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| <b>STATE OF NORTH CAROLINA</b><br><br><b>Department of Health and Human Services</b><br><br><b>Client Services Data Warehouse (CSDW) and Customer Data Warehouse (CDW) Operations and Maintenance Support</b> | <b>REQUEST FOR PROPOSAL NO. 30-DIRM-191-11</b>                                                                                |  |
|                                                                                                                                                                                                               | <b>Bids will be publicly opened: <u>August 19, 2010</u><br/>2:00 PM EST.</b>                                                  |  |
|                                                                                                                                                                                                               | <b>Contract Type: Open Market</b>                                                                                             |  |
| <b>Refer ALL Inquiries to:</b><br><br><b>Sherri Garte</b><br><br><b>Office of Procurement and Contract Services</b><br><br><b>Telephone No. 919-855-4086</b>                                                  | <b>Date Issued: July 15, 2010</b><br><br><b>Commodity Number: 920</b><br><br>Commodity: Data Processing Services and Software |  |
| <b>E-Mail: <a href="mailto:sherri.garte@dhhs.nc.gov">sherri.garte@dhhs.nc.gov</a></b>                                                                                                                         | <b>Using Agency Name: Division of Information Resource Management</b>                                                         |  |
| <b>(See page 2 for delivery instructions)</b>                                                                                                                                                                 | <b>Agency Requisition No. N/A</b>                                                                                             |  |

**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. Late bids are not acceptable.**

|                                               |                   |                   |
|-----------------------------------------------|-------------------|-------------------|
| Vendor:                                       | E-Mail:           |                   |
| 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:             |                   |

Offer valid for 120 days from date of bid opening.

**ACCEPTANCE OF BID:** If any or all parts of this bid are accepted, an authorized representative of DHHS shall affix his or her signature hereto and this document and the provisions of the special terms and conditions specific to this Request for Proposal, the specifications, and the State's General Terms and Conditions shall then constitute the written agreement between the parties. A copy of this acceptance will be forwarded to the successful Vendor(s).

**FOR NC DHHS USE ONLY**

Offer accepted and contract awarded this \_\_\_\_ day of \_\_\_\_\_, 2010, as indicated on attached certification, by \_\_\_\_\_ (Authorized representative of Department of Health & Human Services)

**ISSUING AGENCY:** Department of Health and Human Services  
Raleigh, North Carolina

**USING AGENCY:** Division of Information Resource Management  
Raleigh, North Carolina

**DELIVERY INSTRUCTIONS:** Vendor must deliver two signed originals of the Proposal and five copies of the same to the Issuing Agency in a sealed package with Company Name and RFP Number clearly marked on the front. Vendor must also submit 12 CDs, containing on each CD electronic copies of its Proposal in read-only format. The files on the discs should not be password-protected and should be capable of being copied to other media.

| <b>DELIVERED BY US POSTAL SERVICE</b>                                                                                                                                                                   | <b>DELIVERED BY ANY OTHER MEANS</b>                                                                                                                                                                             |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>BID NUMBER: 30-DIRM-191-11</b><br>Department of Health and Human Services<br>Office of Procurement and Contract Services<br>Attn: Sherri Garte<br>2008 Mail Service Center<br>Raleigh, NC 27699-2008 | <b>BID NUMBER: 30-DIRM-191-11</b><br>Department of Health and Human Services<br>Office of Procurement and Contract Services<br>Attn: Sherri Garte<br>801 Ruggles Drive, Hoey Building<br>Raleigh, NC 27603-2001 |

Sealed bids, subject to the conditions made a part hereof, will be received at 801 Ruggles Drive, Hoey Building until 2:00 PM on the day of opening and then opened, for furnishing and delivering the services 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 VI, Proposal Content and Organization requirements.

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 PM on July 27, 2010**. They must be sent via e-mail to: Sherri Garte (see page one of the cover sheet). Please insert “RFP 30-DIRM-191-11 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. Vendors are encouraged to submit questions as early as practical during the question and answer period. Vendors should use the Question and Answer Format shown in Figure C-1 below when submitting questions. Written questions shall be submitted in a document that is compatible with Microsoft Word 2003 (or less) in the format below.

Figure C-1. Question Format

| Question Number | Vendor Name | RFP Section No. | RFP Page Number | Question |
|-----------------|-------------|-----------------|-----------------|----------|
|                 |             |                 |                 |          |
|                 |             |                 |                 |          |

**Addenda to RFP:** If written questions are received prior to the submission date, one or more addenda comprising questions submitted and responses to such questions, or any additional terms deemed necessary by the State will be posted to the Interactive Purchasing System (IPS), <http://www.ips.state.nc.us/ips/deptbids.asp>, and shall become Addenda to this RFP.

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

**Basis for Rejection:** Pursuant to 9 NCAC 06B.0401, the State reserves the right to reject any and all offers, in whole or in part; by deeming the offer unsatisfactory as to quality or quantity, delivery, price or service offered; non-compliance with the 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.

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**NOTICE TO VENDORS:** The State objects to and will not be required to evaluate or consider any additional terms and conditions submitted with a Bidder’s response. This applies to any language appearing in or attached to the document as part of the Bidder’s response. By execution and delivery of this Request for Proposal and response(s), the Bidder agrees that any additional terms and conditions, whether submitted purposely or inadvertently, shall have no force or effect.

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**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. Introduction**

## **A. Statement of Objectives**

The North Carolina Department of Health and Human Services' (DHHS) is seeking to enter into a performance based contract with an experienced and successful Information and Technology Operations and Maintenance (O&M) Vendor. The Vendor shall assume sole responsibility for the Client Services Data Warehouse (CSDW) and Customer Data Warehouse (CDW) applications, operations and maintenance, user support for a fixed monthly fee. In addition, the Vendor shall develop and implement approved system enhancements under a plan that will cap the number of hours to be expended by the Vendor under the fixed price of this RFP that shall not exceed a total annual cost of 1.1 million dollars. The Vendor shall replace the current DHHS CSDW & CDW teams over a three month transition period.

The Vendor shall develop, implement and assume maintenance responsibility for all CSDW & CDW fixes, updates and enhancements. If State-requested enhancements exceed the capped hours included in the fixed monthly fee, a contract amendment shall be negotiated.

Because the work to be accomplished under this Contract involves the management of confidential client data, all work performed by the Vendor and its subcontractors shall be performed in the continental United States.

## **B. System Backgrounds**

### **1. CSDW**

The CSDW was developed in 1999 for DHHS to meet the Department's reporting and analysis needs. While CSDW is primarily used to develop State and Federal government mandated and ad hoc reports, it also compiles statistics and generates data samples for State and/or Federal agencies.

The current CSDW support team, comprised of contractors from multiple Vendors, supports six separate DHHS Divisions. Thirty (30) independent applications feed data into CSDW. Over 5,500 system end users have access to CSDW, with an average of 150 concurrent users accessing the system at any one time. During peak reporting periods, up to 400 concurrent users may access CSDW. CSDW system end users currently execute production and non-production report queries. CSDW reports impact over four hundred million dollars (\$400,000,000) in federal funds awarded to the State annually. To ensure that the system remains viable and fully supported with appropriate resources and back up resources, DIRM is seeking to award full responsibility for support and maintenance to a qualified Vendor, with quality business and technical staff resources to support CSDW long term.

### **2. CDW**

In July 1999, the Division of Mental Health/Developmental Disabilities/Substance Abuse Services

(MH/DD/SAS) replaced their Client Information System with a Customer Data Warehouse (CDW). CDW is a data repository for demographic, clinical, client outcomes and personal satisfaction data about clients served by MH/DD/SAS. Data stored in CDW is the primary source of information required in support of the Mental Health Block Grant (MHBG), Substance Abuse Block Grant (SABG), the ORYX<sup>®</sup> reporting system that is required to maintain accreditation by the Joint Commission, and Legislative information requests. Additionally, the CDW provides a rich source of information for planning and evaluation of the MH/DD/SAS Services provided to the citizens of North Carolina.

The current CDW support team is comprised of a vendor-supplied contractor and two DIRM employees. Data

interfaces to CDW come from several sources. This includes system extracts from freestanding applications, daily standard electronic data interchange (EDI) files from over 20 mental health organizations submitted via secure file transfer protocol (SFTP) mailboxes, and internal data feeds from Optical Character Recognition (OCR) collection instruments.

CDW system end users create and execute ad-hoc queries, execute standard report queries, submit client level reporting files to the appropriate federal agencies, and manage error files generated from the submission of EDI files to the CDW. The reports and client level data files produced from CDW have a direct impact on the recovery of over ninety-eight million dollars (\$98,000,000) in federal funds awarded annually. To ensure that the system remains viable and fully supported with appropriate resources, the State is seeking to award full responsibility for CDW support and maintenance to a proven Vendor, with quality business and technical staff resources to support CDW long term.

## Section II. Bidding Information

### A. Instructions to Vendors

1. Submission: 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. 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.
4. Miscellaneous: Masculine pronouns shall be read to include feminine pronouns and the singular of any word or phrase shall be read to include the plural and vice versa.
5. Vendor Registration and Solicitation Notification System: 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 at the following web site: <https://www.ips.state.nc.us/IPS/Vendor/Vndrmess.asp>

### B. General Conditions for Proposals

1. Definitions, Acronyms and Abbreviations. Generally, see 9 NCAC 06A.0102 for definitions. The following are additional defined terms:

| Term                     | Description                                                                                                                                                                                                                                                                                                                                                                                           |
|--------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Business Day             | Monday through Friday, 8:00 a.m. to 5:00 p.m., except State holidays.                                                                                                                                                                                                                                                                                                                                 |
| Capped Enhancement Hours | A predefined number of hours for the development, testing and implementation of State approved changes or improvements to the application or its components.                                                                                                                                                                                                                                          |
| DHHS                     | Department of Health and Human Services. <a href="http://www.ncdhhs.gov">www.ncdhhs.gov</a>                                                                                                                                                                                                                                                                                                           |
| DIRM                     | Division of Information Resource Management.<br><a href="http://www.dhhs.state.nc.us/dirm">http://www.dhhs.state.nc.us/dirm</a>                                                                                                                                                                                                                                                                       |
| Hearts                   | The State's name for the Quadramed Affinity Patient Accounting and Registration System used by all State Hospitals, Alcohol and Drug Treatment Centers and Development Disability Centers.                                                                                                                                                                                                            |
| IPRS                     | The initials for the "Integrated Payment And Reporting System." The IPRS is built on the State's Medicaid Management Information System (MMIS) and is used to track, pay and report on all claims submitted by providers for services rendered to Medicaid clients. For a single claim that contains multiple services, it will determine the appropriate funding source for payment of each service. |
| ITS                      | North Carolina Office of Information Technology Services.<br><a href="http://www.its.state.nc.us">http://www.its.state.nc.us</a>                                                                                                                                                                                                                                                                      |

| Term                              | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| MMIS+                             | The North Carolina Medicaid Management Information System. The “+” indicates the processing of some elements not directly related to Medicaid.                                                                                                                                                                                                                                                                                                             |
| NCTOPPS                           | NC-TOPPS is a MH/DD/SAS web-based system for gathering outcome and performance data on behalf of mental health and substance abuse consumers in North Carolina’s public system of services.                                                                                                                                                                                                                                                                |
| Operations & Maintenance Services | The process of supporting an application and/or component after delivery to correct defects, maintain performance and/or maintain compatibility with other elements in the technical environment to ultimately ensure the existing system and/or business functionality continues to operate as already designed. The maintenance of the application and/or component is not constrained by the time and/or size of the effort.                            |
| Reasonable, Necessary or Proper   | As used herein shall be interpreted solely by the State of North Carolina.                                                                                                                                                                                                                                                                                                                                                                                 |
| SLA                               | Service Level Agreement. A formal, written agreement between the State and the Vendor defining support levels, required performance levels, and reasonable penalties for support or performance deficiencies.                                                                                                                                                                                                                                              |
| System Enhancement Services       | The process of modifying an application and/or component after delivery intended to increase or decrease functionality and capability from the existing design. The change and/or addition to functionality and capability are not constrained by time and/or size of the effort.                                                                                                                                                                          |
| Transition                        | The transfer of knowledge and responsibilities from one person or team to another.                                                                                                                                                                                                                                                                                                                                                                         |
| 24x7x365                          | A statement of availability of systems, communications, and/or supporting resources every hour (24) of each day (7 days weekly) (365 days per year) throughout every year for periods specified herein. Where reasonable downtime is accepted, it will be stated herein. Otherwise, 24x7x365 implies NO loss of availability of systems, communications, and/or supporting resources during times that ITS has deemed the system to be accessible for use. |
| Vendor                            | Company, firm, corporation, partnership, individual, etc., submitting a response to a solicitation. In this instance, the Vendor is the firm awarded the contract for the North Carolina CSDW-CDW System Maintenance and Operations.                                                                                                                                                                                                                       |

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

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. Vendors must clearly and concisely explain the benefits and merits of their proposals.
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 the Agency contact or procurement officer named on Page 2 above may be grounds for rejection of said Vendor's offer. Agency contact regarding this RFP with any Vendor may be grounds for cancellation of this RFP.
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 or Internet Website Addresses (URLs) will not suffice as a response to this solicitation.
6. Conflict of Interest. Applicable standards include: N.C.G.S. §§ 14-234, 133-32, and 147-33.100. The Vendor shall not knowingly employ or use 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.
7. Contract Term. A contract awarded pursuant to this RFP shall have an effective date as provided in the Notice of Award. The initial term shall be three (3) years, and will expire upon the anniversary date of the effective date unless otherwise stated in the Notice of Award, or unless terminated earlier. The State shall have the option to extend this contract for two (2) additional one (1) year periods 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. Historically Underutilized Businesses. Pursuant to General Statute 143-48, 143-128.4 and Executive Order #13, 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.nc.gov/hub/>
10. Clarifications/Interpretations. Any and all amendments or revisions to this document shall be made by written addendum from the DHHS 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 or the other is obviously correct, the incorrect price will be disregarded.
11. 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, determines whether Waiver of Competition criteria may be satisfied, and if so, negotiate with one or more Vendors.
12. 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.
13. 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.
14. 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.
15. A proposal may not be unilaterally modified by the Vendor for a 120 day period following the delivery of the proposal, or of any best and final offer.

### **C. Evaluation Process**

1. Best Value Procurement. "Best Value" procurement methods are authorized by N.C.G.S. §143-135.9. 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 procurement.

2. Source selection. A one step, 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.

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.

3. 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.

To be eligible for consideration, a Vendor must meet the intent of all 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.

Vendors are advised that DHHS 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.

4. 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 request BAFOs from the highest scoring 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.
5. Scoring. The State shall follow the Steps listed below in reviewing and scoring the Proposal:

Step 1 -Evaluation Preparation

The Evaluation Team shall ensure that all storage, security, and communication concerns are addressed.

Step 2 –Proposal Evaluation

All Cost sections will be removed and distributed to the DIRM Contracts Office for review and scoring and later distribution to the Evaluation Team. Members of the Evaluation Team will review and score all assigned sections of the proposals. After initial scoring the team will meet to discuss scoring and discussion issues and questions. Clarifications may be asked of the vendor prior to completion of scoring. Scoring adjustments may be made at any time based on any deficiencies or positives identified with the proposal. Reference checks and interviews will be used to confirm the experience and qualifications of the proposed Vendors, as appropriate.

### Step 3 –Cost Evaluation

The DIRM Contracts Office will score the cost section based on the lowest price being awarded the maximum points that can be awarded based on the procurement document. The remaining proposals will receive points based on percentage of increase difference between the lowest price and the proposal cost being scored using the following formula:

(5 year cost of proposal being evaluated) divided by (5 year lowest cost proposal) multiplied by (total points available for cost) equals (total cost points)

### Step 4 –Vendor Selection

The selection of Highly Qualified Vendors occurs when all sections of the Vendor proposals have been scored and a total score has been assigned to each Vendor. If a vendor fails to submit the required information for an evaluation criterion, the Vendor will be awarded zero points for the specific criteria. In consideration of all total scores available, the Evaluation Team selects at least two (2) Vendors who are deemed to be the most capable or able to satisfy the procurement needs of the State.

### Step 5 –Vendor Demonstration

A vendor demonstration is not required for this evaluation.

Table 1: Evaluation Criteria

|   | <b>Evaluation Criteria</b>                                                                                                                                                                                                                                                                             | <b>Maximum Possible Points</b> |
|---|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|
| 1 | The Vendor has documented and validated its experience in providing business and systems analysis, software development, software quality control, software project management and applications support functions for new and /or existing production data warehouse systems within the last 36 months | 200                            |
| 2 | Documented Vendor plan to meet the requirements defined in Section III, Technical Specification and Scope of Work                                                                                                                                                                                      | 200                            |
| 3 | Proof of financial stability and strength required to deliver proposed service                                                                                                                                                                                                                         | 100                            |
| 4 | Documented experience in working with data warehouse systems and appropriate technical skills for CSDW-CDW as demonstrated by Staff resumes                                                                                                                                                            | 100                            |
| 5 | Documented experience in working with data warehouse systems and appropriate technical skills for CSDW-CDW as documented by Staff references                                                                                                                                                           | 100                            |
| 6 | Lowest cost proposal for three (3) year contract term and two (2) optional renewal years that meets all RFP requirements will be awarded the maximum possible cost points. Other vendors will be awarded a prorated score based on the percentage (%) variance from the lowest score.                  | 500                            |
|   | <b>Total Possible Points</b>                                                                                                                                                                                                                                                                           | <b>1,200</b>                   |

In addition, the State may rate any Vendor's Proposal as unacceptable, regardless of total score, if any element of that Proposal is deemed unacceptable. Examples of this include, but are not limited to:

- a. Substantiated feedback from references indicating a history of failure to achieve promised results; and
  - b. Inability or unwillingness to comply with contract terms; and
  - c. Proposed prices that are inadequately supported by the proposed solution.
6. 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.
7. Interactive Purchasing System. DHHS 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 RFP number from the first page, and then search. This information may not be available for several weeks, depending upon the complexity of the acquisition and the length of time to complete the evaluation process.
8. Initiative Schedule. In Table 2 are the key planned dates for this solicitation and evaluation. The State reserves the right to modify the timetable at any time.

| Table 2 : Estimated Initiative Schedule                                                          |                                                 |
|--------------------------------------------------------------------------------------------------|-------------------------------------------------|
| Milestone                                                                                        | Estimated Number of Calendar Days after Posting |
| Final Vendor questions due                                                                       | 25 calendar days                                |
| Proposals due                                                                                    | 45 calendar days                                |
| Competitive range determination and notification of High Qualified Vendors presentation schedule | 80 calendar days                                |
| Final negotiations/BAFOs (if required)                                                           | 100 calendar days                               |
| Contract awarded                                                                                 | 120 calendar days                               |

9. 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 .1102 - .1121.

