoft Visual Source Safe (VSS); used for checking out the source code from VSS. Source code is modified under WSAD environment and checked back in by using VSS client.
J2SE 1.4 (Java Development Kit)	Java Development Kit version 1.4 (JDK 1.4) provided by Sun Microsystems. Used to communicate with applications that demand JDK 1.4 API.
DB2 Connect 7.1	Allows communication with DB2 by using JDBC (Java Database Connectivity).

The LITES application system consists of approximately 100 Sapiens forms, 50 Sapiens ObjectPool transactions, 780 Sapiens ObjectPool processes, 110 Sapiens ObjectPool queries, 29 COBOL programs, 5 SAS programs, and 238 Assembler programs (only generated by Sapiens tools; no modification by project team necessary - require only regeneration as needed), plus 495 Java servlets.

The LITES mainframe programs are categorized by the complexity of program logic as follows:

Program Logic Complexity Category	Simple	Medium	Complex	Total
Type Programs				
<i>Sapiens ObjectPool Processes</i>	400	220	160	780
<i>COBOL</i>	10	13	6	29
<i>Assembler (Generated by Sapiens Tool)</i>	0	0	238	238
<i>Queries</i>	13	20	77	110
<i>SAS</i>	0	3	2	5
<i>Totals</i>	423	256	483	1,162

The LITES Internet programs are categorized by the complexity of program logic as follows:

Program Logic Complexity Category	Simple	Medium	Complex	Total
Type Programs				
<i>Java Servlets</i>	67	298	130	495

LITES utilizes a DB2 database with over 93.5 million rows distributed among 23 DB2 tables. LITES, STARS, SADLS and IRP share some DMV Enterprise tables that are also used by other DMV applications. The DMV Enterprise tables are shared among the DMV Systems as needed. These enterprise tables are managed and maintained by the DOT-IT Database team. LITES uses the following DMV Enterprise tables:

- Address (contains residential, mailing, one-time, and vehicle location addresses of all DMV customers)

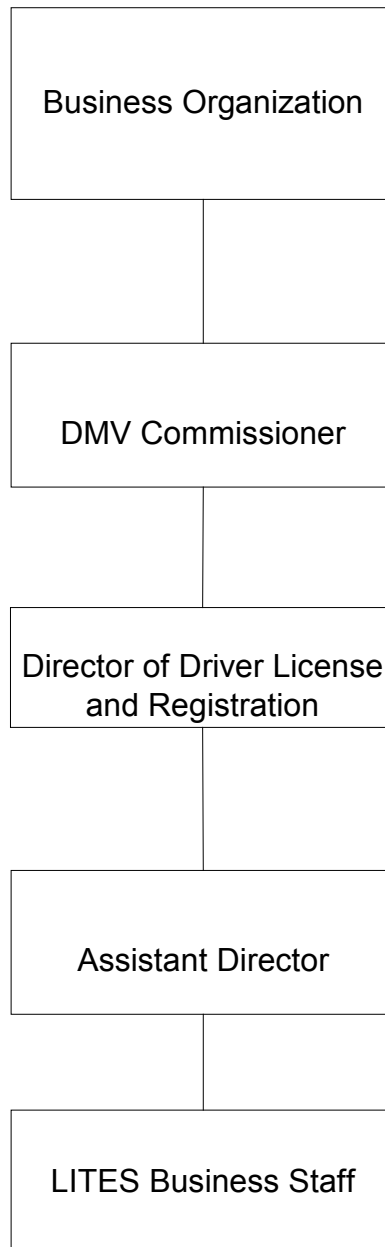
- Address History (contains history of changes made to a customer's address)
- Customer (contains high level customer related information for all DMV customers)
- Customer Name History (contains history of changes made to a customer's name)
- Citizen (contains detailed information for each customer)
- Letter Request (stores standard letters for DMV services)
- Letter Variable (contains specific variables for the standard letters)
- Staff Authorization (contains listing of users who are authorized to use DMV Systems)

The major mainframe tools associated with LITES include: proprietary Sapiens development tools, TSO (general purpose services for computer related activities), Endeavor (Version Control), Xpediter (Debugging Tool), File Aid (File/Database Edits and Inquiry), Insight (DB2 Performance Monitor), Zeke (Job Scheduler), XPTR (Online Report Generator), ImagePlus Optical Storage and Retrieval (Imaging Tool), BarCode, Finalist (Address Verification), Prescribe (for online forms), Elixir (for batch forms), APF (Advanced Printing Facility); special Lexmark printers with an internal card are used to print the forms. The Internet related tools include Websphere Studio Application Development (WSAD) and Dreamweaver UltraDev (Web Page Development).