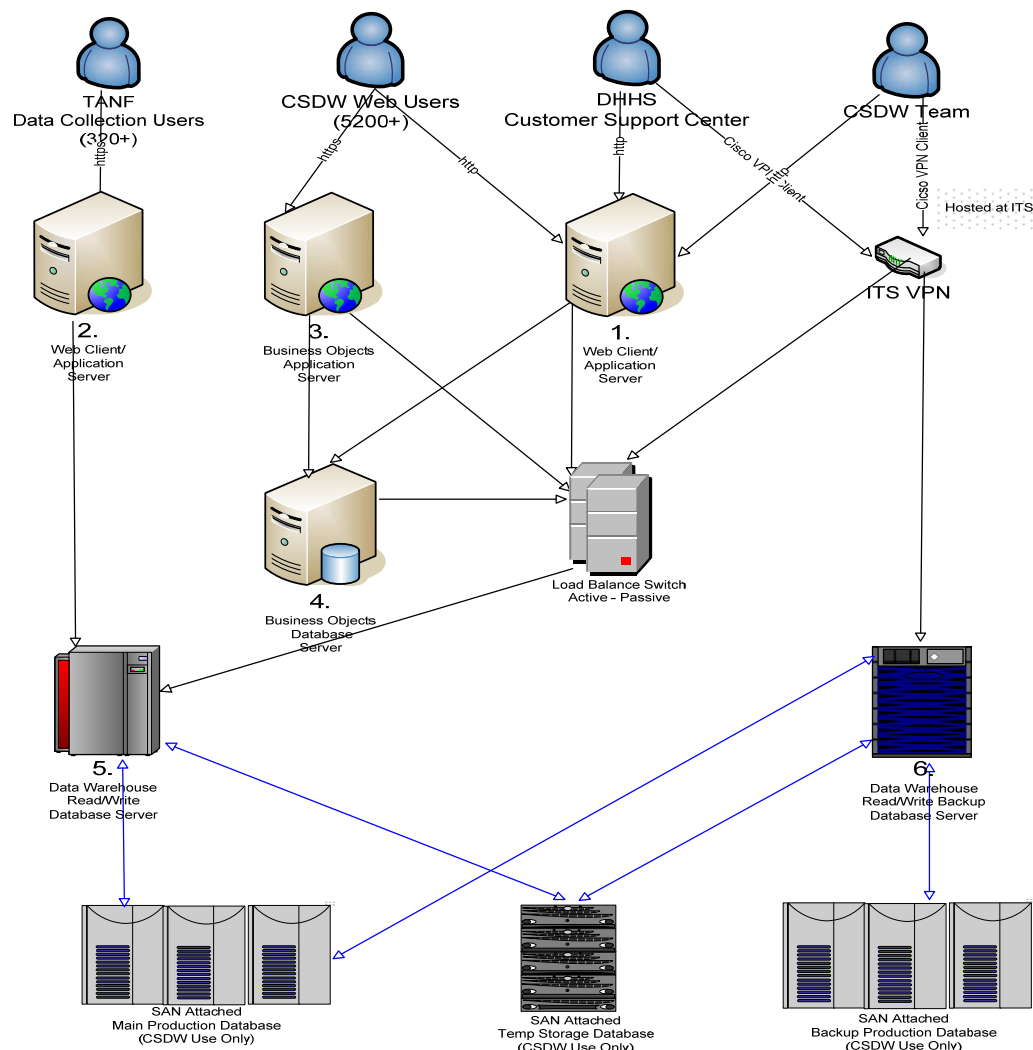
## Section III Technical Specifications and Scope of Work

### A. CSDW Technical Environment

1. Hardware and Software. The current CSDW system consists of a front end report generation and management system which resides on multiple Windows based servers utilizing SAN storage and a back end database system which resides on multiple Sun Solaris servers utilizing SAN storage. Figure 1 on page 16 represents the current high level hardware architecture model of the production CSDW system. It shows the logical flow of information when the system end user requests data from the CSDW.

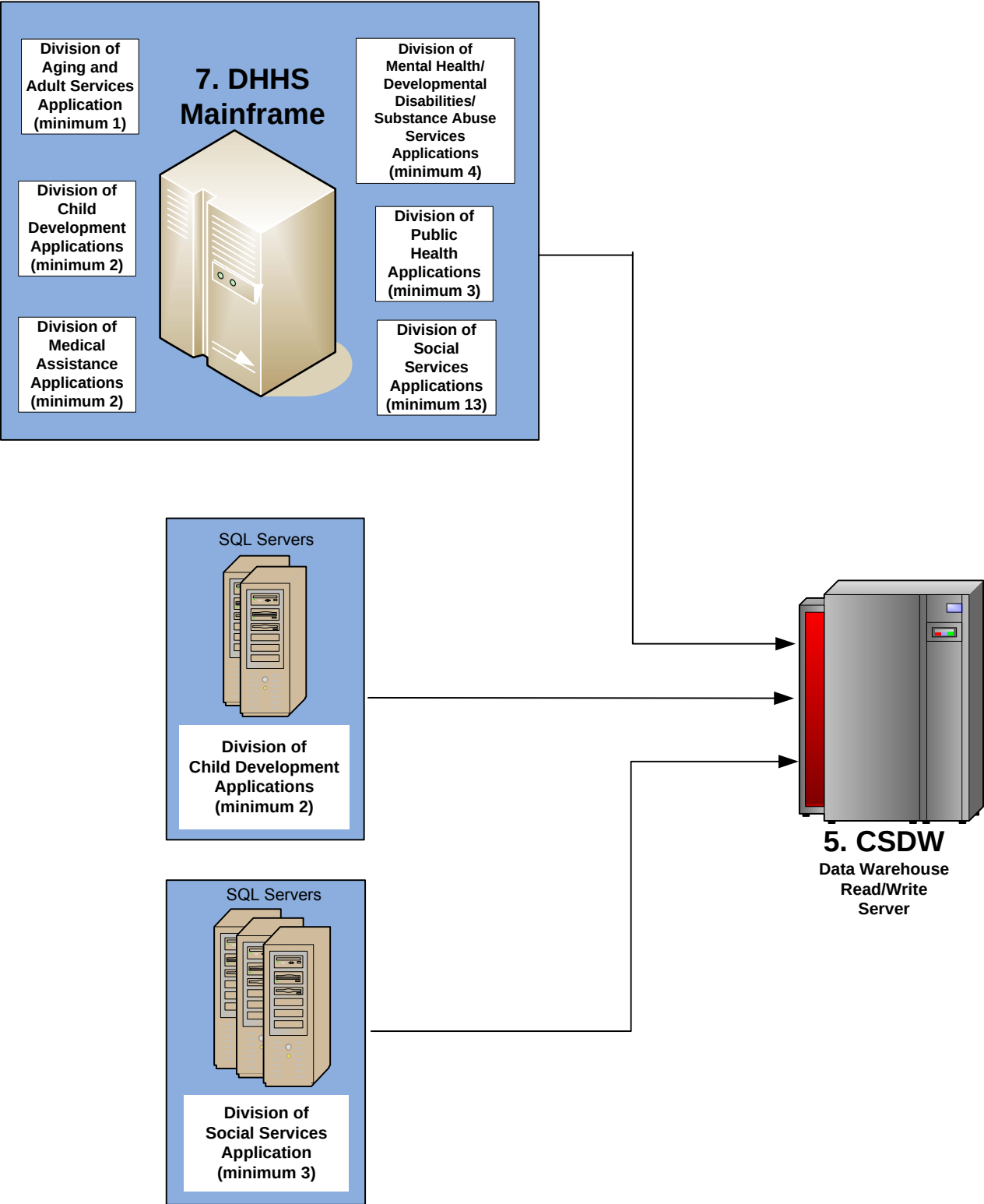
Figure 2, on page 17 shows the current logical flow of information between CSDW servers during the Extract, Transform and Load (“ETL”) process or when data is extracted from the source application, transformed and then loaded into the data warehouse. CSDW environments and servers and the specific software that is currently used to operate the system can be found in Attachment D.

**Figure 1: Current CSDW High Level Production System Architecture Model**



**Figure 2: Current CSDW High Level Extract, Transform and Load**

Production System Architecture Model



2. CSDW Databases. The CSDW production database contains approximately 392 tables. These are primarily de-normalized fact tables. The CSDW warehouse design is not a Star Schema. DIRM utilizes Sybase IQ which allows use of a standard flat data model. A summary of the current number of tables, procedures, views and disk space used by environment is listed below in Table 3.

| Table 3: Summary of Current CSDW Database Tables, Procedures, Views and Disk Space |                  |                   |             |                  |
|------------------------------------------------------------------------------------|------------------|-------------------|-------------|------------------|
| Environment                                                                        | Number of Tables | Stored Procedures | Table Views | Disk Space Usage |
| Production                                                                         | 392              | 124               | 62          | Approx. 5.5 TB   |
| Development                                                                        | 457              | 130               | 83          | Approx. 5.5 TB   |
| Test                                                                               | 392              | 124               | 62          | Approx. 5.5 TB   |

The current production database is expected to grow 25% annually as a result of the natural growth of existing data tables through increased source system data volume. The annual rate of growth may exceed this rate depending on the amount and complexity of the system development/enhancement work required of the Vendor Team.

3. Extract, Transform and Load (“ETL”) Process and Job Information for CSDW. Thirty (30) source systems feed CSDW. See Attachment B. Several of the current source systems have sub systems from which data is also extracted and loaded into the warehouse. The number of systems that feed CSDW will increase as decisions are made to store and report data for additional existing State systems through CSDW and/or when new State government systems are implemented.

The Vendor shall be responsible for all program code and scripts which move data from source applications to the data warehouse. All CSDW ETL processes are fully automated and execute the following basic job steps:

- a. Create extract data files via the mainframe, workstations, and servers through scheduled extract jobs;
- b. Transfer extract data files to the CSDW Prod Sybase IQ production write server on the primary Solaris Server using Harbor File Transfer and/or FTP; and
- c. Upon validation of the presence of data files and other set flags on the CSDW Prod Sybase IQ Server, transform and then load data to the warehouse; i.e., the Sybase IQ database.

Depending on the business requirement, ETL production extract jobs are executed on a regularly scheduled basis, either hourly, daily, weekly, monthly, quarterly or annually. The execution time for CSDW ETL production jobs ranges from eighty (80) seconds to six (6) hours, depending on the complexity of the source system and the amount of data involved. Jobs are executed both during and outside of business hours. Support after business hours is occasionally required. ETL development extract jobs are executed on an ad hoc basis in the development environment for testing purposes only.

Zeke is the scheduler used for production jobs in the mainframe environment. Zeke is event driven and jobs are executed based on the completion of a previous job step. Cron is the scheduler used in the

UNIX environment; “Automate” is a CSDW developed program that controls the initiation of ETL jobs based on triggers set by application systems as they transfer files to the CSDW Prod Sybase IQ Server. “Automate” is scheduled to execute every five minutes by Cron. The ETL jobs are UNIX scripts that invoke utilities and ETL Cobol programs.

The approximate number of current jobs that the Vendor will be initially responsible for, by platform, is summarized in Table 4 below:

| Table 4: Summary of Current CSDW Jobs by Platform and Operation System |                |
|------------------------------------------------------------------------|----------------|
| Computer Platform (Operating System)                                   | Number of Jobs |
| IBM Mainframe (z/OS)                                                   | 90             |
| Sun Solaris (Unix)                                                     | 345            |
| Intel (Windows)                                                        | 9              |

The jobs listed above incorporate programs that have been written using the following software languages:

- a. JCL;
- b. Unix script;
- c. Cobol; and
- d. SAS.

4. End User System Access and Report Queries for CSDW. System end users access information in the warehouse (Sybase IQ database) via a web interface developed in Business Objects. Using a web browser, clients access the Business Objects Application server which currently executes on Windows 2003. The Business Objects server accesses an MS SQL server which contains security authorizations and other information. The client submits a query which triggers the Business Objects database server to issue a query to one of the production Sybase Query domains. The Sybase query domain extracts records from the database and returns them to the client’s web browser. None of the existing ETL routines use commercial off-the-shelf (COTS) ETL tools.

CSDW system end users currently execute approximately 1,400 production report queries for DHHS clients. Because CSDW data is readily available for client use, system end users have also developed their own report queries. To date, system end users have developed approximately eighty-five thousand (85,000) non-production report queries that are executed on demand. There are, in addition, six (6) production reporting sub-systems that use CSDW data to produce Federal reports. Some of these sub systems also produce tables that are accessed by system end users who create their own non-production reports.

The Vendor shall assume the responsibility for all CSDW production report queries. In addition, the vendor will provide consultation and support to system end users who have developed non-production queries and reports using CSDW data.

5. CSDW Workload Estimates. On average, the current CSDW Team responds to approximately 500 service deliverable tickets per year. Table 5 below is a rough estimation of the type of work represented in those tickets and time expenditures.

| Table 5: Current Year Estimated CSDW Workload                          |                       |                           |
|------------------------------------------------------------------------|-----------------------|---------------------------|
| Service Deliverable (Fixed Monthly Fee)                                | Estimated Hours Spent | Estimated % of Total Time |
| Enhancement SOW and Technical Specifications                           | 2,672                 | 16%                       |
| System Maintenance and Operations                                      | 4,224                 | 25%                       |
| Client/System End User Support (System Training and Help Desk Support) | 2,112                 | 12%                       |
| General System Management / Other                                      | 2,112                 | 12%                       |
| Enhancement Coding and Testing                                         | 6,000                 | 35%                       |
| Total                                                                  | 17,120                | 100%                      |

6. CSDW Technical Skill Requirements. Management of the CSDW system requires the use of numerous technical skills, including:

- a. Systems management;
- b. Project management;
- c. Business analysis;
- d. Requirements gathering;
- e. System analysis and design;
- f. System development;
- g. System coding and scripting;
- h. Data analysis and data modeling;
- i. Database software installation on Windows servers (not currently required for UNIX and Linux servers);
- j. Database analysis and design;
- k. Database administration;
- l. System unit testing, system integration testing, and performance testing;
- m. System configuration;
- n. Software release management;
- o. System performance management;
- p. System capacity planning;
- q. Help desk support;
- r. System training;
- s. Query development and Reporting; and
- t. General System Management.

The Vendor Team must have experience using the software items and tools listed in the following Table 6.

Table 6: Required CSDW Technical Skill Specifications

| Knowledge Area           | Id # | Software Requiring Vendor Expertise         | Extent of Use<br>5 = Greatest<br>1 = Least | DIRM Resource Currently Utilizing Skill |
|--------------------------|------|---------------------------------------------|--------------------------------------------|-----------------------------------------|
| Application/<br>Software | 1    | Business Objects XI R2, SDK                 | 5                                          | All                                     |
|                          | 2    | Cobol, MicroFocus Cobol                     | 5                                          | SD                                      |
|                          | 3    | Easytrieve                                  | 3                                          | TL, BA, SD                              |
|                          | 4    | Harbor File Transfer                        | 5                                          | SD, DBA                                 |
|                          | 5    | JCL                                         | 5                                          | BA, SD                                  |
|                          | 6    | PERL                                        | 2                                          | SD, DBA                                 |
|                          | 7    | SAS 9                                       | 5                                          | SD                                      |
|                          | 8    | Unix - Kornshell                            | 5                                          | SD, DBA                                 |
|                          | 9    | Visual Basic                                | 4                                          | SD, DBA                                 |
|                          | 10   | Visual SourceSafe 2005                      | 4                                          | All                                     |
|                          | 11   | Visual Studio.Net 2005                      | 4                                          | SD, DBA                                 |
| Database                 | 12   | DB2                                         | 3                                          | SD. DBA                                 |
|                          | 13   | IMS                                         | 3                                          | SD                                      |
|                          | 14   | MS ACCESS                                   | 2                                          | All                                     |
|                          | 15   | Oracle                                      | 2                                          | DBA                                     |
|                          | 16   | SQL Server 2000, 2005                       | 5                                          | DBA                                     |
|                          | 17   | Sybase (IQ/ASE) 12.6, 12.7                  | 5                                          | DBA                                     |
|                          | 18   | VSAM                                        | 3                                          | SD                                      |
| Desktop Tools            | 19   | Business Objects Designer                   | 5                                          | All                                     |
|                          | 20   | Business Objects Import Wizard              | 5                                          | TL, DBA                                 |
|                          | 21   | Business Objects Intelligence               | 5                                          | All                                     |
|                          | 22   | Eclipse 3.x                                 | 3                                          | DBA                                     |
|                          | 23   | Microsoft Office 2003                       | 5                                          | All                                     |
|                          | 24   | Microsoft Visio 2005                        | 5                                          | All                                     |
|                          | 25   | Terminal Server Client – X Windows for Unix | 5                                          | All                                     |
|                          | 26   | VI Editor                                   | 5                                          | All                                     |
| Operating System         | 27   | MVS/TSO                                     | 5                                          | BA, SD                                  |
|                          | 28   | Unix - Solaris                              | 5                                          | DBA                                     |
|                          | 29   | Windows 2000, 2003, NT                      | 5                                          | DBA                                     |
| Networking               | 30   | Active Directory                            | 4                                          | DBA                                     |
|                          | 31   | Cisco VPN, Firewall                         | 4                                          | DBA                                     |
|                          | 32   | Novell                                      | 4                                          | DBA                                     |
|                          | 33   | TCP/IP                                      | 4                                          | DBA                                     |
| Web Applications         | 34   | Apache Tomcat 6.0                           | 3                                          | DBA                                     |
|                          | 35   | ASP .Net                                    | 4                                          | DBA                                     |
|                          | 36   | FTP – Filezilla Secure                      | 3                                          | All                                     |
|                          | 37   | HTML                                        | 3                                          | SD, DBA                                 |
|                          | 38   | IIS 6                                       | 3                                          | SD                                      |
|                          | 39   | Web Java JEE 1.50.12                        | 3                                          | SD, DBA                                 |

| Table 6: Required CSDW Technical Skill Specifications |      |                                     |                                            |                                         |
|-------------------------------------------------------|------|-------------------------------------|--------------------------------------------|-----------------------------------------|
| Knowledge Area                                        | Id # | Software Requiring Vendor Expertise | Extent of Use<br>5 = Greatest<br>1 = Least | DIRM Resource Currently Utilizing Skill |
| Web Browsers                                          | 40   | .Net 2.0                            | 2                                          | SD, DBA                                 |
|                                                       | 41   | MQ Series                           | 2                                          | SD, DBA                                 |
|                                                       | 42   | Internet Explorer 6.x and above     | 5                                          | All                                     |
|                                                       | 43   | Mozilla Firefox 2.x and above       | 5                                          | All                                     |
|                                                       | 44   | Netscape 6.x and above              | 5                                          | All                                     |
| <b>Resource Legend:</b>                               |      | <b>BA:</b> Business Analyst         | <b>SD:</b> Systems Developer               |                                         |
|                                                       |      | <b>DBA:</b> Data Base Administrator | <b>TL:</b> Team Lead                       |                                         |

7. CSDW Technical Documentation. CSDW technical documentation is available and covers the following topics: project management, business analysis, data requirements, security requirements, ETL specifications, CSDW component implementation, release notes, etc. A CSDW data dictionary is also available which lists data elements, descriptions, attributes, data mappings and translation data. The Vendor Team is responsible for the maintenance of all existing technical documentation and the development of new documentation, as appropriate. Complete and submit Attachment H to receive the CSDW procurement information library CD that contains the available technical documentation for CSDW.

## B. Technical Environment CDW

1. Hardware and Software. The current CDW system consists of:
- Java swing application as a front end query system, PC SAS/C/Perl for report generation and programs developed in Java, C, Cobol, Perl, and shell script to extract data from various systems and load to CDW database; and
  - a back end database system which resides on AIX Unix server utilizing SAN storage.

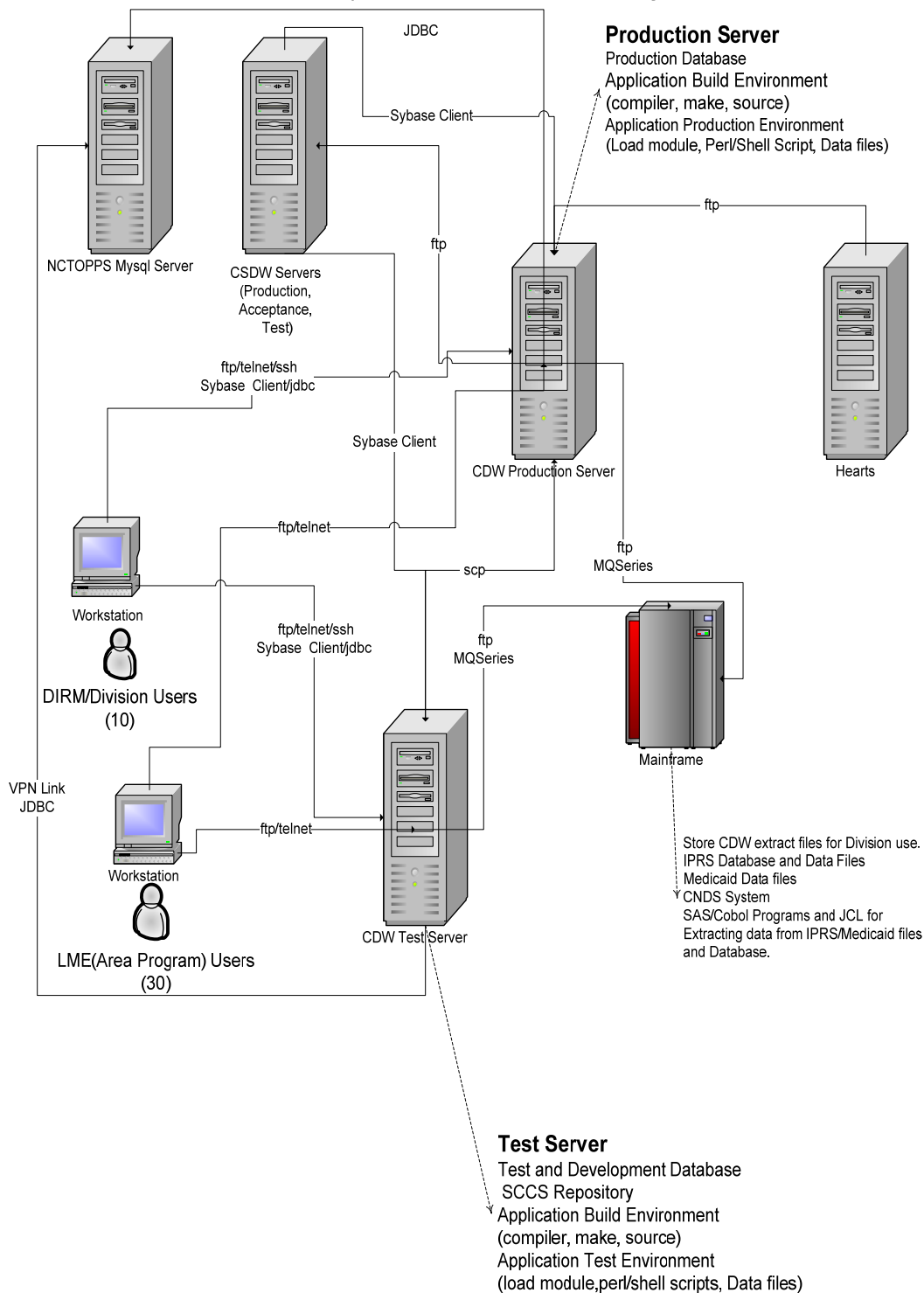
Figure 1, on page 20, illustrates at a high level the architecture of the production and test environments of the CDW system. It shows the physical flow of information between CDW servers and other servers/machines.

Figure 2, on page 21, illustrates the logical flow of information between the CDW system and other application systems during the ETL process when data is extracted from the source application, transformed, and then loaded into the data warehouse.

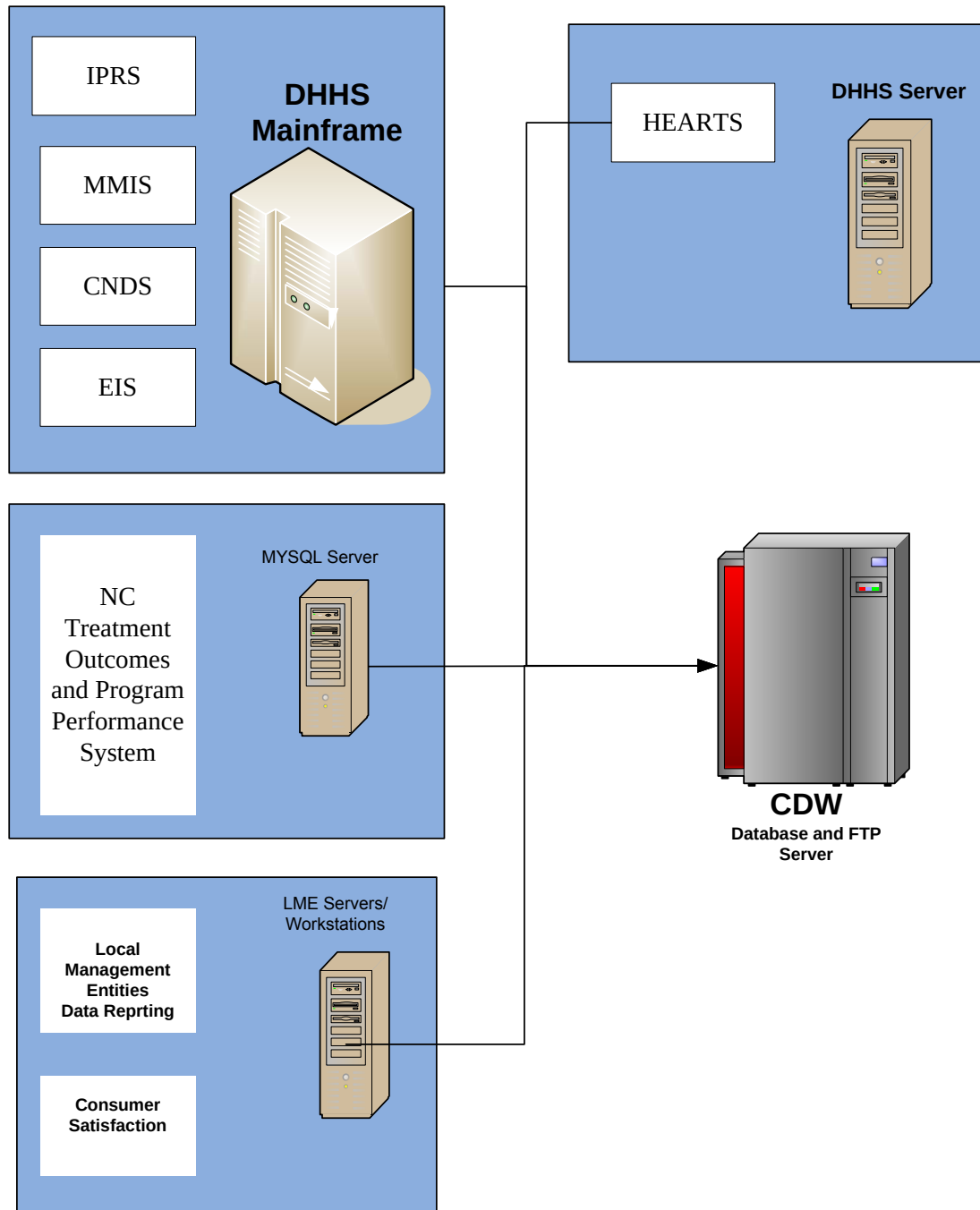
The CDW environments and servers and the specific software that is used to operate the system are described in Attachment E.

**Figure 1 : Current CDW High Level System Architecture**

## CDW Physical Architecture Diagram



**Figure 2 : Current CDW High Level Extract, Transform and Load**



### **Production System Architecture Model**

2. **CDW Databases.** The CDW production database contains approximately 67 tables. In addition to the Production Database, the CDW has 10 State Fiscal Year (“SFY”) snapshot databases. The SFY 2008-2009 snapshot database consists of approximately 6 GB of data.

A summary of the current number of tables, procedures, views, and disk space used by environment is listed below in Table 7.

| Table 7: Summary of Current CDW Database Tables, Procedures, Views and Disk Space |               |                   |             |                  |
|-----------------------------------------------------------------------------------|---------------|-------------------|-------------|------------------|
| Environment                                                                       | No. of Tables | Stored Procedures | Table Views | Disk Space Usage |
| Production                                                                        | 67            | 2                 | 47          | Approx. 22 GB    |
| Development                                                                       | 67            | 2                 | 47          | Approx. 22 GB    |
| Test                                                                              | 67            | 2                 | 47          | Approx. 22 GB    |

The current production database is expected to grow 25% annually as a result of the natural growth of existing data tables through increased source system data volume. The annual rate of growth may exceed this rate depending on the amount and complexity of the system development/enhancement work required.

3. **Extract, Transform and Load (ETL) Process and Job Information for CDW**

Approximately seven (7) source systems feed CDW. The number of data elements reported by Local Management entities to the CDW System may increase as decisions are made to store and report data for additional State and Federal reporting.

Production and test ETL jobs are executed on a regularly scheduled basis; e.g., daily, weekly, monthly, or annually. The execution time for CDW ETL production jobs ranges from few minutes to ten hours, depending on the amount of data involved. Jobs are executed both during and outside of business hours. Support after business hours is occasionally required. Development ETL jobs are executed on an ad hoc basis in the development environment for testing purposes only. CDW Report programs are executed on a schedule or on an ad hoc basis; e.g. daily, monthly, quarterly, or annually. IPRS extract jobs are executed manually on weekly basis. Medicaid extract jobs are executed manually on monthly basis. These ETL jobs or mainframe JCLs invoke Cobol and SAS programs.

Cron is the scheduler used in the UNIX environment. Cron allows for the automation of the initiation of ETL and Report jobs based on triggers set by Local Management Entity “LME” users or on regular time interval. The ETL jobs are UNIX scripts that invoke utilities and C program or Perl, SQL scripts. Some report jobs are executed manually to invoke PC SAS programs.

A summary of the number of jobs currently used by Platform and Operating system are defined in Table 8 below.

| Table 8: Summary of Current CDW Jobs by Platform and Operation System |                |
|-----------------------------------------------------------------------|----------------|
| Computer Platform (Operating System)                                  | Number of Jobs |
| IBM Mainframe (z/OS)                                                  | 8              |
| Sun Solaris (Unix)                                                    | 50             |
| Intel (Windows)                                                       | 15             |

The jobs listed above incorporate programs that have been written using the following software languages:

- a. JCL;
  - b. Unix Shell;
  - c. Perl script;
  - d. C;
  - e. Java;
  - f. Cobol; and
  - g. SAS.
4. CDW End User System Access and Reports. Division users access information in the CDW database via the “Swing” java application, database query tools, reports, and PC SAS. LME users access information in CDW Database via reports and data dump files. LME users submit client information in specified format using ftp to the CDW Production server. Each LME has their own folder on the CDW servers where they can place their own data files and receive error/summary reports. Data files and reports in placed in the LME folders are encrypted using a PGP public key encryption. In addition to the error and missing data reports, an LME can request dump of their data that is contained in the CDW database. CDW LME users receive approximately 20 reports on a monthly, quarterly, or annual basis. CDW receives the Hearts Hospital billing system data daily in a specified format. The CDW also generates reports and data files for ORYX Block Grant, etc. reporting on a monthly, quarterly, or annual basis. The CDW sends a trigger to the CSDW every month so that the CSDW can start extracting data from the CDW Database using SQL query tools.
5. CDW Workload Estimates. On average, the CDW Team responds to approximately 500 service tickets each year and in the past year has spent a total of 2,760 hours responding to those tickets.
6. CDW Technical Skill Requirements. Management of the CSDW system requires the following technical skills:
- a. Systems management;
  - b. Project management;
  - c. Business analysis;
  - d. Requirements gathering;
  - e. System analysis and design;
  - f. System development;
  - g. System coding and scripting;
  - h. Data analysis and data modeling;
  - i. Database software installation on Windows servers (not currently required for UNIX and Linux servers);

- j. Database analysis and design;
- k. Database administration;
- l. System unit, system, integration and performance testing;
- m. System configuration;
- n. Software release management;
- o. System performance management;
- p. System capacity planning;
- q. Help desk support;
- r. System training;
- s. Query development and Reporting; and
- t. General System Management.

The Vendor Team must have experience with the Software listed in Table 9. Resources assigned by the Vendor must have proficiency and work experience using the application data base software, networking, web and desktop languages and product tools listed.

| Table 9: Software Requiring Vendor Experience |    |                               |                                        |                                               |
|-----------------------------------------------|----|-------------------------------|----------------------------------------|-----------------------------------------------|
| Knowledge Area                                | Id | Technical Skill Qualification | Extent of Use<br>5=Greatest<br>1=Least | DIRM Resource<br>Currently<br>Utilizing Skill |
| Application/<br>Software                      | 1  | Cobol                         | 5                                      | SD,BA                                         |
|                                               | 2  | C                             | 5                                      | SD,BA,TL                                      |
|                                               | 3  | JCL                           | 5                                      | SD                                            |
|                                               | 4  | PERL                          | 5                                      | SD                                            |
|                                               | 5  | SAS 8                         | 4                                      | SD,BA,TL                                      |
|                                               | 6  | Unix – Kornshell              | 5                                      | SD                                            |
| Database                                      | 7  | DB2                           | 3                                      | SD,TL, DBA                                    |
|                                               | 8  | MYSQL                         | 3                                      | SD,DBA                                        |
|                                               | 9  | Sybase ASE 12.5               | 5                                      | SD,DBA,TL                                     |
|                                               | 10 | VSAM                          | 2                                      | SD                                            |
| Desktop Tools                                 | 11 | Netbeans 5                    | 4                                      | All                                           |
|                                               | 12 | Eclipse 3.x                   | 2                                      | DBA                                           |
|                                               | 13 | Microsoft Office 2003         | 5                                      | All                                           |
|                                               | 14 | Microsoft Visio 2005          | 3                                      | All                                           |

| Table 9: Software Requiring Vendor Experience |    |                                     |                                        |                                               |
|-----------------------------------------------|----|-------------------------------------|----------------------------------------|-----------------------------------------------|
| Knowledge Area                                | Id | Technical Skill Qualification       | Extent of Use<br>5=Greatest<br>1=Least | DIRM Resource<br>Currently<br>Utilizing Skill |
|                                               | 15 | Sybase SQL Advantage                | 5                                      | All                                           |
|                                               | 16 | VI Editor                           | 5                                      | All                                           |
| Operating System                              | 17 | MVS/TSO                             | 4                                      | BA, SD                                        |
|                                               | 18 | Unix – AIX                          | 5                                      | SD                                            |
| Networking                                    | 19 | FTP                                 | 3                                      | SD                                            |
|                                               | 20 | TCP/IP                              | 3                                      | SD                                            |
| Applications                                  | 21 | WS FTP PRO                          | 3                                      | SD                                            |
|                                               | 22 | PGP                                 | 5                                      | SD                                            |
|                                               | 23 | JAVA, SWING, JDBC                   | 4                                      | SD                                            |
|                                               | 24 | MQ Series                           | 4                                      | SD, DBA                                       |
| Web Browsers                                  | 25 | Internet Explorer 6.x and above     | 5                                      | All                                           |
|                                               | 26 | Mozilla Firefox 2.x and above       | 5                                      | All                                           |
|                                               | 27 | Netscape 6.x and above              | 5                                      | All                                           |
| <b>Resource Legend</b>                        |    | <b>BA:</b> Business Analyst         | <b>SD:</b> Systems Developer           |                                               |
|                                               |    | <b>DBA:</b> Data Base Administrator | <b>TL:</b> Team Lead                   |                                               |

## **C. Scope of Work**

1. Transition. The transition of responsibility for the CSDW-CDW systems will occur in three distinct phases:
  - a. Phase I: Assessment of the Current Environment by the Vendor;
  - b. Phase II: System Support Transition to Vendor; and
  - c. Phase III: Full Systems Support by Vendor.

The tasks and deliverables for each phase are described in detail below.