The major functions of LITES are as follows:

- Accept and process new insurance notifications from insurance companies;
- Accept and process terminated insurance notification from insurance companies;
- Process self-insurance notifications;
- Accept and verify self-certifications;
- Establish interface between Vehicle Registration services and Liability Insurance services;
- Allow inquiry on Liability Insurance data;
- Process and track prima facie requests;
- Accept and track hearing requests;
- Process and track insurance lapses;
- Provide administrative services;
- Establish interface between IRP/Motor Carrier and Liability Services.

LITES Customer Organizational Chart



Section IV. Evaluation Process

The selection of the vendor will be determined by a "Best Value" methodology, with key factors to be considered to include experience of the vendor and its consultants with related projects, ability to meet the scheduling demands of an aggressive project plan, and price.

1) "Best Value" procurement means the selection of a Vendor by determining which proposal offers the best trade-off between price and performance, where quality is considered an integral performance factor. The award decision is made based on multiple factors, including: total cost of ownership, meaning the cost of acquiring, operating, maintaining, and supporting a product or service over its projected lifetime; the evaluated technical merit of the Vendor's proposal; the Vendor's past performance; and the evaluated probability of performing the requirements stated in the solicitation on time, with high quality, and in a manner that accomplishes the stated business objectives and maintains industry standards compliance. The intent of "Best Value" Information Technology procurement is to enable Vendors to offer and the Agency to select the most appropriate solution to meet the business objectives defined in the solicitation and to keep all parties focused on the desired outcome of a procurement.

2) Source selection - A trade-off/ranking method of source selection will be utilized in this procurement to allow the State to award the contract 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 methodology shall be consistent with 9 NCAC 06B.0302, or the corresponding section of any future NC Administrative Code, and this section.
- b) 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 proposal.
- c) Evaluation Process Explanation. State Agency employees will evaluate all proposals. All proposals will be initially classified as being responsive or non-responsive. If a proposal is found non-responsive, it will not be considered further. All responsive proposals will be evaluated based on stated evaluation criteria. Any references in an answer to another location in the RFP materials or Proposal shall have specific page numbers and sections stated in the reference.
- d) To be eligible for consideration, a Vendor must meet the intent of all mandatory requirements. Compliance with the intent of all requirements will be determined by the State. Responses that do not meet the full intent of all requirements listed in this RFP may be subject to point reductions during the evaluation process or may be deemed non-responsive. Further, a serious deficiency in the response to any one factor may be grounds for rejection regardless of overall score.

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

- 3) 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 proposals, and request BAFOs from the Vendors within this range; e.g. "Finalist Vendors". The State will evaluate BAFOs and add any additional points to the Vendors' respective scores. Points awarded from oral presentations and product demonstrations during negotiations, if any, will be added to the previously assigned points to attain final scores.
- 4) Each of the evaluation criteria below shall be evaluated in accordance with the solicitation documents:

Evaluation Criteria	Maximum Points
Technical and Business Requirements, See Section V, Item 5.	200
References and Past Performance	100
Value Added Services • Project Management Institute (PMI) Project Management Professional (PMP Certification) • References with experience in managing similarly scoped state transportation related system project.	50
Total Project Cost	150
Total Points	500

5) Vendor Qualifications

The IRP/LITES application migration knowledge/skills qualifications are the following:

Requirement Description	Mandatory / Desired
1. Vendor must provide with their bid response evidence of a minimum of five (5) years of experience in software development, software testing, Microsoft Windows systems platform migration, WebSphere, Oracle, J2EE, JRun and Java.	Mandatory
2. Vendor must provide with their bid response evidence of a minimum of five (5) years of experience in middleware software development tools that include Host-Publisher and CICS Transactional Gateway.	Mandatory
3. Vendor must provide with their bid response evidence of a minimum of five (5) years of project management experience.	Mandatory
4. Demonstrate Project Management Institute (PMI®) Project Management Professional (PMP®) certification.	Desired

- 6) References - Vendor must provide three (3) names of clients/customers that it has done business with within the past five (5) years in providing a comparable service to that being herein proposed. The State will contact these users to determine quality level of the offered equipment and service. Such information will be considered in the evaluation of the bid. Failure to submit this information may subject your bid to rejection. Extra points may be given for references with experience in managing similarly scoped state transportation related system projects.