### **Phase I - Assessment of Current Environment**

Timeframe: One (1) Calendar Month

The Vendor shall conduct a full assessment of the business, software, and hardware and infrastructure environments of the CSDW-CDW systems and shall develop a transition plan that describes how the Vendor will assume full responsibility for the maintenance and operation of the systems from the incumbent team. Technical documentation and source code will be made available to the Vendor to assist the Vendor in gaining a technical understanding of the system and the associated technical architecture. Representatives of the CSDW-CDW business units will be available to meet with the Vendor to provide a clarification, from the Department's business perspective, of the business requirements for system support. The Vendor shall submit a draft transition plan to the DIRM Contract Administrator for his or her approval. The plan must document the tasks to be executed during the Systems Support Transition phase. DIRM will retain operational control of the CSDW-CDW systems during this assessment phase.

If the Vendor fails to obtain DIRM's approval of the Vendor's Transition Plan by the end Phase I, DIRM may not allow the Vendor to enter Phase II pending plan approval. The Vendor will not receive additional reimbursement for any efforts or time above the fixed price. The Phase II transition period will not begin until DIRM has approved the Vendor's Transition Plan.

### **Phase II - Systems Support Transition**

Expected Timeframe: Second and Third (2nd & 3rd) Calendar Months following completion of Phase I

During this phase, support for the CSDW-CDW systems will be incrementally transitioned to the Vendor as described in the approved Transition Plan. The Vendor shall prepare and deliver a weekly report of the status of each task in the Transition Plan.

The final form of the Service Level Agreement (SLA) shall be negotiated by the parties and approved by the DIRM Contract Administrator. The SLA shall be governed by the terms and conditions in this RFP. DIRM will retain operational oversight until the Vendor assumes sole responsibility. By the end of Phase II, the Vendor shall be solely responsible for support of all CSDW-CDW system functions.

Phase III shall not begin until all Phase II tasks have been completed and approved by the DIRM Contract Administrator. The Vendor's reimbursement for Phase II shall be fixed and shall not be increased on the ground that Phase II lasts longer than scheduled.

### Phase III - Full System Support

Expected Timeframe: Beginning at start of fourth 4th Calendar Month

The Vendor shall provide full system support for the CSDW-CDW systems during Phase III.

2. CSDW-CDW Operations and Maintenance (“O&M”). The CSDW-CDW hardware and operating systems are currently hosted at the State’s IT Operations Center in Raleigh, NC. The Office of Information Technology Services (ITS) is responsible for the hardware, operating systems, and environments under a Service Level Agreement (SLA) with DIRM. ITS provides installation, upgrades, monitoring support, and disaster recovery for NC DHHS infrastructure and operating system software. In addition, ITS provides twenty-four hours by seven days a week (24 x 7) monitoring of the production environment for unusual behavior, error conditions, and hardware, applications, and operating systems failures. Activities related to hosting of the CSDW-CDW will be under the supervision of DIRM and ITS.

Clearly delineated and maintained development, testing, and production environments and a physical separation of hardware where necessary for security and configuration purposes are required. A Vendor developed Configuration Management Plan shall govern changes made to the environments. CSDW & CDW application changes will be coordinated by the Vendor with the Hosting Service Provider in a controlled, secure method to protect the integrity of the system. Operating System changes, patches, and upgrades are to be coordinated by the Vendor with ITS according to ITS established time frames.

O&M activities consist of five major categories:

- a. Production Support: Production Support activities include fixing system interrupts, monitoring online and after-hour’s processes, and verifying Operating System (OS) changes and updates performed by ITS.
- b. Maintenance Support: Maintenance support activities include:
  - i. corrective actions for maintaining existing functionality;
  - ii. applying changes as required for State or Federal rule changes and reporting requirements; and
  - iii. review of requested enhancements, including the creation of technical specifications and fixed hour estimates for enhancement requests.
- c. User Support: The Vendor shall work with CSDW-CDW business users to define priorities, understand business needs, and provide technical and functional Help Desk Support. User Support generally requires 10 percent of the total overall effort.
- d. Infrastructure Support: The Vendor shall periodically review the technical architecture (e.g., servers, operating systems, utility software, application software, and SAN storage) to ensure that the architecture is capable of meeting the CSDW-CDW business users objectives. The Vendor shall work with DIRM management to obtain approval for modifications to the technical architecture. The Vendor shall with work with DIRM technical staff and ITS technical staff to coordinate changes to the technical architecture.
- e. Application Enhancements: The Vendor shall work with CSDW-CDW business users and DIRM technical staff to develop and implement application enhancements. An enhancement is a change that increases or decreases functionality and capability from the existing design.

3. Communication Repository. The Vendor shall update and maintain a centrally managed and accessible digital, communication repository in a DIRM-provided file structure. All documents produced as part of O&M and enhancement activities shall be maintained in this repository.
4. Service Level Agreement The Service Level Agreement shall be subject to periodic review by the DIRM Contract Administrator. The Service Level Agreement may be modified to reflect revised commitments in accordance with the change procedures detailed within the governing SLA.

Annually, DIRM Contract Administrator shall conduct a formal review of the SLA with the Vendor to determine the actions needed to bring the SLA in line with the current and projected needs of the Department's stakeholders. Any resulting proposed SLA changes shall be processed in accordance with the change procedures detailed within the governing SLA.

The SLA must contain at a minimum, the operation metrics set out in the following Table 10.

| Table 10 : Operation Metrics                                      |         |          |         |                                                                                                                                                                                                              |
|-------------------------------------------------------------------|---------|----------|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                   | From    | To       | Days    | Comments                                                                                                                                                                                                     |
| Normal Hours of Business Operations                               | 8:00 am | 5:00 pm  | Mon-Fri | Majority of online activity will occur during this period.                                                                                                                                                   |
| System Maintenance Window (EST)                                   | 4:00 am | 12:00 pm | Sun     | ITS System Maintenance Window may or may not affect proposed solution. ITS Maintenance schedule will be provided to Vendor as published by ITS.                                                              |
| Online Backup Time Range (EST)                                    | TBD     | TBD      | Mon-Sun | The system is expected to be available during this period.                                                                                                                                                   |
| Batch Time Range (EST)                                            | TBD     | TBD      | Mon-Sun | The system is expected to be available during this period (if needed).                                                                                                                                       |
| Maximum Planned Downtime / Week                                   | TBD     | TBD      |         | Weekly planned system maintenance window (if needed).                                                                                                                                                        |
| Maximum Unplanned Downtime During Normal Business Hours Per Month | TBD     | TBD      |         | 99% Availability                                                                                                                                                                                             |
| Hours of System Availability                                      | TBD     | TBD      | Mon-Sun |                                                                                                                                                                                                              |
| Hours of Operation (State of Emergency)                           | 24x7    |          | Mon-Sun | If the State of North Carolina declares a State of Emergency, the system must be available 24x7. Any off-line processes will be suspended unless expressly instructed by an authorized State representative. |

|                                          |           |     |  |                                                                                                                                                                |
|------------------------------------------|-----------|-----|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Maximum Restore Time                     | 12 Hours  |     |  |                                                                                                                                                                |
| Average Retention Period for Online Data | 60 Months |     |  | CDW only - Annual end of year unload files are needed, once the fiscal year's data are finalized. These files serve as the official counts for clients served. |
| Offline Backup Time Range (EST)          | TBD       | TBD |  | As soon as the backup is complete, the system is expected to be returned to normal operation.                                                                  |

5. Stakeholder Support Process. System maintenance and operations, system development/enhancement related work as well as all other types of client and system end user work will be initiated by CSDW-CDW stakeholders. Stakeholders may request system support by:

- a. email;
- b. entry of a DIRM-provided incident management system ticket;
- c. telephone call to the DHHS CSDW-CDW Help Desk; or
- d. review and discussion with the CSDW-CDW Support Team, who will enter the appropriate ticket in the tracking system.

Once received, all CSDW-CDW technical support requests must be logged into the DIRM-provided consolidated incident management system. System support requests entered into the ticket management system are referred to as “tickets” and must be assigned a ticket type.

All problems and requests for services shall be categorized by Impact Level and by Urgency Level, as shown below:

|                         |   |                      |
|-------------------------|---|----------------------|
| Impact Level of Request | 1 | Extensive/Widespread |
|                         | 2 | Significant/Large    |
|                         | 3 | Moderate/Limited     |
|                         | 4 | Minor/Localized      |

|                          |   |          |                                                                                                                                                              |
|--------------------------|---|----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Urgency Level of Request | 1 | Critical | An outage that results in the unavailability of the hosted environment or a problem that has persisted at Urgency Level 2 for more than eight business hours |
|                          | 2 | High     | An outage where the hosted environment is available but one or more of the critical functions provided by the system is not operational                      |
|                          | 3 | Medium   | Degradation of non-critical system functions                                                                                                                 |
|                          | 4 | Low      | General questions or informal contacts                                                                                                                       |

If the Vendor does not resolve an Urgency Level 1 or 2 problem by the deadline specified in the SLA, and if the Department has met all of its responsibilities and obligations as set forth in the contract and in the SLA, then the Department shall be entitled to assess a performance penalty against the Vendor pursuant to the terms of the SLA.

6. Change Management Process. Vendor shall not make any system enhancements unless the approved Change Management Process has been followed and a change request has been approved. The Change Management Plan shall not become effective until it has been approved in writing by DHHS. The change process, which shall apply to all proposed changes to the Services, shall contain the following concepts:
- a. Any document resulting from the change management process that is to be binding upon the Parties shall be signed by both the Vendor's and the State's respective representatives with appropriate level of signature authority.
  - b. The Vendor shall review change requests, develop technical specifications for proposed changes, and develop an estimate of the man-hours required for the implementation of proposed changes. These services shall be provided to DIRM at no cost beyond the fixed monthly O&M fee.
  - c. The Vendor shall not begin work on an enhancement until a change request has been formally approved pursuant to the Change Management Plan.
  - d. All enhancements are to be provided in exchange for fixed number of hours as contained in the approved Change Request, the Vendor shall be solely responsible for any hourly costs in excess of the approved Change Request hourly total.
  - e. The change process shall include procedures through which the Parties interact to propose, refine and, if agreement is reached, sign-off or execute documentation binding them to proposed changes. However, the change process shall not define or direct any aspect of the manner in which each Party seeks internal approval of changes within that Party's own decision making hierarchy.
  - f. Routine changes made in the ordinary course of Vendor's provision of O&M Services that neither change service levels nor reduce the Vendor's capacity to attain established service levels (such as, but not limited to, changes to operating procedures, schedules and equipment configurations) and that do not substantially alter Vendor's ability to meet contractual time frames or substantially alter the cost to the Vendor to perform such changes shall be made at no cost beyond the fixed monthly O&M fee.
  - g. The Vendor must create a Statement of Work (SOW) for all change requests. The Statement of Work must include, at a minimum, a description of the client and/or system end user requirements, as well as the description of the technical work required to satisfy the request and the estimated timeframe.
  - h. The Contract Administrator will prioritize all change requests and outstanding problems. The timeframe for resolution of incidents will depend on the nature of the system problem or issue to be addressed.
7. Key Vendor Responsibilities. The following tables identify the key responsibilities that shall be executed by the Vendor.

| System Support |                                                                                                                                                                                     |
|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| a.             | Provide system support each DHHS business day from 8:00 a.m. until 5:00 p.m. Provide on-call support 24 hours X 7 days a week to resolve critical and high system defects or to run |

| System Support |                                                                                                                                                                                                                           |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                | selected jobs.                                                                                                                                                                                                            |
| b.             | Provide on-call after hours production support between the hours of 5:00 p.m. to 8:00 a.m. during the processing of daily, weekly, monthly, quarterly and annual jobs and to respond to critical and high system defects. |
| c.             | Create, submit, and execute jobs, processes, programs, and screens required for automated functions.                                                                                                                      |
| d.             | Update, maintain and improve system and user documentation.                                                                                                                                                               |
| e.             | Identify, analyze, and correct all application defects in any changed or updated program pursuant to the CSDW and CDW priority levels, time estimates and to the State ITS Architecture guidelines.                       |
| f.             | Research and document compatibility, viability, time estimates, risks and opportunity cost for any system enhancement requests.                                                                                           |
| g.             | Correct or update data, files, databases, and tables for data loads, corrections, and testing.                                                                                                                            |
| h.             | Follow life cycle development procedures as documented in the SLA for system development/enhancements and modifications.                                                                                                  |
| i.             | Utilize the DIRM Issue Management System “Remedy” or its replacement to receive notice of defects and issues and to track, update and enter resolution.                                                                   |
| j.             | Install and configure CSDW & CDW Application and database software.                                                                                                                                                       |
| k.             | Perform system analysis on a scheduled basis and document conclusions.                                                                                                                                                    |
| l.             | Perform system testing for any enhancement or change to application functionality or design, including load and stress testing.                                                                                           |
| m.             | Manage all files and all utility scripts.                                                                                                                                                                                 |
| n.             | Identify, document and request operating system patches or upgrades that will improve system performance.                                                                                                                 |
| o.             | Periodically review the technical architecture (servers, operating systems, utility software application software, and SAN storage) to ensure that it is capable of meeting the CSDW & CDW business users’ objectives.    |
| p.             | Work with DIRM technical staff and ITS technical staff to implement changes to the technical architecture.                                                                                                                |
| q.             | Manage the secure ftp mailboxes, including account management/permissions and managing multiple encryption keys for the different mental health organizations                                                             |

| Performance Monitoring |                                                                                                                                                                                                                                           |
|------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| a.                     | Provide documentation of ongoing capacity analysis and system monitoring to DIRM Contract Administrator as defined in the SLA to ensure that sufficient resources are available for present and future data storage and processing needs. |
| b.                     | Conduct performance tuning to ensure optimal performance as it relates to hardware utilization, data storage and processing, and query response times for CSDW & CDW system and databases.                                                |
| c.                     | Participate in reviews conducted by DIRM's Compliance Verification Section and the DHHS Privacy and Security Office as requested by the DIRM Contract Administrator.                                                                      |
| d.                     | Meet or exceed the required performance expectation and prepare performance reports as specified in the approved SLA.                                                                                                                     |

| Client Meetings and Training |                                                                                                                                                                                                                                                                                                                                                                                                                                |
|------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| a.                           | Prepare for and conduct monthly client meetings. Vendor shall conduct and chair monthly scheduling and planning meeting. Vendor is responsible for preparing an agenda and other materials and delivering them to the DIRM Contract Administrator for review and comments two (2) days prior to the client meetings. Vendor shall produce and distribute meeting minutes within three (3) business days following the meeting. |
| b.                           | Schedule, prepare and conduct Client training sessions as needed following system enhancements or at the request of the DIRM Contract Administrator.                                                                                                                                                                                                                                                                           |
| c.                           | Conduct and/or participate in other meetings as requested by the DIRM Contract Administrator and/or the Client agencies.                                                                                                                                                                                                                                                                                                       |
| d.                           | Provide CSDW & CDW Users with training (e.g. train the trainer) as needed for major system updates and enhancements, or as requested by the DIRM Contract Administrator.                                                                                                                                                                                                                                                       |

| Disaster Recovery |                                                                                                                                                                                                                                                                                                               |
|-------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| a.                | Review and update the Disaster Recovery Plan to maximize provisions for continuous availability (hot site) or timely recovery and resumption of service during times of disaster; work with the State while maintaining full responsibility to submit annual updates to the DHHS Privacy and Security Office. |
| b.                | Conduct and/or participate in annual disaster recovery tests. Update the Disaster Recovery Plan to improve on identified issues. These tests may be required in conjunction with an ITS Disaster Recovery exercise.                                                                                           |
| c.                | The Vendor shall have all systems and system databases recovered within 24 hours after a disaster occurs once ITS makes available the appropriate hardware and operating system.                                                                                                                              |

| Management Reports and Other Tasks |                                                                                                                                                                                                                                                                |
|------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| a.                                 | Prepare and submit written reports and recommendations, including Corrective Action Plan(s) (CAP), status reports, quality assurance reports, status logs, meeting minutes, test reports, and analytical reports in the formats specified or approved by DIRM. |
| b.                                 | Participate in internal and external audits and reviews of the CSDW & CDW System, as required by the State.                                                                                                                                                    |
| c.                                 | Provide CSDW & CDW System information as required for Business Impact Analysis, Business Continuity Planning, Continuity of Operations Planning, Application Portfolio Management, and other tasks.                                                            |

**D. Key Vendor Deliverables**

| Deliverable                                 | Deliverable Description and Frequency                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|---------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Transition Plan                             | The Transition Plan shall be presented in project schedule format with scheduled start and completion time for the transition tasks, time estimates and required resources. A Risk Matrix and an Issues Log must be included in the plan. The plan is due three business days prior to the end of the Phase I transition period.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Every Two Weeks Status Meetings and Reports | <p>The Vendor shall schedule and chair regularly scheduled status meetings (every two weeks throughout the duration of the contract or as determined by the State). The meetings shall be scheduled at DHHS Facilities in Raleigh, NC and on-site attendance by the Vendor's Technical Lead is required.</p> <p>The Vendor shall prepare status reports every two weeks. These reports shall clearly indicate the status of each ticket and any expected changes to the time, quantity, or quality of the fix or deliverable. The status report shall include a detailed status of all tasks and project deliverables completed, in process, planned, delayed, or added. The report must include an updated Risk Matrix, Issues Log, Project Work Plan and other documents reasonably required by the State.</p> <p>"Every Two Week Status Reporting" by the Vendor shall start at the completion of Phase II and shall be due two business days prior to the scheduled every two week status meeting.</p> |
| System Technical Architecture Review        | Deliver a completed Technical Architecture and System Design review findings document within six (6) months after contract execution and then repeat review and documentation at twelve (12) month intervals until the end of the contract.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Quality Assurance Reviews                   | At the request of the DIRM Contract Administrator, the Vendor Project Manager shall attend DIRM's Quality Assurance ("QA") Reviews and provide status updates on CSDW & CDW System maintenance. Within thirty (30) business days after the QA Review, the Vendor shall submit to DIRM a written plan for the execution of the corrective actions that were approved by DIRM during the QA Review. The DIRM Contract Administrator may extend the deadline if the Vendor shows good cause for the extension.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Project Schedule                            | <p>The Vendor's proposal must contain a detailed draft Project Schedule (MS Project version 2003 compatible). Before the end of the transition phase an updated project schedule reflecting all tasks, start and finish dates and assigned resources for the next twelve (12) month period shall be completed by the Vendor with input from the CSDW &amp; CDW stakeholders.</p> <p>An updated schedule reflecting new requests that are scheduled for completion in the next twelve (12) months is due with the "every two weeks status reports" in MS Project and PDF format.</p>                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Issues List                                 | The Vendor shall deliver an updated Issues List with the Transition Plan and shall maintain and distribute that list on a monthly basis for the term of the contract.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

| Deliverable                | Deliverable Description and Frequency                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Risk Matrix                | The Vendor shall deliver a Risk Matrix with the Transition Plan and shall deliver and updated Risk Matrix on a monthly basis for the term of the contract.                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Service Level Agreement(s) | <p>The Vendor must obtain DIRM's approval of the Vendor's SLA before the end of Transition Phase II. The Vendor must review and update the SLA each time the SLA is impacted by a change in the service level requirements. If there have been no changes, SLA is to be reviewed periodically, at a minimum of every six (6) months.</p> <p>The Vendor's failure to obtain DIRM's approval of an SLA by week sixteen of the contract shall result in DIRM determining the SLA to which the Vendor Team, by default, must adhere.</p>                                                                                                     |
| Disaster Recovery          | <p>The Vendor shall review and deliver an updated Disaster Recovery (DR) Plan before the end of the transition period.</p> <p>The Vendor shall deliver an updated Disaster Recovery Plan within 20 business days after the conclusion of each DR test identifying that no improvements are necessary, or updating the plan with needed improvements. Reviews and updates as due every 12 months.</p>                                                                                                                                                                                                                                     |
| Change Management Plan     | <p>The purpose of the Change Management plan for the CSDW &amp; CDW O&amp;M is to provide a guide on how to handle changes through a controlled process.</p> <p>The Change Management plan will be maintained and updated by the Vendor throughout the entire contract. The plan will identify the process, procedures and tools utilized to execute Change Management for software, systems, plans, procedures, requirements and enhancement for CSDW &amp; CDW.</p> <p>The Vendor shall deliver a change management plan within 90 calendar days of contract execution for review and approval by the DIRM Contract Administrator.</p> |

DHHS will provide feedback to the Vendor via a semi-annual Performance Assessment. The purpose of this assessment is to provide the Vendor with information to enable it to improve its service delivery. Vendor performance will be an important aspect in DHHS' determination of whether to award the optional Contract extensions.