References:

Organization	City	State	Contact Name	Telephone Number

- 7) Demonstrate compliance with Proposal Specifications.
- 8) Submission of all material specified in the proposal requirement section.
- 9) Compliance with the proposal and organization section.
- 10) Vendor may be disqualified from any evaluation or award if 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.
- 11) The Procurement Manager will make every effort to adhere to the following schedule:

Task	Scheduled Completion Date
Issue of RFP	01/16/07
Deadline to Submit Questions by Potential Vendors	01/24/07
Submission of Proposal by Vendors	02/13/07
Proposal Evaluation Begins	02/20/07
Best and Final Offers from Finalists (optional)	03/06/07
Contract Award	04/05/07
Protest Deadline	15 days after contract award

8) Award Of Contract. Qualified proposals will be evaluated and acceptance may be made in accordance with Best Value procurement practices as defined by GS §143-135.9 and applicable administrative rules. The responsible Vendor whose proposal is most advantageous to the State, taking into consideration the evaluation factors herein, will be recommended for contract award. Unless otherwise specified by the State or the Vendor, the State reserves the right to accept any item or group of items on a multi-item proposal.

9) ITS has implemented links to the Interactive Purchasing System (IPS) that allow the public to retrieve proposal award information electronically from our Internet web site: <http://www.ips.state.nc.us/ips/pubmain.asp>. Click on the IPS BIDS icon, click on Search for BID, enter the Agency prefix-proposal number (XXXX), and then search. This information may not be available for several weeks dependant upon the complexity of the acquisition and the length of time to complete the evaluation process.

10) 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 15 calendar days from the date of the contract award and provide specific reasons and any supporting documentation for the protest. **All protests will be governed by Title 9, Office of Information Technology Services, Subchapter 06B Sections .1009 - .1029.**

Section V. Technical and Business Specifications

1) Architecture. The North Carolina Statewide Technical Architecture is located at the following website: (<http://www.ncsta.gov/>). This provides a series of domain documents describing objectives, principles and best practices for the development, implementation, and integration of business systems. Agencies and Vendors should refer to these Architecture documents when implementing enterprise applications and/or infrastructure.

2) Specifications: Any deviation from specifications indicated herein must be clearly identified as an exception and listed on a separate page labeled “Exceptions to Specification”; otherwise, it will be considered that items offered are in strict compliance with these specifications, and Vendor will be held responsible. 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 equivalent goods may be rejected; and if offered, must be supported by independent documentary verification of equivalence to the specified goods.**

3) 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. Compliance with technical specifications is mandatory.

4) Scope of Work. The awarded vendor for this project shall be responsible for providing the following services to NCDOT/IT.

a) Project Planning

i) Hold Kick-Off Meeting – The purpose of the meeting will be to bring all key project participants and stakeholders together at the beginning of the project to state publicly that the project is beginning. The meeting will ensure that all participants, stakeholders, project team are informed of the project goals, objectives, deliverables, scope, participant roles, responsibilities and other assumptions and constraints. The meeting shall take place within ten (10) business days after the contract has been awarded.

ii) Communication Plan – This document shall identify how communication will be handled on the project. It shall include but is not limited to roles and responsibilities, project status, and meeting (i.e., weekly and monthly). Twenty (20) business days after the contract has been awarded the selected vendor shall present the Communication Plan to the North Carolina Department of Transportation, Information Technology (NCDOT-IT) management.

iii) Develop Baseline Project Plan –Through discussions with NCDOT-IT staff and other DMV subject matter experts, the vendor shall develop the baseline project plan required to support Vendor’s production of the required Contract Deliverables within twenty (20) business days after the contract has been awarded.

b) Project Execution

- i) The system must be aligned with the State Enterprise Technology Strategies, Statewide Technical Architecture Standards <http://www.ncsta.gov> . Vendor shall analyze and replace the Host Publisher and WebSphere components with CTG. Analyze and migrate the IRP, SSR, IEX and LITES systems from the current platform environment of Windows NT 4.0 to a Windows 2003 platform, J2EE application server.

c) Deliverables

- i) Baseline Project Plan. Within twenty (20) business days after the contract has been awarded, the awarded Vendor and the Agency will jointly develop the Baseline Project Plan and the high level requirements needed for the Vendor to deliver the required deliverables to the agency.

ii) The following applications shall execute in a Windows 2003, J2EE application server environment:

- a. An IRP Internet Application using CTG with a J2EE application server
- b. An IEX Internet Application using CTG with a J2EE application server.
- c. A SSR Internet Application using CTG with a J2EE application server.
- d. A LITES Internet Application using CTG with a J2EE application server.

The contract shall be completed no later than six (6) months after the Kick-Off Meeting in conjunction with NCDOT-IT acceptance of the final Deliverables as defined in the Terms and Conditions outlined in paragraph 13, on page 42.