## Section IV. Cost Proposal

1. The State seeks Cost Proposals that quote:
  - a. a single fixed cost for Phase I of the Contract;
  - b. a single fixed cost for Phase II of the Contract; and
  - c. a fixed monthly cost for each month of Operations and Maintenance (“O&M”) during Phase III of the Contract. Vendors may quote a fixed monthly cost for all five years of the contract.
2. The cost of each month of Operations and Maintenance during Phase III of the Contract shall be fixed regardless of the number of staff hours actually expended on O&M services by the Vendor during the month and regardless of the complexity of the work.
3. The amounts paid by the State for Operations and Maintenance during Phase III of the Contract must cover the cost of 6,000 hours of System Enhancement Services per contract year.
4. The total annual cost must not exceed 1.1 million dollars.
5. Vendors must submit their Cost Proposals in the format specified in RFP Attachment A.
6. Additional instructions regarding Cost Proposals are provided in RFP Attachment A.

## Section V. Other Requirements and Special Terms

1. Disclosure of Litigation. The Vendor's failure to fully and timely comply with the requirements of this section or to provide reasonable assurances satisfactory the State may constitute a material breach of this Contract.
  - a. The Vendor shall notify the State in its bid proposal, if it, or any of its subcontractors, or their officers, directors, or key personnel who may provide services under any contract awarded pursuant to this solicitation, have ever been convicted of a felony, or any crime involving moral turpitude, including, but not limited to fraud, misappropriation or deception. Vendor shall promptly notify the State of any criminal litigation, investigations or proceeding involving Vendor or any subcontractor, or any of the foregoing entities' then current officers or directors during the term of this Contract or any Scope Statement awarded to Vendor.
  - b. Vendor shall notify the State in its bid proposal, and promptly thereafter as otherwise applicable, of any civil litigation, arbitration, proceeding, or judgments against it or its subcontractors during the three (3) years preceding its bid proposal, or which may occur during the term of any contract awarded to Vendor pursuant to this solicitation, that involve (1) services or related goods similar to those provided pursuant to any contract and that involve a claim that may affect the viability or financial stability of the Vendor, or (2) a claim or written allegation of fraud by the Vendor or any subcontractor hereunder, arising out of their business activities, or (3) a claim or written allegation that the Vendor or any subcontractor hereunder violated any federal, state or local statute, regulation or ordinance. Multiple lawsuits and or judgments against the Vendor or subcontractor shall be disclosed to the State to the extent they affect the financial solvency and integrity of the Vendor or subcontractor.
  - c. All notices herein shall be provided in writing to the State within thirty (30) calendar days after the Vendor learns about any such criminal or civil matters. Details of settlements which are prevented from disclosure by the terms of the settlement shall be annotated as such. Vendor may rely on good faith certifications of its subcontractors addressing the foregoing, which certifications shall be available for inspection at the option of the State.
2. Criminal Conviction. In the event the Vendor, an officer of the Vendor, or an owner of a 25% or greater share of the Vendor, is convicted of a criminal offense incident to the application for or performance of a State, public or private contract or subcontract; or convicted of a criminal offense including but not limited to any of the following: embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, attempting to influence a public employee to breach the ethical conduct standards for State of North Carolina employees; convicted under State or federal antitrust statutes; or convicted of any other criminal offense which in the sole discretion of the State, reflects upon the Vendor's business integrity and such vendor shall be prohibited from entering into a contract for goods or services with any department, institution or agency of the State.
3. Security and Background Checks. The Agency reserves the right to have the Vendor conduct and document to the Agency a security background check at the Vendor's expense. The Agency reserves the right to approve any employee or agent provided by Vendor, and to refuse access to or require replacement of any such personnel for cause, including, but not limited to, technical or training qualifications, quality of work or change in security status or non-compliance with the Agency's security or other requirements.

4. Confidentiality of State's 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, (1) information generally available to the public, (2) information released by the State generally, or to the Vendor without restriction, (3) information independently developed or acquired by the Vendor or its personnel without reliance in any way on otherwise protected information of the State. Notwithstanding the foregoing restrictions, the Vendor and its personnel may use and disclose any information which it is otherwise required by law to disclose, but in each case only after the State has been so notified, and has had the opportunity, if possible, to obtain reasonable protection for such information in connection with such disclosure.
5. Project Management. All project management and coordination on behalf of the Agency shall be through a single point of contact designated as the DIRM Contract Administrator. Vendor shall designate a Vendor Technical Lead (designated as key personnel) who will provide a single point of contact for management and coordination of Vendor's work. All work performed pursuant to this Contract shall be coordinated between the DIRM Contract Administrator and the Vendor Technical Lead. The Vendor shall follow the DHHS established Project Management Methodology (PMM) for DIRM. Documentation is located at <http://dirmpmm.dhhs.state.nc.us/>
6. Meetings. In addition to the scheduled "every two weeks meetings", the Vendor is required to meet with Agency personnel, or designated representatives, to resolve technical or contractual problems that may occur during the term of the Contract. Meetings will occur as problems arise and will be coordinated by Agency. The Vendor will be given reasonable and sufficient notice of meeting dates, times, and locations. Face to face meetings are required. Consistent failure of the Vendor Technical Lead to participate in problem resolution meetings, two (2) consecutive missed or rescheduled meetings, or failure to make a good faith effort to resolve problems, may result in termination of the Contract.
7. Transition Assistance. If this Contract is not renewed at the end of this term, or is canceled prior to its expiration, for any reason, the Vendor must provide, for up to three (3) months after the expiration or cancellation of this Contract, all reasonable transition assistance requested by the State, to allow for the expired or canceled portion of the Services to continue without interruption or adverse effect, and to facilitate the orderly transfer of such services to the State or its designees. Such transition assistance will be deemed by the parties to be governed by the terms and conditions of this Contract, (notwithstanding its expiration or cancellation) except for those Contract terms or conditions that do not reasonably apply to such transition assistance. The State shall pay the Vendor for any resources utilized in performing such transition assistance at the most current rates provided by the Contract for Contract performance. If the State cancels this Contract for cause, then the State will be entitled to offset the cost of paying the Vendor for the additional resources the Vendor utilized in providing transition assistance with any damages the State may have otherwise accrued as a result of said cancellation.
8. Work Location and Workstations. The Vendor Technical Lead and Business Analyst Lead shall be considered "key personnel" and shall be located in office space provided by DIRM on the Central

Regional Hospital “CRH” Raleigh campus (formerly Dorothea Dix Campus), which is the primary work site. DIRM will provide office space for all Vendor staff the Vendor chooses to locate with the Technical and Business Analyst Leads. DIRM reserves the right to relocate all Vendor staff located at CRH Raleigh campus to any other office site within 25 miles of this location. The cost of any Vendor staff commuting from home to the DIRM supplied primary work site (as well as return trips) will not be reimbursed by the State. The Vendor shall request 10 business days in advance to add any staff to the primary work location.

The Vendor shall be solely responsible for procuring and bearing the expense of all facilities, amenities, equipment, supplies, telecommunications services, travel costs for meetings and computer networking required or desired by the Vendor for staff not located with DIRM staff on the CRH Raleigh campus.

The Vendor Team must perform all work during normal business hours (with the exception of on-call coverage). Continuous two-way communications between the Vendor Team and the client agencies will be required. Some travel to customer locations from Raleigh may be required for occasional face-to-face meetings. The Vendor will not be reimbursed for the cost of this travel unless the round trip distance will exceed one hundred (100) miles round trip and is preapproved by the Contract Administrator and the necessary paper work and supporting documentation is submitted to DIRM Financial Management Section. No approved travel expenses incurred in the performance of this contract shall exceed the current rates published in the applicable State budget manual located at: [http://www.osbm.state.nc.us/files/pdf\\_files/2003\\_budget\\_manual.pdf](http://www.osbm.state.nc.us/files/pdf_files/2003_budget_manual.pdf)

DIRM will provide preloaded personal computer workstations, shared printer services and general office supplies for the Vendor Team members who are assigned to the DIRM-provided work location. No Vendor-provided software shall be loaded to DIRM workstations without the prior written approval of DIRM’s Infrastructure Section.

The Vendor Team will be assigned: (a) State IDs that will track production system access; (b) State phones for State business for those located ; and (c) State email addresses for State business. The Vendor shall ask the DIRM Contract Administrator to assign IDs for Vendor staff at least ten (10) business days before Vendor staff begins work under the Contract. No Vendor Staff shall begin work under the Contract without the prior written approval of the Contract Administrator.

9. Vendor Identification and Time Entry. Each Vendor Team member assigned to DIRM-provided work space on the Dix campus in Raleigh shall be issued a Vendor photo identification badge. The State assigned identification badges must be worn and visible at all times.

The entire Vendor Team, local and remote, shall record all hours worked into DIRM’s time entry system. Hours recorded do not impact the monthly fixed price flat fee paid to the Vendor, but will be used to help monitor actual workloads.

10. Personnel Reassignment and Substitutions. The Vendor shall not substitute key personnel assigned to the performance of the Contract without prior written approval by the DIRM Contract Administrator. Reassignment and replacement shall not normally be permitted unless such substitutions are necessitated by an individual’s sudden illness, termination, changed medical work requirements, or substandard performance.

In the event that a replacement or substitution is required, notice must be provided to the DIRM Contract Administrator at least fifteen (15) calendar days before the proposed effective date of the change. Each request shall provide a detailed explanation of the circumstances necessitating the proposed reassignment or replacement and accompanied by the names and references of the Vendor’s

recommended substitute personnel. DIRM will issue a decision within three (3) business days after receipt of the request. The State reserves the right to interview proposed replacement personnel, to contact references, and to conduct background checks before approving the replacement personnel.

DIRM may terminate the services of any person providing services under this Contract. Upon such termination, the DIRM Contract Administrator may request acceptable substitute personnel or terminate the contract services provided by such personnel.

11. Contract Administrators. The person named below shall be the initial Contract Administrator for DIRM and shall be the person to whom notices provided for in this Contract shall be given and to whom matters relating to administration or interpretation of this Contract shall be addressed. The Vendor shall identify its initial Vendor Technical Lead and Contract Administrator in its proposal. With written notice, the Vendor may change its Administrator, DIRM may change its Administrator, and either party can change their mailing address, E-mail address, telephone or facsimile transmittal number by written notice to the other Party.

| If By U.S. Mail                                                                                                                                                                                                                                                                                                         | If By Overnight Express or Hand Delivery                                                                                                                    |
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| <p>Bob Anderson<br/> Department of Health and Human Services<br/> Division of Information Resource Management<br/> 2015 Mail Service Center<br/> Raleigh, NC 27699-2015</p> <p>Phone: (919) 855-3122; Fax: (919) 733-8871<br/> Email: <a href="mailto:bob.anderson@dhhs.nc.gov">mailto:bob.anderson@dhhs.nc.gov</a></p> | <p>Bob Anderson<br/> Department of Health and Human Services<br/> Division of Information Resource Management<br/> 695 Palmer Dr<br/> Raleigh, NC 27603</p> |

12. Recruitment and Hiring of Vendor Personnel by DIRM. The State shall be permitted to solicit and hire any Vendor personnel (including the personnel of Vendor's subcontractors) that have been dedicated to, or have been performing, the Services as of the date the State delivers a notice of termination to Vendor, or, in the case of expiration, within the six (6) month period prior to expiration. Vendor and its subcontractors shall not interfere with the State's efforts, shall not enforce any restrictions imposed on such Vendor personnel by agreement or policy (i.e., employment contract or covenant) which would interfere with the State's efforts, and shall provide the State access to such personnel for the purposes of interviews, evaluations and recruitment. Upon the State's request during the last six months of the contract, or after Vendor's receipt of a written notice of early termination, Vendor shall supply the State with the names of Vendor and subcontractor personnel performing Services for the State. Any such employment by the State would not be effective until termination or expiration of this Agreement. Vendor shall cause its subcontracts to include such provisions as are necessary for this section to apply to all subcontractor personnel.

## Section VI. Proposal Content and Organization

The Vendor's proposal 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 described in this RFP. If any relevant and material information is not provided, the offer may be rejected from consideration and evaluation.

The Vendor must furnish all information requested; and if tables or forms are provided in this document, the Vendor shall furnish said information in the same format. Further, if required elsewhere in this proposal, each Vendor must submit with their proposal sketches, descriptive literature and/or complete specifications covering the products offered. References to literature submitted with a previous proposal will not satisfy this provision. Proposals that do not comply with these requirements may be rejected.

### A. Proposal Format

1. Proposals should be organized in the exact order specified in Section VI. b. Each page should be numbered. The proposal should contain a table of contents.
2. Document files submitted on CD must be Portable Document Format (PDF) files or Microsoft Office 2003-compatible files.
3. All proposals must be printed on standard 8 ½ x 11 paper, must use 12-point font type, and must be single spaced with 6-point spacing between paragraphs. Font sizes as small as 8-points may be used in graphical figures and in tables (larger paper is permissible for charts, spreadsheets, etc.). Hard copies of proposals must be submitted in binders with tabs delineating each section.
4. Elaborate proposals in the form of brochures or other presentations beyond that necessary to present a complete and effective proposal are not desired.
5. Proposals should be complete, comprehensive, concise, and clear.

### B. Proposal Organization

Proposals should be organized and indexed in the following order.

| Proposal Organization |                                                  |
|-----------------------|--------------------------------------------------|
| Section               | Title                                            |
| 1                     | Transmittal Letter and Execution Page            |
| 2                     | Executive Summary                                |
| 3                     | Proposed Technical Solution                      |
| 4                     | Initial Risk Assessment                          |
| 5                     | Corporate Capabilities and Financial Information |
| 6                     | Cost                                             |

|   |                        |
|---|------------------------|
| 7 | Vendor Work Plan       |
| 8 | Signed RFP Attachments |

## **Section 1. Transmittal Letter and Execution Page**

The Transmittal Letter shall be submitted on official business letterhead by the prime Vendor and shall be signed by an individual authorized to legally bind the company to the terms and conditions, scope of work proposed, and costs proposed. The Transmittal Letter shall include the following in the given order:

- a. An itemization of all materials and enclosures being forwarded in response to the RFP;
- b. A listing of all RFP Addenda reviewed by the Vendor (by Addendum number and listing issue date) to confirm that the Vendor is aware of such Addenda, in the event that any Addenda are issued;
- c. A statement confirming that the Vendor has read, understands, and agrees to all the provisions of the RFP without qualification, including the addenda;
- d. A statement that identifies the corporate entity that is the prime Vendor;
- e. A statement identifying any and all subcontractors;
- f. The name, addresses, telephone number, and e-mail address of a contact person regarding the Proposal;
- g. A statement that the Vendor's offer is valid for a minimum of 180 days from the Proposal's submission date.
- h. A statement that the Vendor received no inappropriate assistance from any person currently or formerly employed or engaged by the State of North Carolina.
- i. A statement that the Vendor has received no assistance from any person, contractor or employee currently assigned to work on the CSDW or CDW teams at DHHS.
- j. Completed and signed Execution Page (Page 1 of RFP Cover Pages);

## **Section 2. Executive Summary**

The Executive Summary shall include a clear and concise summary of the Vendor's proposed solution and an explanation of why the Vendor believes it offers the best value to the State with respect to this RFP.

## **Section 3. Proposed Technical Solution**

**Section 3.1. Experience.** This section of the Proposal must contain a summary of the Vendor's business history and a description of the Vendor's experience over the last three years in supporting data repository systems that are similar in scope and size to the systems described in this RFP. More specifically, this section must include the following:

- a. A description of the type of work performed on each similar project;
- b. A description of the industry in which the work was performed;
- c. A description of the type of data involved;
- d. A description of the scope of the effort;
- e. A description of the performance standards the Vendor was required to meet;
- f. A draft Service Level Agreement (SLA) based on the information contained in the RFP;
- g. A draft Issues List based on the Vendors experience with similar projects;
- h. Two fully completed Reference Contact Forms, as found in Attachment G. The Vendor may choose to submit as many as three Reference Contact Forms;
- i. Evidence of client satisfaction with the Vendor's performance, including but not limited to client satisfaction survey results and letters from clients;
- j. Resume(s) for the Vendor's proposed Technical Lead; and
- k. Client references for the Vendor's proposed Technical Lead.