5) Technical and Business Requirements

- a) Vendor shall provide with the bid response evidence and supporting documentation such as professional certifications to demonstrate the following:
 - i) Training and experience in software development, software testing, Microsoft Windows systems platform migration, WebSphere, Oracle, J2EE, JRun and Java.
 - ii) Training and experience in middleware software development tools that includes Host-Publisher and CICS Transactional Gateway.
 - iii) Ability to analyze, document and manage technical architecture projects with quality assurance practices to ensure that the project will be completed on time, within bid price, and with expected results, deliverables and benefits identified.
 - iv) Ability to analyze, document and manage technical architecture projects with quality assurance practices to ensure that the project will be completed on time, within bid price, and with expected results, deliverables and benefits identified.

- v) Experience in facilitating planning sessions with a wide range of management and user groups.
 - vi) Vendor must provide copies of resumes of all prospective staff that will be supporting the platform migration of LITES and IRP/MC systems.
- b) Vendor shall deliver a system in compliance with the following attributes:
- i) The IRP system must maintain current screen presentation, current business processes, business logic and a response time of 5 seconds or less 95% of the time.
 - ii) The IEX system must maintain current screen presentation, current business processes, business logic and a response time of 5 seconds or less 95% of the time.
 - iii) The SSR system must maintain current screen presentation, current business processes, business logic and a response time of 5 seconds or less 95% of the time.
 - iv) The LITES system must maintain current screen presentation, current business processes, business logic and a response time of 5 seconds or less 95% of the time.
 - v) The LITES and IRP/MC systems must preserve the North Carolina Payment Service Interface and be compliant with Payment Card Industry Data Security requirements http://www.ncosc.net/SECP/EPP_Index.html.
 - vi) The LITES and IRP/MC systems will share Web and application servers with other DMV applications.

Section VI. Other Requirements and Special Terms

- 1) Project Management Methodology. In the performance of this Contract, the Vendor must comply with the Project Management Institute's (PMI) project management best practices as documented in the PMI Project Management Body of Knowledge (PMBOK).
- 2) Contractor Project Manager. Contractor shall provide a PMI certified Project Management Professional or equivalent project manager with a minimum of five (5) years experience to manage the performance of the Vendor's services under this Contract.
- 3) Quality Assurance Processes. Vendor shall employ IEEE-aligned Quality Assurance practices in the delivery of services under this Contract.
- 4) Deliverable Development. Vendor shall deploy version control processes for all Contract Deliverables. Vendor shall provide Agency with an electronic and a hardcopy version of each deliverable document. Vendor will meet with Agency subject matter experts to review and solicit Agency comments on the Final Draft of each Deliverable ten (10) days prior to submitting such Deliverables for Agency acceptance. Agency shall make every reasonable effort to facilitate Vendor's progress in developing the Deliverables and shall make subject matter experts available as agreed upon in the Baseline Project Plan.

- 5) Vendor Access to Agency Facilities. Agency will provide reasonable Vendor access to the Agency's facilities as required for development of the Deliverables under this Contract.
- 6) Agency Subject Matter Experts. Agency shall provide Vendor with access to the agreed upon Agency Subject Matter Experts in the time frames agreed upon by both parties in the Baseline Project Plan. [See Page 34, Section V, Item a, iii.](#)
- 7) Error Correction. Upon notice by State of a problem with the Deliverables (which problem can be verified) Vendor shall use reasonable efforts to correct the problem. Vendor and the State shall act promptly and in a reasonably timely manner in communicating errors or problems, other related information, proposed solutions or workarounds, and any action as may be necessary or proper to obtain the professional consulting services under this Paragraph.
- 8) Vendor shall designate two employees that shall be the primary and backup points of contact for Agency on issues relating to this contract.
- 9) VENDOR UTILIZATION OF WORKERS OUTSIDE U.S.: In accordance with Executive Order #60, the Vendor must detail in the bid response, the manner in which it intends to utilize resources or workers located outside of the United States. 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 proposal. The Vendor shall provide the following for any proposal or actual utilization or contract performance outside of the United States:
 - a) The location of work performed under a state contract by the Vendor, any subcontractors, employees, or other persons performing the contract
 - 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.
- 10) The vendor must notify the Agency if any jobs related to the services offered in the RFP are to be outsourced to others countries. Vendor must include this information in their bid response.
- 11) Criminal Conviction – In the event the Vendor, an officer of the Vendor, or an owner of a 25% or greater share of the Vendor, is convicted of a criminal offense incident to the application for or performance of a State, public or private Contract or subcontract; or convicted of a criminal offense including but not limited to any of the following: embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, attempting to influence a public employee to breach the ethical conduct standards for State of North Carolina employees; convicted under State or federal antitrust statutes; or convicted of any other criminal offense which in the sole discretion of the State, reflects upon the Vendor's business integrity.

- 12) Security and Background Checks – In order to protect DOT physical assets and to provide a safe working environment for its employees, DOT maintains a comprehensive program of physical site security at all of its campus locations. All DOT employees, contractors, temporary employees and visitors must wear approved DOT badges in plain view above the waist at all times within any DOT facility. All contractor personnel will be requested to sign a Criminal Background Check Authorization Form. If the contractor's employee(s) has/have felony convictions or convictions of misdemeanors which involve fraud, false statements or deception, the contractor's employee(s) will not be allowed to perform work for DOT.
- 13) Assurances - In the event that criminal or civil investigation, litigation, arbitration or other proceedings disclosed to the State pursuant to this Section, or of which the State otherwise becomes aware, during the term of this Contract, causes the State to be reasonably concerned about:
- (1) the ability of the Vendor or its subcontractor to continue to perform this Contract in accordance with its terms and conditions, or
 - (2) whether the Vendor or its subcontractor in performing services is engaged in conduct which is similar in nature to conduct alleged in such investigation, litigation, arbitration or other proceedings, which conduct would constitute a breach of this Contract or violation of law, regulation or public policy, then the Vendor shall be required to provide the State all reasonable assurances requested by the State to demonstrate that: the Vendor or its subcontractors hereunder will be able to continue to perform this Contract in accordance with its terms and conditions, and the Vendor or its subcontractors will not engage in conduct in performing services under this Contract which is similar in nature to the conduct alleged in any such litigation, arbitration or other proceedings.
- 14) Confidentiality of Data and Information. All financial, statistical, personnel, technical and other data and information relating to the State's operation which are designated confidential by the State and made available to the Vendor in order to carry out this Contract, or which become available to the Vendor in carrying out this Contract, shall be protected by the Vendor from unauthorized use and disclosure through the observance of the same or more effective procedural requirements as are applicable to the State. The identification of all such confidential data and information as well as the State's procedural requirements for protection of such data and information from unauthorized use and disclosure shall be provided by the State in writing to the Vendor. If the methods and procedures employed by the Vendor for the protection of the Vendor's data and information are deemed by the State to be adequate for the protection of the State's confidential information, such methods and procedures may be used, with the written consent of the State, to carry out the intent of this section.

The Vendor shall not be required under the provisions of this section to keep confidential:

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

- 15) 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 this Contract for a period up to 90 days after the Stop Work Order is delivered to the Vendor. The 90-day period may be extended for any further period for which the parties may agree. 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 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:
- a) Cancel the Stop Work Order, or
 - b) Terminate the work covered by the Stop Work Order as provided for in the termination for default or the termination for convenience clause of this Contract.

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 Contract price, or both, and the Contract shall be modified, in writing, accordingly, if:

- (1) 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 this Contract, and
- (2) The Vendor asserts its right to an equitable adjustment within 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 a proposal submitted at any time before final payment under his Contract.
- (3) 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.
- (4) The State shall not be liable to the Vendor for loss of profits because of a Stop Work Order issued under this term.

Section VII. Proposal Content and Organization

- 1) 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. Proposals 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) Proposal Content. Demonstrate compliance with all mandatory conditions, requirements and terms of performance.
- a) Clearly state your understanding of the problem(s) presented by this RFP.
 - i) Response to all technical specifications
 - ii) Cost proposal
 - b) Detailed description of Vendor's firm must include all of the following:
 - i) Full name, Federal Tax identification number, 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.
 - c) 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.
- 3) Proposal Format. The proposals should 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 proposal should contain a table of contents, which cross-references the RFP requirement and the specific page of the response in the Vendor's proposal. Forms, if any, provided in the RFP must be thoroughly completed and included in the appropriate section of the proposal. All discussion of proposed costs, rates, or expenses must be presented with the cost response.
- 4) Vendors are strongly encouraged to adhere to the following general instructions in order to bring clarity and order to the proposal and subsequent evaluation process:
- a) Elaborate proposals in the form of brochures or other presentations beyond that necessary to present a complete and effective proposal are not desired.