**Section 3.2. Summary of Vendor's business and support methodologies to be utilized to meet the RFP requirements.** A description of how the Vendor plans to meet the requirements of the RFP, including descriptions of:

- a. The overall experience of existing Vendor staff as applies to the requirements of the RFP;
- b. The Vendor's business practices;
- c. Industry standards met by the Vendor;
- d. Industry certifications achieved by the Vendor;
- e. Internal quality reviews provided by the Vendor;
- f. The types of internal review documentation that will be shared with DHHS; and
- f. The Vendor's corporate management and oversight, including an organization chart for the resources and senior management with oversight responsibility of the proposed solution.

**Section 3.3. Proposed Staffing Qualifications.** Resumes and professional references for Vendor staff that could be assigned to perform the following skill functions:

- a. Project Management and Planning;
- b. Software Design, Development and Testing;
- c. Database Support;
- d. Technical Architecture and Network Planning;
- e. Unit, System and User Acceptance Testing;
- f. Performance and Stress Testing;
- g. Requirements Management;

- h. Data Repository Business Analysis;
- i. Software Quality Control;
- j. Software Quality Assurance Management and Deployment;
- k. Software Configuration Management;
- l. Software Release Management; and
- m. User and Technical Documentation.

#### **Section 4. Initial Risk Assessment**

This section consists of a list of significant risks affecting the Vendor's strategy for providing CSDW & CDW Operations, Maintenance and Enhancement services. The discussion of each risk shall address the following issues:

- a. Risk Title;
- b. Phases and activities to which the risk applies;
- c. Risk description that includes a clear identification of the expected root causes;
- d. Impact should the risk event for state occur;
- e. Identification of the probability of occurrence – this may be either qualitative (e.g., “very likely”) or quantitative (e.g., “50%”);
- f. Identification of the severity of the potential impact – this may be qualitative (e.g., “critical”) or quantitative (e.g., “3-month schedule slip”);
- g. A list of the principal probability mitigation tasks – these are specific tasks that should be performed to minimize the probability of occurrence (if probability can be mitigated for a particular risk);
- h. A list of the principal impact mitigation tasks – these are specific tasks that should be performed to minimize the impact should a risk event or state occur (if the impact can be mitigated for a particular risk); and
- i. Any other information the Vendor deems useful to describe the management strategy for the risk.

#### **Section 5. Corporate Capabilities and Financial Information**

**Section 5.1. Corporate Organization, Skills, and Background.** The Vendor shall describe the general structure of its company or business unit that will service this Contract. In particular, this subsection shall describe the Vendor's corporate skills and background and how these will contribute to successful Contract performance and provide the best value to the State. This section shall also include an organizational chart showing how this Contract will fit into the Vendor's organization.

**Section 5.2. Penalties and Damages Assessed Against the Vendor.** The Vendor shall describe any damages, penalties or credits in excess of one hundred thousand dollars (\$100,000.00) that have been assessed against, or paid by, it or its subsidiaries in the last five (5) years. The description shall include the date of the underlying claim and shall cross-reference the claim to the contract out of which the claim arose. The Vendor shall describe the circumstances of the claim and how it may have cured the situation that caused the claim of the damages and/or penalties. When disclosing information pursuant to this Section, the Vendor may designate certain of its information as "Confidential".

**Section 5.3. Financial Information.** For a publicly traded company, Financial Statements for the past three (3) fiscal years, including at a minimum, income statements, balance sheets, and statement of changes in financial position or cash flows. If three (3) years of financial statements are not available, this information shall be provided to the fullest extent possible, but not less than one year. If less than 3 years is documented, vendor must explain the reason why statements are not available.

For a privately held company, when certified audited financial statements are not prepared: a written statement from the company's certified public accountant stating the financial condition, debt-to-asset ratio for the past three (3) years and any pending actions that may affect the company's financial condition.

The State may, in its sole discretion, accept evidence of financial stability other than Financial Statements for the purpose of evaluating Vendors' responses to this RFP. The State reserves the right to determine whether the substitute information meets the requirements for Financial Information sufficiently to allow the State to evaluate the sufficiency of financial resources and the ability of the business to sustain performance of the contract award.

### **Section 6. Cost**

The Vendor must fully complete the Cost Proposal Table found in RFP Attachment A and must place the completed table in Section 6 of the Proposal. Information about cost must not be presented in any other section of the Proposal.

### **Section 7. Vendor Work Plan**

- a. Transition. The Vendor shall describe in detail the approach and steps to be undertaken to achieve the transition from contract execution to full support of CSDW & CDW.
- b. Full Support. The Vendor shall describe in detail the approach, steps, staffing plans to meet the requirements of this RFP.

### **Section 8. Attachments**

- a. A signed copy of Attachment F, Federal Certifications;
- b. A signed copy of Attachment I, Certification of Compliance with N.C. Gen. Stat. § 133-32 and Executive Order 24; and
- c. Any other materials the Vendor believes necessary to demonstrate compliance with the requirements of the RFP or improve the quality of the Vendor's Proposal.

## **C. Proposal Submission Requirements**

1. Vendors must submit Proposals no later than the date and time, and in the manner and quantity, specified on the RFP Cover Page. The original Proposals shall be clearly marked as such. Vendors must comply with the instructions in subparagraph VII (17) (a) of this RFP if they wish to protect the confidentiality of any trade secrets that may be disclosed in the Vendor's proposal.
2. The Proposal shall be submitted in the order and format described above, shall include a table of contents, and shall contain the content required for each section as specified in Section VI, B of this RFP.

3. Submission of a Proposal shall constitute recognition, understanding, acceptance, and consent by the Vendor to adhere (without any reservation or limitation whatsoever) to the requirements, terms, and conditions of this RFP, including any RFP addenda.
4. Brochures or other presentations beyond those sufficient to present a complete and effective Proposal in conformance with the specified page limitations shall not be submitted. Audio and/or videotapes are not allowed and shall not be considered in the evaluation. Elaborate artwork or expensive paper is not necessary.
5. Vendors shall avoid unnecessary repetition in their Proposal. If information is appropriate for more than one section, the Vendor shall include it in one section and refer to it in the other sections. Evaluators will have access to the full Technical Proposal to facilitate referral to the section(s) as directed.
6. Any proposal that does not adhere to these requirements may be deemed non-responsive and rejected on that basis.

## Section VII. North Carolina General Terms and Conditions

### A. General Terms and Conditions for Goods and Related Services

**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; and

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

1. **Standards: Reserved.**
2. **Warranties: Reserved.**
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).

If any Services, Deliverables, functions, or responsibilities not specifically described in this Contract are required for Vendor's proper performance, provision and delivery of the Service and Deliverables pursuant to this Contract, or are an inherent part of or necessary sub-task included within the Service, they will be deemed to be implied by and included within the scope of the Contract to the same extent and in the same manner as if specifically described in the Contract.

Vendor warrants that it has the financial capacity to perform and to continue perform its obligations under the Contract; that Vendor has no constructive or actual knowledge of an actual or potential legal proceeding being brought against Vendor that could materially adversely affect performance of this Contract; and that entering into this Contract is not prohibited by any contract, or order by any court of competent jurisdiction.

6. **Software License: Reserved.**

7. **Software License: Reserved.**

8. **Software License: Reserved.**

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) as permitted by 9 NCAC 06B.1102(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, 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 delivery of any Deliverable described in the Contract if it is not acceptable. The notice shall specify in reasonable detail the reason(s) a deliverable is unacceptable. Acceptance by the State shall not be unreasonably withheld; but may be conditioned or delayed as required for installation and/or testing of Deliverables. Final acceptance is expressly conditioned upon completion of 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 to be defective 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. **Inspection at Vendor's Site: 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:**
  - a. 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.

- b. **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.
- c. **Non-Disclosure And Confidentiality Agreements:** 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.
- d. **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.
- e. **Security Measures and Standards:** Vendor shall employ security measures and standards, including encryption technologies, as may be necessary or proper, and as mutually agreed by the State and Vendor during performance of this Agreement. Vendor and its agents, if any, shall not

have access to any information except as required to perform Vendor's obligations under this Contract.

- 18. Deliverables:** Deliverables, as used herein, shall comprise all project materials, including goods, software licenses, data, and documentation created during the performance or provision of services hereunder. Deliverables are the property of the State of North Carolina. 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. 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 patent, or copyright or violates a trade secret in the United States. The Vendor shall pay those costs and damages finally awarded against the State in any such action. 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 patent, copyright, or a trade secret in the United States, the State shall permit the Vendor, at its option and expense, either to procure for the State the right to continue using the goods/hardware or software, or to replace or modify the same to become non-infringing and continue to meet procurement specifications in all material respects. If neither of these options can reasonably be taken, or if the use of such 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 five (5) 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

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 if the failure is not cured within ten (10) days, or Vendor fails to meet the requirements of Paragraph 0 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 0 and 0 and the obligation to informally resolve disputes as provided in Paragraph 0 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 of 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 writing and signed by authorized representatives of the Agency and the Vendor, and made as an amendment to this Contract pursuant to Paragraph 1.b herein below.

**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 0, 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 0 and 0 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 set off 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 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.
- d. WITH THE EXCEPTIONS OF INTELLECTUAL PROPERTY RIGHTS INFRINGEMENT ACTIONS, THE STATE'S CONSTITUTIONAL RIGHTS AS A SOVEREIGN, AND PENALTIES IMPOSED UPON THE STATE BY ANY FEDERAL ENTITY OR EXPENDITURES OF PUBLIC FUNDS REQUIRED OR RESULTING FROM AN OPERATIONAL FAILURE OF THE DELIVERABLE(S) OR SERVICES PROVIDED HEREUNDER, BUT NOTWITHSTANDING ANY OTHER TERM TO THE CONTRARY CONTAINED IN THIS CONTRACT, NEITHER PARTY NOR THEIR RESPECTIVE AFFILIATES SHALL, UNDER ANY CIRCUMSTANCES, BE LIABLE TO THE OTHER PARTY OR ITS AFFILIATES (I) FOR ANY CLAIM BASED UPON ANY THIRD PARTY CLAIM, (II) FOR ANY CONSEQUENTIAL, INCIDENTAL OR INDIRECT DAMAGES OF ANY NATURE WHATSOEVER, INCLUDING, WITHOUT LIMITATION, LOST PROFITS, LOST SAVINGS OR OTHER ECONOMIC CONSEQUENTIAL DAMAGES, WHETHER RESULTING FROM DELAYS, LOSS OF DATA, INTERRUPTION OF SERVICE OR OTHERWISE, EVEN IF A PARTY OR ITS AFFILIATES HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, OR (III) FOR ANY PUNITIVE OR EXEMPLARY DAMAGES OF ANY NATURE WHATSOEVER.

**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, wilful 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 damage, 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: Reserved.**

**32. Stop Work Order: Reserved.**

**33. Price Adjustments for Term: Contracts: Reserved.**

**34. Time is of the Essence.** Time is of the essence in the performance of this Contract.

**35. 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.

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

**37. Transportation: Reserved.**

**38. 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.

**39. 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.

**40. 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.

**41. 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.

**42. 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 exclusive jurisdiction of the courts of the State of North Carolina, and stipulates that Wake County shall be the sole 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.

**43. 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. Force Majeure events shall not limit the State's rights under Paragraph 27.b.ii.

**44. 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.

**45. 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.

**46. 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.

**47. Electronic Procurement: Reserved.**

## Attachment A: Cost Proposal

### Cost Proposal

RFP #30-DIRM-191-11

Vendor Name

The above-named Vendor hereby offers to provide all of the services described in the above-referenced RFP, pursuant to the terms and conditions stated in the RFP, in consideration of payment of the costs quoted in the following Cost Table.

| Cost Table 1                                                                 |                              |                     |                    |                     |               |          |
|------------------------------------------------------------------------------|------------------------------|---------------------|--------------------|---------------------|---------------|----------|
| Contract Phase                                                               | Months                       | One-Time Fixed Cost | Fixed Monthly Cost | Multiplier (Months) | Extended Cost | Subtotal |
| Phase I Assessment                                                           | Month 1                      | \$                  |                    |                     |               | \$       |
| Phase II Transition                                                          | Months 2 through 3           | \$                  |                    |                     |               | \$       |
| Phase III Full System Support by Vendor                                      | Months 4 through 12          |                     | \$                 | 9                   | \$            | \$       |
|                                                                              | Months 13 through 24         |                     | \$                 | 12                  | \$            | \$       |
|                                                                              | Months 25 through 36         |                     | \$                 | 12                  | \$            | \$       |
|                                                                              | Option Year 1 Months 36 - 48 |                     | \$                 | 12                  | \$            | \$       |
|                                                                              | Option Year 2 Months 49 - 60 |                     | \$                 | 12                  | \$            | \$       |
| Total 5 Year Cost (Can not exceed 5.5 million if both option years are used) |                              |                     |                    |                     |               | \$       |

| Cost Table 2 – Hourly Cost for Staff in Future Amendments and Transition Services |             |                       |             |
|-----------------------------------------------------------------------------------|-------------|-----------------------|-------------|
| Staff Type                                                                        | Hourly Rate | Staff Type            | Hourly Rate |
| BA: Business Analyst                                                              | \$          | SD: Systems Developer | \$          |

|                                     |    |                      |    |
|-------------------------------------|----|----------------------|----|
| <b>DBA:</b> Data Base Administrator | \$ | <b>TL:</b> Team Lead | \$ |
|-------------------------------------|----|----------------------|----|

Attachment A

Cost Proposal

RFP #30-DIRM-191-11

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Printed Name of Contact Person (if different from the person signing)

\_\_\_\_\_  
Telephone Number

[The Cost Proposal Must Be Signed By the Same Individual Who Signed the Proposal Execution Page]

### **Instructions for Completion of the Cost Table**

1. Enter your Cost Proposal in the Cost Tables 1 & 2 on the previous pages. Do not use any other cost table or form. Do not describe your Cost Proposal in any other section of your proposal.
2. Enter a single dollar amount in each clear cell in the table. Do not add any other cells or change the captions of the columns and rows in the table.
4. The costs quoted in the Cost Proposal shall be firm and fixed for the entire life of the contract and shall not exceed 1.1 million dollars in total cost per year.
3. The costs quoted in the Cost Proposal must cover all of the Vendor's expenses. No other payments will be made by the State for the services rendered, except for the travel expenses described in paragraph 8 of RFP Section V.
5. The costs quoted in the Cost Table must be sufficient to cover the cost of 6,000 hours of System Enhancements Services during each year of the Contract. If the State needs more than 6,000 hours of System Enhancement Services during any given year, the cost of such work shall be negotiated by the parties and documented in a properly executed change request.
6. The fixed monthly cost will not be increased or decreased because of monthly fluctuations in the number of staff hours required to provide the Operations and Management Services described in the RFP.
7. Any Cost Proposal that is incomplete or in which there are significant inconsistencies or inaccuracies will be rejected by the State.
8. At the option of the State, the Vendor may be contacted for clarification purposes during the evaluation period.
9. The Contract Phases referenced in the Cost Table are described in RFP Section III.C.1.
10. Unsigned Cost Proposals will be rejected by the State.

## Attachment B: CSDW Clients and Source Applications

### CSDW Clients and Source Applications (Page 1 of 2)

| DHHS Divisions and Clients                                                                                                                                                                                                              | CSDW Source Applications                                                             |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|
| Division of Aging and Adult Services (DAAS)                                                                                                                                                                                             | Guardianship Data                                                                    |
| <div>Division of Child Development (DCD)</div> <div>Division of Mental Health, (DMH/DD/SAS)</div> <div>Developmental Disabilities and Substance Abuse Services</div> <div>Developmental Disabilities and Substance Abuse Services</div> | Criminal Background Check (CBC)                                                      |
|                                                                                                                                                                                                                                         | Regulatory Database (REG)                                                            |
|                                                                                                                                                                                                                                         | Smart Start Reporting System (SSRS)                                                  |
|                                                                                                                                                                                                                                         | Subsidized Child Care (SCC)                                                          |
|                                                                                                                                                                                                                                         | Consumer Satisfaction Survey (CSS)                                                   |
|                                                                                                                                                                                                                                         | Integrated Payment and Reporting System (IPRS-Customer Data Warehouse)               |
|                                                                                                                                                                                                                                         | Mental Health Combined (MH-Consumer Data Warehouse)                                  |
|                                                                                                                                                                                                                                         | NC Treatment Outcomes and Program Performance System (TOPPS-Customer Data Warehouse) |
|                                                                                                                                                                                                                                         | AIDS Drug Assistance Program Data (ADAP)                                             |
| Division of Public Health (DPH)                                                                                                                                                                                                         | National Child Immunization Registry (NCIR)                                          |
|                                                                                                                                                                                                                                         | Purchase of Managed Care System (POMCS)                                              |
|                                                                                                                                                                                                                                         | Automated Collection and Tracking System (ACTS – Child Support Enhancement)          |

## CSDW Clients and Source Applications (Page 2 of 2)

Division of Social Services, Division of Medical Assistance, Division of Aging and Adult Services  
(DSS/DMA/DAAS)

## Attachment C: CDW Clients and Source Applications

### CDW Clients and Source Applications

| DHHS Divisions/Clients                                                                          | CDW Source Applications                                                                                                                                                                                                                                                                                                                             |
|-------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Division of Mental Health , Developmental Disabilities and Substance Abuse Service (DMH/DD/SAS) | IPRS Claims and Eligibility Data                                                                                                                                                                                                                                                                                                                    |
| Division of Mental Health , Developmental Disabilities and Substance Abuse Service (DMH/DD/SAS) | Perception of Care Survey                                                                                                                                                                                                                                                                                                                           |
| Division of Mental Health , Developmental Disabilities and Substance Abuse Service (DMH/DD/SAS) | North Carolina Treatment and Outcomes Program Performance (NCTOPPS)                                                                                                                                                                                                                                                                                 |
| Division of Mental Health , Developmental Disabilities and Substance Abuse Service (DMH/DD/SAS) | North Carolina Healthcare Enterprise Accounts and Receivables Transaction System (HEARTS)                                                                                                                                                                                                                                                           |
| Division of Mental Health , Developmental Disabilities and Substance Abuse Service (DMH/DD/SAS) | Standard EDI files (record types: header, identifying, demographic, consumer episode competition, diagnosis details, disability details, special population details, risk factor details, substance abuse details, substance abuse treatment movement details, trailer ) submitted daily from over 20 local community mental health entities (LMEs) |
| Division of Medical Assistance (DMA)                                                            | MMIS+ – Medicaid Paid Claims with Mental Health, Developmental Disability, or Substance Abuse Procedure Codes                                                                                                                                                                                                                                       |
|                                                                                                 | DMA Medicaid Cross Reference File                                                                                                                                                                                                                                                                                                                   |
| Division of Social Services                                                                     | (CNDS) Common Name Data Service                                                                                                                                                                                                                                                                                                                     |