- b) The response should be complete and comprehensive with a corresponding emphasis on being concise and clear.
- 5) Proposal Organization: The proposal 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 proposal 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 numbers, and e-mail address of the person authorized by the organization to contractually obligate the organization;
 - iii) Identify the name, title, telephone and fax numbers, and e-mail address of the person authorized to negotiate the contract on behalf of the organization;
 - iv) Identify the names, titles, telephone and fax numbers, and e-mail addresses of persons to be contacted for clarification;
 - v) Acknowledge receipt of any and all amendments to this RFP.
 - b) Table of Contents
 - c) Response to Technical and Business Specifications
 - d) A Detailed Cost Response
- 6) Any proposal that does not adhere to these requirements may be deemed non-responsive and rejected on that basis.
- 7) 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.

Section VIII. Contractual Terms and Conditions

Definitions: As used herein;

State shall mean the State of North Carolina, the Office of Information Technology Services as an Agency or in its capacity as the Award Authority.

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

1) Standards: Manufactured items and/or fabricated assemblies comprising Deliverables shall meet all requirements of the Occupational Safety and Health Act (OSHA), and State and federal requirements relating to clean air and water pollution, if applicable. Vendor will provide and maintain a quality assurance system or program that includes any Deliverables and will tender to the State only those Deliverables that have been inspected and found to conform to the requirements of this Contract. All manufactured items and/or fabricated assemblies comprising Deliverables are subject to operation, certification or inspection, and accessibility requirements as required:

- by State or federal Regulation,
- by the Chief Information Officer's (CIO) policy or regulation, or

- acceptance with appropriate standards of operations or uses of said Deliverables as may be shown by identification markings or other means of the appropriate certifying standards organization.
 - a) **Site Preparation:** The Vendor shall advise the State of any site requirements for any services or Deliverables required by the State's specifications.
 - b) **Reserved:**
 - c) **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 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 products, goods or Deliverables. Alternate or substitute 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.
- 2) **Warranties:** Vendor shall assign all applicable third party warranties for Deliverables to the Purchasing State Agency.
- 3) **Personnel:** Vendor shall not substitute key personnel assigned to the performance of this Contract without prior written approval by the Agency Contract Administrator. Any desired substitution shall be noticed to the Agency's Contract Administrator 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 this Contract. Upon such termination, the Agency may request acceptable substitute personnel or terminate the contract services provided by such personnel.
- 4) **Subcontracting:** The Vendor may subcontract the performance of required services with other Vendors or third parties, or change subcontractors, only with the prior written consent of the 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. 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 contract; 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) **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 this Contract. Vendor will serve as the prime Vendor under this Contract. 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. 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).
- 6) **Reserved:**
- 7) **Reserved:**
- 8) **Travel Expenses:** Vendor may be reimbursed for travel expenses arising under the performance of this Contract at the out-of-state rates set forth in GS §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 this Contract.

9) 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 Contract. 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 this Contract and compensate Vendor for sums due under the Contract.

10) 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 Contract or award in question. Each individual signing below warrants that he or she is duly authorized by their respective Party to sign this Contract and bind the Party to the terms and conditions of this Contract. 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 this Contract; obligation or contract for future award of compensation as an inducement or consideration for making this Contract. 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) or Vendor(s) as permitted by 9 NCAC 06B.1009(f), 06B.1030, or other provision of law.

11) 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 this Contract. If this Contract 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 Contract or Purchase Order. If the term of this Contract extends into fiscal years subsequent to that in which it is approved, such continuation of the Contract is expressly contingent upon the appropriation, allocation and availability of funds by the N.C. Legislature for the purposes set forth in the Contract. If funds to effect payment are not available, the Agency will provide written notification to Vendor. If the Contract is terminated under this paragraph, Vendor agrees to take back any affected Deliverables and software not yet delivered under this Contract, terminate any services supplied to the Agency under this Contract, 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.

12) Payment Terms: Payment terms are Net 30 days after receipt of correct invoice or acceptance of the Deliverables, whichever is later; unless a period of more than 30 days is required by the Agency. The Purchasing State Agency is responsible for all payments under the Contract. 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 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.

13) Acceptance Criteria: In the event acceptance of Deliverables is not described in additional Contract documents, the State shall have the obligation to notify Vendor, in writing ten calendar days following the system upgrade as 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 shall not be unreasonably

withheld; but may be conditioned or delayed as required for the system upgrade and/or testing of Deliverables. Final acceptance is expressly conditioned upon completion of all applicable inspection and testing procedures. Should the Deliverables fail to meet any specifications or acceptance criteria the State may exercise any and all rights hereunder, including such rights provided by the Uniform Commercial Code as adopted in North Carolina. Deliverables discovered not executing or failing to conform to the specifications may be rejected upon initial inspection or at any later time if the defects contained in the Deliverables or non-compliance with the specifications was not reasonably ascertainable upon initial inspection. If the Vendor fails to promptly cure the defect or replace 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. When Deliverables are rejected, the Vendor must remove the rejected Deliverables from the premises of the State Agency within seven (7) calendar days of notification, unless otherwise agreed by the State Agency. Rejected items may be regarded as abandoned if not removed by Vendor as provided herein.