**Attachment D - CSDW Hardware and Software** (Page 1 of 6)

| Environment | Server Type              | Function                                                                                                          | Server Id | Computer           |                     |       | Operating System        | Key Software                                                                                 |
|-------------|--------------------------|-------------------------------------------------------------------------------------------------------------------|-----------|--------------------|---------------------|-------|-------------------------|----------------------------------------------------------------------------------------------|
|             |                          |                                                                                                                   |           | Model              | Processor           | RAM   |                         |                                                                                              |
| Production  | Web Client / Application | CSDW Initial Landing; CSDW Ancillary Functions; e.g. Meta Data, Production Load Schedule Training Materials, etc. | 1         | Intel Blade Server | 2 CPU/ 3.0 Ghz      | 3 GB  | Windows 2003 Standard   | Internet Information Services (IIS) 6, Filezilla Secure FTP, Ancillary Software Applications |
| Production  | Web Client / Application | TANF Data Collection Data Server                                                                                  | 2         | Intel Blade Server | 2 CPU/ 3.0 Ghz      | 4 GB  | Windows 2003 Standard   | SQL Server 2000, TANF Data Collection Application                                            |
| Production  | Database                 | SQL Server, Business Objects                                                                                      | 4         | Intel Blade Server | 4 CPU/ 3.0 Ghz      | 8 GB  | Windows 2003 Enterprise | SQL Server 2000,                                                                             |
| Production  | Database                 | Production Data Warehouse Write Engine                                                                            | 5         | Sun E25K           | 8 CPU UltraSparc IV | 32 GB | Unix Solaris 9          | Sybase IQ 12.6, PERL, SAS 9, MicroFocus Server Express 4.0 (Cobol), Harbor File Transfer     |

Attachment D - CSDW Hardware and Software (Page 2 of 6)

| Environment | Server Type   | Function                                                                 | Server Id | Computer   |                     |       | Operating System | Key Software                                                                                    |
|-------------|---------------|--------------------------------------------------------------------------|-----------|------------|---------------------|-------|------------------|-------------------------------------------------------------------------------------------------|
|             |               |                                                                          |           | Model      | Processor           | RAM   |                  |                                                                                                 |
| Production  | Database      | Production Data Warehouse Read Engine                                    | 5         | Sun E25K   | 4 CPU UltraSparc IV | 16 GB | Unix Solaris 9   | Sybase IQ 12.6                                                                                  |
| Production  | Database      | Production Data Warehouse Read Backup                                    | 6         | Sun SF4900 | 4 CPU UltraSparc IV | 16 GB | Unix Solaris 9   | Sybase IQ 12.6                                                                                  |
| Production  |               | Production Data Warehouse Write Backup                                   |           | Sun SF4900 | 8 CPU UltraSparc IV | 32 GB | Unix Solaris 9   | Sybase IQ 12.6<br>PERL, SAS 9,<br>MicroFocus Server Express 4.0 (Cobol)<br>Harbor File Transfer |
| Production  | IBM Mainframe | Production Source Application Host (transfers files to the Unix server). | 7         | IBM        |                     |       | z/OS             | Harbor File Transfer                                                                            |

## Attachment D - CSDW Hardware and Software (Page 3 of 6)

| Environment | Server Type            | Function                                                                                                                            | Server Id | Computer           |                        |       | Operating System        | Key Software                                                                                                                                                                           |
|-------------|------------------------|-------------------------------------------------------------------------------------------------------------------------------------|-----------|--------------------|------------------------|-------|-------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|             |                        |                                                                                                                                     |           | Model              | Processor              | RAM   |                         |                                                                                                                                                                                        |
| Development | Web Client Application | CSDW Ancillary Functions; e.g. Meta Data, Production Load Schedule Training Materials, etc. and Business Objects Development Server |           | Intel Blade Server | 2 CPU<br>3.0 Ghz       | 3 GB  | Windows 2003 Standard   | Internet Information Services (IIS) 6, Filezilla Secure FTP, IIS 6, Business Objects XI R2, Apache TomCat 6.0, Java JEE 1.50.12, Business Objects SDK, Ancillary Function Applications |
| Development | Web Client Application | TANF Data Collection Data Server                                                                                                    |           | Intel Server       | 2 CPU<br>500Mhz        | 2 GB  | Windows 2000 Standard   | SQL Server 2000, TANF Data Collection Application                                                                                                                                      |
| Development | Database               | SQL Server, Business Objects                                                                                                        |           | Intel Blade Server | 4 CPU<br>3.0 Ghz       | 8 GB  | Windows 2003 Enterprise | SQL Server 2000, SQL Server 2005, Visual SourceSafe 2005                                                                                                                               |
| Development | Database               | Development Data Warehouse Engine                                                                                                   |           | Sun E25K           | 4 CPU<br>UltraSparc IV | 16 GB | Unix Solaris 9          | Sybase IQ 12.6, PERL, SAS 9, MicroFocus Server Express 4.0 (Cobol), Harbor File Trans.                                                                                                 |
| Development | IBM Mainframe          | Development Source Application Host (transfers files to the Unix server).                                                           |           | IBM                |                        |       | z/OS                    | Harbor File Transfer                                                                                                                                                                   |

Attachment D - CSDW Hardware and Software (Page 4 of 6)

| Environment | Server Type            | Function                                                                                                                            | Server Id | Computer           |                  |      | Operating System        | Key Software                                                                                                                                                                           |
|-------------|------------------------|-------------------------------------------------------------------------------------------------------------------------------------|-----------|--------------------|------------------|------|-------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|             |                        |                                                                                                                                     |           | Model              | Processor        | RAM  |                         |                                                                                                                                                                                        |
| Test        | Web Client Application | CSDW Ancillary Functions; e.g. Meta Data, Production Load Schedule Training Materials, etc. and Business Objects Development Server |           | Intel Blade Server | 2 CPU<br>3.0 Ghz | 3 GB | Windows 2003 Standard   | Internet Information Services (IIS) 6, Filezilla Secure FTP, IIS 6, Business Objects XI R2, Apache TomCat 6.0, Java JEE 1.50.12, Business Objects SDK, Ancillary Function Applications |
| Test        | Web Client Application | TANF Data Collection Data Server                                                                                                    |           | Intel Server       | 2 CPU<br>2.0 Ghz | 2 GB | Windows 2000 Standard   | SQL Server 2000, TANF Data Collection Application                                                                                                                                      |
| Test        | Application            | Future Application Test Server                                                                                                      |           | Intel Server       | 2 CPU<br>3.0 Ghz | 3 GB | Windows 2003 Standard   |                                                                                                                                                                                        |
| Test        | Application            | Future Application Test Server                                                                                                      |           | Intel Server       | 4 CPU<br>3.0 Ghz | 8 GB | Windows 2003 Enterprise |                                                                                                                                                                                        |

Attachment D - CSDW Hardware and Software (Page 5 of 6)

| Environment | Server Type   | Function                                                          | Server Id | Computer           |                        |       | Operating System        | Key Software                                                                                     |
|-------------|---------------|-------------------------------------------------------------------|-----------|--------------------|------------------------|-------|-------------------------|--------------------------------------------------------------------------------------------------|
|             |               |                                                                   |           | Model              | Processor              | RAM   |                         |                                                                                                  |
| Test        | Database      | SQL Server Business Objects                                       |           | Intel Blade Server | 4 CPU<br>3.0 Ghz       | 8 GB  | Windows 2003 Enterprise | SQL Server 2000<br>SQL Server 2005<br>Visual SourceSafe 2005                                     |
| Test        | Database      | Test Data Warehouse Engine                                        |           | Sun E25K           | 4 CPU<br>UltraSparc IV | 16 GB | Unix Solaris 9          | Sybase IQ 12.6<br>PERL<br>SAS 9<br>MicroFocus Server Express 4.0 (Cobol)<br>Harbor File Transfer |
| Test        | IBM Mainframe | Test Source Application Host (transfers files to the Unix server) |           | IBM                |                        |       | z/OS                    | Harbor File Transfer                                                                             |

## Attachment D - CSDW Hardware and Software (Page 6 of 6)

| Environment       | Server Type | Function                                                                                                                                                                                                 | Server Id | Computer              |                           |      | Operating System | Key Software                                                                                                                                                                                                                                                                            |
|-------------------|-------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-----------------------|---------------------------|------|------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                   |             |                                                                                                                                                                                                          |           | Model                 | Processor                 | RAM  |                  |                                                                                                                                                                                                                                                                                         |
| Developer Desktop | NA          | Program Development via Telnet to Unix (COBOL, Unix-Kornshell Scripting, JAVA, HTML, ASP, SAS, .Net) Source Code Control, Technical Documentation, Development on Unix servers, Java and JSP compilation |           | Hewlett Packard, etc. | 1 CPU Pentium IV/ 2.4 Ghz | 1 GB | Windows XP       | Visual Studio.Net 2005<br>Visual SourceSafe 2005<br>Microsoft Office 2003<br>Microsoft Visio 2005<br>Terminal Server Client - X Window for Unix;<br>VI Editor<br>Business Objects Designer,<br>Business Objects Import Wizard,<br>Business Objects Desktop Intelligence,<br>Eclipse 3.x |

**Attachment E: CDW Hardware and Software (Page 1 of 2)**

| Environment          | Server Type            | Function                                                                                                 | Server Id | Computer        |                  |      | Operating System | Key Software                                  |
|----------------------|------------------------|----------------------------------------------------------------------------------------------------------|-----------|-----------------|------------------|------|------------------|-----------------------------------------------|
|                      |                        |                                                                                                          |           | Model           | Processor        | RAM  |                  |                                               |
| Production           | Database<br>ETL<br>FTP | Production Database<br>Source Code Control<br>ETL and Report<br>Applications<br>Production FTP<br>server | 1         | IBM<br>7028-6C4 | 4 CPU<br>PowerPC | 8 GB | AIX 5.2          | Sybase ASE 12.5<br>PERL<br>C<br>Java          |
| Test/<br>Development | Database<br>ETL<br>FTP | Test and<br>Development Source<br>Code Control<br>ETL and Report<br>Applications<br>Test FTP server      | 2         | IBM<br>7029-6C3 | 2 CPU<br>PowerPC | 2 GB | AIX 5.2          | Sybase ASE 12.5<br>PERL<br>C<br>Java          |
| Production           | IBM<br>Mainframe       | Production Source<br>Application Host<br>(transfers files to the<br>Unix server).                        | 3         | IBM             |                  |      | z/OS             | Cobol<br>DB2<br>JCL<br>SAS<br>Endevor<br>VSAM |

Attachment E: CDW Hardware and Software (Page 2 of 2)

| Environment       | Server Type | Function                                                                                                                                                               | Server Id | Computer |                          |      | Operating System | Key Software                                                                                                                                                                                                                              |
|-------------------|-------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|----------|--------------------------|------|------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                   |             |                                                                                                                                                                        |           | Model    | Processor                | RAM  |                  |                                                                                                                                                                                                                                           |
| Developer Desktop | NA          | Program Development via ssh to Unix (C, Unix-Kornshell Scripting, Perl scripting, JAVA, SAS)<br>Technical Documentation, Development on Unix servers, Java compilation |           | HP, etc. | 1 CPU Pentium IV 2.4 Ghz | 1 GB | Windows XP       | Microsoft Office 2003<br>Microsoft Visio 2005,<br>Terminal Server Client<br>X Window for Unix<br>SSH Client<br>VI Editor<br>Eclipse 3.x<br>Netbeans<br>PC SAS<br>Power Designer<br>SQL Advantage<br>WS FTP PRO<br>JDK<br>ActiveState Perl |

## Attachment F: Federal Certifications

### FEDERAL CERTIFICATIONS

The undersigned states that:

1. He or she is the duly authorized representative of the Vendor named below;
2. He or she is authorized to make, and does hereby make, the following certifications on behalf of the Vendor, as set out herein:
  - a. The Certification Regarding Nondiscrimination;
  - b. The Certification Regarding Drug-Free Workplace Requirements;
  - c. The Certification Regarding Environmental Tobacco Smoke;
  - d. The Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion Lower Tier Covered Transactions; and
  - e. The Certification Regarding Lobbying;
3. He or she has completed the Certification Regarding Drug-Free Workplace Requirements by providing the addresses at which the contract work will be performed;
4. [Check the applicable statement]  
☐ He or she **has completed** the attached **Disclosure Of Lobbying Activities** because the Vendor **has made, or has an agreement to make**, a payment to a lobbying entity for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action;  
  
**OR**  
☐ He or she **has not completed** the attached **Disclosure Of Lobbying Activities** because the Vendor **has not made**, and **has no agreement to make**, any payment to any lobbying entity for influencing or attempting to influence any officer or employee of any agency, any Member of Congress, any officer or employee of Congress, or any employee of a Member of Congress in connection with a covered Federal action.
5. The Vendor shall require its subcontractors, if any, to make the same certifications and disclosure.

---

Signature

Title

---

Vendor

Date

[This Certification Must Be Signed By The Same Individual Who Signed The Proposal Execution Page]

#### I. Certification Regarding Nondiscrimination

**The Vendor certifies** that it will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as

amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (h) the Food Stamp Act and USDA policy, which prohibit discrimination on the basis of religion and political beliefs; and (i) the requirements of any other nondiscrimination statutes which may apply to this Agreement.

## **II. Certification Regarding Drug-Free Workplace Requirements**

1. **The Vendor certifies** that it will provide a drug-free workplace by:
  - (a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the Vendor's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
  - (b) Establishing a drug-free awareness program to inform employees about:
    - (1) The dangers of drug abuse in the workplace;
    - (2) The Vendor's policy of maintaining a drug-free workplace;
    - (3) Any available drug counseling, rehabilitation, and employee assistance programs; and
    - (4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
  - (c) Making it a requirement that each employee be engaged in the performance of the agreement be given a copy of the Statement required by paragraph (a);
  - (d) Notifying the employee in the Statement required by paragraph (a) that, as a condition of employment under the agreement, the employee will:
    - (1) Abide by the terms of the Statement; and
    - (2) Notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five days after such conviction;
  - (e) Notifying the Department within ten days after receiving notice under subparagraph (d)(2) from an employee or otherwise receiving actual notice of such conviction;
  - (f) Taking one of the following actions, within 30 days of receiving notice under subparagraph (d)(2), with respect to any employee who is so convicted:
    - (1) taking appropriate personnel action against such an employee, up to and including termination; or
    - (2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency; and
  - (g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e), and (f).
2. The sites for the performance of work done in connection with the specific agreement are listed below (list all sites; add additional pages if necessary):

Street Address No. \_\_\_\_\_

City, State, Zip Code: \_\_\_\_\_

Street Address No. \_\_\_\_\_

City, State, Zip Code: \_\_\_\_\_

3. Vendor will inform the Department of any additional sites for performance of work under this agreement.
4. False certification or violation of the certification may be grounds for suspension of payment, suspension or termination of grants, or government-wide Federal suspension or debarment. 45 C.F.R. 82.510.

### **III. Certification Regarding Environmental Tobacco Smoke**

Public Law 103-227, Part C-Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, education, or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan, or loan guarantee. The law does not apply to children's services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions of facilities used for inpatient drug or alcohol treatment. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1,000.00 per day and/or the imposition of an administrative compliance order on the responsible entity.

**The Vendor certifies** that it will comply with the requirements of the Act. The Vendor further agrees that it will require the language of this certification be included in any sub awards that contain provisions for children's services and that all sub grantees shall certify accordingly.

### **IV. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion Lower Tier Covered Transactions**

#### **Instructions**

[The phrase "prospective lower tier participant" means the Vendor.]

1. By signing and submitting this document, the prospective lower tier participant is providing the certification set out below.
2. The certification in this clause is a material representation of the fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originate may pursue available remedies, including suspension and/or debarment.
3. The prospective lower tier participant will provide immediate written notice to the person to whom this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
4. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549, 45 CFR Part 76. You may contact the person to whom this proposal is submitted for assistance in obtaining a copy of those regulations.
5. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter any lower tier covered transaction with a person who is debarred, suspended, determined ineligible or voluntarily excluded from participation in this covered transaction unless authorized by the department or agency with which this transaction originated.

6. The prospective lower tier participant further agrees by submitting this document that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Non procurement List.
8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
9. Except for transactions authorized in paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension, and/or debarment.

#### **Certification**

- a. **The prospective lower tier participant certifies**, by submission of this document, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
- b. Where the prospective lower tier participant is unable to certify to any of the Statements in this certification, such prospective participant shall attach an explanation to this proposal.

#### **V. Certification Regarding Lobbying**

**The Vendor certifies**, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federally funded contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form SF-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.
3. The undersigned shall require that the language of this certification be included in the award document for sub awards at all tiers (including subcontracts, sub grants, and contracts under grants, loans, and cooperative agreements) who receive federal funds of \$100,000.00 or more and that all sub recipients shall certify and disclose accordingly.
4. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000.00 and not more than \$100,000.00 for each such failure.

## VI. Disclosure Of Lobbying Activities

### Instructions

This disclosure form shall be completed by the reporting entity, whether sub-awardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to title 31 U.S.C. section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action. Use the SF-LLL-A Continuation Sheet for additional information if the space on the form is inadequate. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.
2. Identify the status of the covered Federal action.
3. Identify the appropriate classification of this report. If this is a follow-up report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.
4. Enter the full name, address, city, state and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, a prime or sub-award recipient. Identify the tier of the sub awardee, e.g., the first sub awardee of the prime is the 1st tier. Sub awards include but are not limited to subcontracts, sub grants and contract awards under grants.
5. If the organization filing the report in Item 4 checks "Sub awardee", then enter the full name, address, city, state and zip code of the prime Federal recipient. Include Congressional District, if known.
6. Enter the name of the Federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.
7. Enter the Federal program name or description for the covered Federal action (Item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.
8. Enter the most appropriate Federal Identifying number available for the Federal action identified in Item 1 (e.g., Request for Proposal (RFP) number, Invitation for Bid (IFB) number, grant announcement number, the contract grant, or loan award number, the application/proposal control number assigned by the Federal agency). Include prefixes, e.g., "RFP-DE-90-001."
9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in Item 4 or 5.
10.
  - (a) Enter the full name, address, city, state and zip code of the lobbying entity engaged by the reporting entity identified in Item 4 to influence the covered Federal action.
  - (b) Enter the full names of the individual(s) performing services, and include full address if different from 10(a). Enter Last Name, First Name and Middle Initial (MI).
11. Enter the amount of compensation paid or reasonably expected to be paid by the reporting entity (Item 4) to the lobbying entity (Item 10). Indicate whether the payment has been made (actual) or will be made (planned). Check all boxes that apply. If this is a material change report, enter the cumulative amount of payment made or planned to be made.