14) 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.

15) Reserved:

16) Advertising/Press Release: The Vendor absolutely shall not publicly disseminate any information concerning the Contract without prior written approval from the State or its Agent. For the purpose of this provision of the Contract, the Agent is the Purchasing Agency Contract Administrator unless otherwise named in the solicitation documents.

17) Confidentiality: In accordance with 9 NCAC 06B.0207 and 06B.1001 and to promote maximum competition in the State competitive bidding process, the State may maintain the confidentiality of certain types of information described in N.C. Gen. Stat. §132-1 et. seq. Such information may include trade secrets defined by N.C. Gen. Stat. §66-152 and other information exempted from the Public Records Act pursuant to N.C. Gen. Stat. §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. Gen. Stat. §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. Gen. Stat. §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.

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 NCGS §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 Office of Information Technology Services 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 this Contract in the strictest confidence and shall not disclose the same to any third party without the express written approval of the State .

18) Deliverables: Deliverables, as used herein, shall comprise all project materials, including goods, software, data, and documentation created during the performance or provision of services hereunder. Deliverables are the property of the State of North Carolina and must be kept confidential or returned to the Agency, to ITS procurement, or destroyed as required by the State. Proprietary Vendor materials licensed to the State shall be identified to the State by Vendor prior to use or provision of services hereunder and shall remain the property of the Vendor. Embedded software or firmware shall not be a severable Deliverable. The State's solicitation document may supplement or substitute this definition and the requirements set forth in this Paragraph. 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. All Software source and object code is the property of Licensor and is licensed nonexclusively to the State, at no additional license fee, pursuant to the terms of the software license contained herein, and in the Supplemental Terms and Conditions for Software and Services or the License Agreement if incorporated in the Solicitation Documents.

19) Late Delivery, Back Order: Vendor shall advise the Agency contact person or office immediately upon determining that any Deliverable will not, or may not, be delivered 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 substitute Deliverables or services.

20) 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 Deliverables supplied by the Vendor, or the operation of such Deliverables pursuant to a current version of Vendor-supplied software, infringes a United States patent, or copyright or violates a trade secret. The Vendor shall pay those costs and damages finally awarded 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) Should any services or software 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 United States patent,

copyright, or a trade secret, 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 this Contract 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 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.

21) Access to Persons and Records: Pursuant to N.C. General Statute 147-64.7, the Agency, the State Auditor, appropriate federal officials, and their respective authorized employees or agents are authorized to examine all books, records, and accounts of the Vendor insofar as they relate to transactions with any department, board, officer, commission, institution, or other Agency of the State of North Carolina pursuant to the performance of this Contract or to costs charged to this Contract. The Vendor shall retain any such books, records, and accounts for a minimum of three (3) years after the completion of this Contract. Additional audit or reporting requirements may be required by any Agency, if in the Agency's opinion, such requirement is imposed by federal or state law or regulation.

22) Assignment: Vendor may not assign this Contract 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 this Contract attorning to the terms and conditions agreed, and that Vendor shall affirm that the assignee is fully capable of performing all obligations of Vendor under this Contract. 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.

23) Insurance Coverage: During the term of the Contract, 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 Contract. 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 Contract. 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 Contract ; 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 Contract. 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 this Contract. 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

this Contract. 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 Contract.

24) 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 this Contract. 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 this Contract, or at law. This term shall not constitute an agreement by either party to mediate or arbitrate any dispute.

25) Default: In the event any Deliverable furnished by the Vendor during performance of any Contract term fails to conform to any material requirement of the Contract specifications, notice of the failure is provided by the State and the failure is not cured within ten (10) days, or Vendor fails to meet the requirements of Paragraph 13) herein, 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 28) and 29) and the obligation to informally resolve disputes as provided in Paragraph 24) of these Terms and Conditions. Default may be cause for debarment as provided in 09 NCAC 06B.1030. The State reserves the right to require performance guaranties pursuant to 09 NCAC 06B.1031 from the Vendor without expense to the State. 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 Deliverables within the time required by this Contract, the State may provide written notice of said failure to Vendor, and by such notice require payment of a penalty.
- 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 due to the State's failure. Vendor will use reasonable efforts to mitigate delays, costs or expenses arising from assumptions in the Vendor's bid 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 default if requested by the State. The plan shall state the nature of the default, the time required for cure, any mitigating factors causing or tending to cause the default, and such other information as the Vendor may deem necessary or proper to provide.

26) Waiver of Default: Waiver by either party of any default or breach by the other Party shall not be deemed a waiver or any subsequent default or breach and shall not be construed to be a modification or novation of the terms of this Contract, unless so stated in a writing and signed by authorized representatives of the Agency and the Vendor, and made as an amendment to this Contract pursuant to Paragraph 30)B) hereinbelow.

27) Termination: Any notice or termination made under this Contract 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 this Contract by written agreement at any time.
- b) The State may terminate this Contract, in whole or in part, pursuant to Paragraph 25), 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 28) and 29) 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 this Contract; 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 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.

28) Limitation of Vendor's Liability:

- a) Where Deliverables are under the State's exclusive management and control, the Vendor shall not be liable for direct damages caused by the State's failure to fulfill any State responsibilities of assuring the proper use, management and supervision of the Deliverables and programs, audit controls, operating methods, office procedures, or for establishing all proper checkpoints necessary for the State's intended use of the Deliverables.
- b) The Vendor's liability for damages to the State for any cause whatsoever, and regardless of the form of action, whether in contract or in tort, shall be limited to two times the value of the Contract.
- c) The foregoing limitation of liability shall not apply to the payment of costs and damage awards referred to in the Paragraph entitled "Patent, Copyright, and Trade Secret Protection", to claims covered by other specific provisions calling for liquidated damages or specifying a different limit of liability, or to claims for injury to persons or damage to property caused by Vendor's negligence or willful or wanton conduct. This limitation of liability does not apply to the receipt of court costs or attorney's fees that might be awarded by a court in addition to damages after litigation based on this Contract.

29) 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 this contract, whether tangible or intangible, arising out of the ordinary negligence, willful or wanton negligence, or intentional acts of the Vendor, its officers, employees, agents, assigns or subcontractors, in the performance of this Contract.
- 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, or for damage to alterations or attachments that may result from the normal operation and maintenance of the Vendor's goods.

30) General Indemnity: The Vendor shall hold and save the State, its officers, agents and employees, harmless from liability of any kind, including all claims and losses, with the exception of consequential damages, accruing or resulting to any other person, firm or corporation furnishing or supplying work, services, materials or supplies in connection with the performance of this Contract. The foregoing indemnification and defense by the Vendor shall be conditioned upon the following:

- a) The Agency shall give Vendor written notice within thirty (30) days after it has actual knowledge of any such claim(s) or action(s) filed; and
- b) The Vendor shall have the sole control of the defense of any such claim(s) or action(s) filed and of all negotiations relating to settlement or compromise thereof, provided, however, that the Agency or State shall have the option to participate at their own expense in the defense of such claim(s) or action(s) filed.

31) Changes: This Contract and subsequent purchase order(s) is awarded subject to shipment of quantities, qualities, and prices indicated by the order or Contract, and all conditions and instructions of the Contract or proposal on which it is based. Any changes made to this Contract 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 Deliverables or services delivered without a purchase order from the Agency or State Award Authority.

32) Reserved:

33) Time is of the Essence. Time is of the essence in the performance of this Contract.

34) Date and Time Warranty: The Vendor warrants that any Deliverable, whether hardware, firmware, middleware, custom or commercial software, or internal components, subroutines, and interface therein which performs any date and/or time data recognition function, calculation, or sequencing, will provide accurate date/time data and leap year calculations. This warranty shall survive termination or expiration of the Contract.

35) Independent Contractor: Vendor and its employees, officers and executives, and subcontractor, if any, shall be independent Vendors and not employees or agents of the State. This Contract shall not operate as a joint venture, partnership, trust, agency or any other business relationship.

36) Transportation: Transportation of 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.

37) Notices: Any notices required under this Contract 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.

38) Titles and Headings: Titles and Headings in this Contract are used for convenience only and do not define, limit or proscribe the language of terms identified by such Titles and Headings.

39) Amendment: This Contract 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 31) herein.

40) 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 this Contract. Applicable State or local sales taxes shall be invoiced as a separate item.

41) Governing Laws, Jurisdiction, and Venue:

a) This Contract is made under and shall be governed and construed in accordance with the laws of the State of North Carolina. The place of this Contract 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 this Contract, 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 this Contract. 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.

42) 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.

43) 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.

44) Severability: In the event that a court of competent jurisdiction holds that a provision or requirement of this Contract 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 this Contract 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.

45) 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.

46) Reserved.

47) Reserved.