12. Check the appropriate boxes. Check all boxes that apply. If payment is made through an in-kind contribution, specify the nature and value of the in-kind payment.
13. Check the appropriate boxes. Check all boxes that apply. If other, specify nature.
14. Provide a specific and detailed description of the services that the lobbyist has performed, or will be expected to perform, and the date(s) of any services rendered. Include all preparatory and related activity, not just time spent in actual contact with Federal officials. Identify the Federal official(s) or employee(s) contacted or the officer(s), employee(s), or Member(s) of Congress that were contacted.
15. Check whether or not a SF-LLL-A Continuation Sheet(s) is attached.
16. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

Public reporting burden for this collection of information is estimated to average 30 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0046), Washington, D. C. 20503

**Disclosure Of Lobbying Activities (Approved by OMB 0344-0046)**  
**Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                           |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>1. Type of Federal Action:</b><br><input type="checkbox"/> a. contract<br><input type="checkbox"/> b. grant<br><input type="checkbox"/> c. cooperative agreement<br><input type="checkbox"/> d. loan<br><input type="checkbox"/> e. loan guarantee<br><input type="checkbox"/> f. loan insurance                                                                                                                                                                                                                                                                                                                           | <b>2. Status of Federal Action:</b><br><input type="checkbox"/> a. Bid/offer/application<br><input type="checkbox"/> b. Initial Award<br><input type="checkbox"/> c. Post-Award                                                                                                                                             | <b>3. Report Type:</b><br><input type="checkbox"/> a. initial filing<br><input type="checkbox"/> b. material change<br><br><b>For Material Change Only:</b><br>Year _____ Quarter _____<br><br>Date Of Last Report: _____ |
| <b>4. Name and Address of Reporting Entity:</b><br><input type="checkbox"/> Prime<br><input type="checkbox"/> Subawardee Tier (if known) _____<br><br>Congressional District (if known) _____                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                             | <b>5. If Reporting Entity in No. 4 is Subawardee, Enter Name and Address of Prime:</b><br><br><br>Congressional District (if known) _____                                                                                 |
| <b>6. Federal Department/Agency:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>7. Federal Program Name/Description:</b><br><br>CFDA Number (if applicable) _____                                                                                                                                                                                                                                        |                                                                                                                                                                                                                           |
| <b>8. Federal Action Number (if known)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>9. Award Amount (if known) \$</b>                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                           |
| <b>10. a. Name and Address of Lobbying Entity (if individual, last name, first name, MI):</b><br><br><i>(attach Continuation Sheet(s) SF-LLL-A, if necessary)</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>b. Individuals Performing Services (including address if different from No. 10a.) (last name, first name, MI):</b><br><br><i>(attach Continuation Sheet(s) SF-LLL-A, if necessary)</i>                                                                                                                                   |                                                                                                                                                                                                                           |
| <b>11. Amount of Payment (check all that apply):</b><br><br>\$ _____ <input type="checkbox"/> actual <input type="checkbox"/> planned                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>13. Type of Payment (check all that apply):</b><br><input type="checkbox"/> a. retainer<br><input type="checkbox"/> b. one-time fee<br><input type="checkbox"/> c. commission<br><input type="checkbox"/> d. contingent fee<br><input type="checkbox"/> e. deferred<br><input type="checkbox"/> f. other; specify: _____ |                                                                                                                                                                                                                           |
| <b>12. Form of Payment (check all that apply):</b><br><br><input type="checkbox"/> a. cash<br><input type="checkbox"/> b. In-kind; specify: Nature _____ Value _____                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                           |
| <b>14. Brief Description of Services Performed or to be Performed and Date(s) of Services, including officer(s), employee(s), or Member(s) contacted, for Payment Indicated in Item 11 (attach Continuation Sheet(s) SF-LLL-A, if necessary):</b>                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                           |
| <b>15. Continuation Sheet(s) SF-LLL-A attached:</b> <div style="float: right;"> <input type="checkbox"/> Yes           <input type="checkbox"/> No         </div>                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                           |
| <b>16. Information requested through this form is authorized by title 31 U. S. C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U. S. C. 1352. This information will be reported to the Congress semi-annually and will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.</b> | Signature: _____<br>Print Name: _____<br>Title: _____<br>Telephone No: _____ Date: _____                                                                                                                                                                                                                                    |                                                                                                                                                                                                                           |
| <b>Federal Use Only</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                             | Authorized for Local Reproduction<br>Standard Form - LLL                                                                                                                                                                  |

### Attachment G: Reference Contact Form

Vendor shall complete this sheet for each client reference. Vendor shall provide a minimum of two (2) client references and a maximum of three client references.

Vendor – Company Name/Division that performed

Address

Client Information:

Client

Type of Contract (Maintenance, New Development, etc.)

Percentage of work as prime

Percentage of work as Sub

Contract period: From

to

Total dollar value of contract

Client Project Title (if applicable)

Name of Client's Point Of Contact

Title

Phone

E-mail

Program/Technical Manager

Title

Phone

E-mail

Note: Please list the names of any proposed Vendor Staff that may be utilized to fulfill the performance based deliverables for this proposal, with their associated role or title, which were part of this project.

## Attachment H: Nondisclosure Agreement

STATE OF NORTH CAROLINA  
COUNTY OF WAKE

### NONDISCLOSURE AGREEMENT FOR ACCESS TO PROCUREMENT LIBRARY CSDW & CDW OPERATION AND MAINTENANCE RFP RFP NO. 30-DIRM-191-11

NOW COME \_\_\_\_\_ (“Vendor”) and  
Enter Vendor Name

the North Carolina Department of Health and Human Services (“Department”), Division of Information Resource Management Services (“Division”) and enter into the following Nondisclosure Agreement (“Agreement”).

**WHEREAS**, the Division has compiled a procurement library to help information technology vendors determine whether and how to prepare proposals in response to the above-referenced Request for Proposals (“RFP”);

**WHEREAS**, the procurement library contains information about the Department’s information technology security measures that must be kept confidential pursuant to G.S. § 132-6.1(c) and G.S. § 147-33.95(a) in order to protect the integrity of the Department’s information technology systems;

**WHEREAS**, the Vendor is considering whether to file a proposal in response to the above-referenced RFP and is willing to abide by the terms of this Agreement in exchange for the opportunity to access the confidential information in the procurement library;

**NOW THEREFORE**, in consideration of their mutual promises and other valuable consideration, receipt of which is hereby acknowledged, the Parties agree as follows.

#### 1. Definitions

- a. **De-Identified Health Information** is health information from which all identifiers have been removed in the manner described in 45 CFR § 164.514. It is “health information that does not identify an individual and with respect to which there is no reasonable basis to believe that the information can be used to identify an individual.” 45 CFR § 164.514(a).
- b. **Electronic Protected Health Information** shall have the same meaning as the term “electronic protected health information” in 45 CFR § 160.103.
- c. **HIPAA** means the Administrative Simplification Provisions, Sections 261 through 264, of the federal Health Insurance Portability and Accountability Act of 1996, Public Law 104-191.
- d. **HIPAA Privacy and Security Rules** means the Standards for Privacy of Individually Identifiable Health Information and the Security Standards for the Protection of Electronic Protected Health Information set out in 45 CFR Parts 160 and 164.
- e. **Protected Health Information** has the same meaning as the term “protected health information”

in 45 C.F.R. § 164.103.

- f. **Protected Materials** means the data, in whatever form, contained in the Department's Procurement Library.
  - g. **Required By Law** has the same meaning as the term "required by law" in 45 C.F.R. §164.103.
  - h. **RFP** means Request for Proposals No. 30-DIRM-191-11.
  - i. **Security Incident** has the same meaning as the term "security incident" in 45 C.F.R. § 164.304 ("the attempted or successful unauthorized access, use, disclosure, modification or destruction of information or interference with system operations in an information system" used with respect to Electronic Protected Health Information).
- 2. **Procurement Library CD.** Upon receipt of two signed counterparts of this Agreement from the Vendor, DIRM will promptly mail the Vendor a CD containing the Procurement Library.
  - 3. **Confidential Nature of Protected Materials.** The Vendor acknowledges that the Protected Materials contain information that has been made confidential by State and federal law and regulations.
  - 4. **Confidentiality.** Vendor agrees to use reasonable and appropriate safeguards to prevent use or disclosure of the Protected Materials other than as provided for by this Agreement or as required by Law. Vendor will implement administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality of the Protected Materials. The Vendor shall not in any manner or form reproduce, copy, disclose, provide or otherwise make available, in whole or in part, the Protected Materials (except on a confidential basis to subcontractors as provided in Section 7 or to the Vendor's employees who need to know and who are bound in writing to preserve the confidentiality thereof). Vendor acknowledges and agrees that it acquires no title or rights to the Protected Materials, including any De-Identified Health Information, as a result of this Agreement.
  - 5. **Non-Confidential Information.** Notwithstanding the foregoing, Protected Materials shall not include any information that: (i) is or becomes part of the public domain through no act or omission on the part of the Vendor, (ii) is in the Vendor's possession, as evidenced by a writing, without actual or constructive knowledge of an obligation of confidentiality with respect thereto, at or prior to the time of disclosure under this Nondisclosure Agreement, (iii) is released from confidential treatment by written consent of the Department; (iv) is disclosed to the Vendor by a third party with the legal right to do so; or (v) is required to be disclosed pursuant to any legal proceedings.
  - 6. **Improper Use or Disclosure.** Vendor agrees to mitigate, to the extent practicable, any harmful effect that is known to Vendor of a use or disclosure of Protected Health Information by Vendor in violation of the requirements of this Agreement. Vendor agrees to report any use or disclosure of the Protected Materials not provided for by this Agreement to the designated Privacy Officer of the Department within three (3) days of the Vendor's discovery of such unauthorized use and/or disclosure. Vendor shall report to the Department within three (3) days of discovery any Security Incident of which Vendor becomes aware.
  - 7. **Permitted Uses.** If Vendor intends to review the Protected Materials only to determine whether Vendor wishes to serve as a supplier or contractor to a bidder on the RFP, then Vendor may use the Protected Materials only for that purpose. If Vendor intends to review the Protected Materials as a potential direct bidder on the RFP, then Vendor may use the Protected Materials only for the purposes of: (a) evaluating

whether it intends to respond to the RFP; (b) preparing its response to the RFP; and (c) if Vendor is awarded the Contract that is the subject of the RFP, performing its duties under the Contract. The Department shall not request Vendor to use or disclose Protected Health Information in any manner that would not be permissible under the HIPAA Security and Privacy Rule if done by the Department.

8. **Disclosure to Potential Subcontractors.** To the extent necessary for these purposes, Vendor may disclose portions of the Protected Materials to potential subcontractors; provided, however, that prior to any disclosure, the potential subcontractor must execute this Nondisclosure Agreement and return it to the Department in the same manner as required by the Vendor.
9. **Return of Protected Materials.** If the Contract that is the subject of the RFP is awarded to an entity other than Vendor, then upon such award Vendor shall promptly destroy all Protected Materials and copies thereof in its possession or under its control, and certify such destruction to the Department in writing. If the Contract is awarded to Vendor, Vendor shall destroy all Protected Materials and copies thereof in its possession or under its control, and certify such action in writing, upon the earlier of the expiration or termination of the Contract or such time as Vendor may cease to use the Protected Materials for the purposes permitted above.
10. **Access to Persons and Records.** The Contractor agrees to provide the Department or its agents with access to persons and records for the purpose of monitoring, evaluating, or auditing Vendor's compliance with this Nondisclosure Agreement.
11. **Term and Termination.** The Term of this Agreement shall commence upon its delivery to the Department following its execution by the Vendor and shall terminate when Vendor certifies to the Department that Vendor has destroyed all of the Protected Materials provided by the Department. Upon the Department's knowledge of a material breach by Vendor, the Department may immediately terminate this Agreement or the Department may, in its sole discretion, provide an opportunity for Vendor to cure such breach within thirty (30) days after notice of such breach is provided by the Department to Vendor via certified mail or reputable overnight carrier at Vendor's address above. Any noncompliance with this Agreement or the HIPAA Security and Privacy Rule will be deemed a material breach, if Vendor knew or reasonably should have known of such noncompliance and failed to immediately take reasonable steps to cure the noncompliance.
12. **Survival of Promises.** Vendor agrees that Vendor's obligations with respect to the confidentiality and security of the Protected Materials survive the termination of this Nondisclosure Agreement.
13. **Breach of Nondisclosure Agreement.** In the event of breach of this Nondisclosure Agreement by the Vendor, in addition to any other remedy available to it by law or equity, the Department may in its discretion disqualify the Vendor from being awarded the Contract that is the subject of the RFP.
14. **References to HIPAA Security and Privacy Rule.** A reference in this Agreement to a section in the HIPAA Security and Privacy Rule means the section as in effect or as amended, and for which compliance is required.
15. **Choice of Laws.** The validity of this Nondisclosure Agreement and any of its terms or provisions, as well as the rights and duties of the Vendor and the Department, are governed by the laws of North Carolina, exclusive of its conflicts of laws provisions. The Vendor, by signing this Nondisclosure Agreement, agrees and submits, solely for matters concerning this Nondisclosure Agreement, to the exclusive jurisdiction of the courts of North Carolina and agrees, solely for such purpose, that the exclusive venue for any legal proceedings shall be Wake County, North Carolina. The place of all

contracts, transactions, agreements, their situs and forum, shall be Wake County, North Carolina, where all matters, whether sounding in contract or tort, relating to the validity, construction, interpretation, and enforcement shall be determined.

16. **Priority Among Agreements.** In the event that Vendor is awarded the Contract that is the subject of the RFP and there is any conflict between the terms of this Agreement and the terms of that Contract or its ancillary agreements (including without limitation any HIPAA Business Associate Agreement entered into by the Department and Vendor), the terms of that Contract and its ancillary agreements shall control over the terms of this Agreement.
17. **Signature Warranty.** Each individual signing below warrants that he or she is duly authorized by the party to sign this Nondisclosure Agreement and to bind the party to the terms and conditions of this Nondisclosure Agreement.
18. **Counterparts.** This Agreement shall be executed in two counterparts each of which shall be deemed an original, and all of which taken together shall constitute one and the same instrument.

|                  |           |            |               |          |
|------------------|-----------|------------|---------------|----------|
| Vendor Name      |           |            |               |          |
| Street           | P. O. Box | City       | State         | Zip Code |
| Telephone Number |           | Fax Number | Email Address |          |
| Signature        |           |            | Date          |          |
| Printed Name     |           |            | Title         |          |

North Carolina Department of Health and Human Services  
Division of Information Resource Management

|              |       |
|--------------|-------|
| Signature    | Date  |
| Printed Name | Title |

Vendors: Return **two signed counterparts** of this agreement to:

| IF DELIVERED BY US POSTAL SERVICE                                                                                                                                                                | IF DELIVERED BY ANY OTHER MEANS                                                                                                                                                                                                                                                                 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| BID NUMBER: 30-DIRM-191-11<br>Department of Health and Human Services<br>Office of Procurement and Contract Services<br>Attn: Sherri Garte<br>2008 Mail Service Center<br>Raleigh, NC 27699-2008 | BID NUMBER: 30-DIRM-191-11<br>Department of Health and Human Services<br>Office of Procurement and Contract Services<br>Attn: Sherri Garte<br>801 Ruggles Drive, Hoey Building<br>Raleigh, NC 27603-2001<br>or email to: <a href="mailto:sherri.garte@dhhs.nc.gov">sherri.garte@dhhs.nc.gov</a> |

## Attachment I: Executive Order #24

### Certification of Compliance With N.C. Gen. Stat. § 133-32 and Executive Order 24

#### Background

- A. N.C. Gen. Stat. § 133-32 makes it unlawful for any vendor, contractor, subcontractor, or supplier who: (1) has a contract with a governmental agency; or (2) has performed under such a contract within the past year; or (3) anticipates bidding on such a contract in the future; to make gifts or to give favors to any governmental officer or employee who is charged with the duty of: (1) preparing plans, specifications, or estimates for public contract; or (2) awarding or administering public contracts; or (3) inspecting or supervising construction.
- B. By means of Executive Order 24, signed on October 1, 2009, Governor Perdue expanded the prohibitions in N.C. Gen. Stat. § 133-32 to ban the giving of gifts and favors to *any* employee of the Cabinet agencies -- the Departments of Administration, Commerce, Correction, Crime Control and Public Safety, Cultural Resources, Environment and Natural Resources, Health and Human Services, Juvenile Justice and Delinquency Prevention, Revenue, and Transportation and the Office of the Governor -- regardless of the nature of their official duties.
- C. Executive Order 24 can be viewed online at:  
<http://www.governor.state.nc.us/NewsItems/ExecutiveOrderDetail.aspx?newsItemID=665>
- D. N.C. Gen. Stat. § 133-32 can be viewed online at:  
<http://www.ncga.state.nc.us/gascripts/Statutes/StatutesTOC.pl>

#### Certifications

1. I certify that I understand that N.C. Gen. Stat. § 133-32 prohibits my organization, as a bidder on a public contract, from giving any gifts or favors to any governmental officer or employee who is charged with the duty of: (1) preparing plans, specifications, or estimates for public contract; or (2) awarding or administering public contracts; or (3) inspecting or supervising construction.
2. I certify that I understand that Executive Order 24 prohibits my organization, as a bidder on a public contract, from giving any gifts or favors to **any** employee of Cabinet agencies and the Office of the Governor.
3. I certify, on behalf of my organization and its employees and agents, that I have made reasonable inquiries and have found no evidence that any such prohibited gifts or favors have been offered or promised by any of my organization's employees or agents to any covered State officers or employees.
4. I certify that the language of this certification shall be included in all subcontracts at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subcontractors shall certify and disclose accordingly.
5. I understand that this certification is a material representation of fact; that the North Carolina Department of Health and Human Services, Division of Information Resource Management will rely upon this certification if it decides to award a contract to my organization; and that submission of this certification is a prerequisite for State review of the attached proposal.

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**Vendor Name**

**E-Mail Address**

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**Authorized Signature**

**Date**

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**Typed Or Printed Name Of Person Signing**

**Typed Or Printed Title Of Person Signing**

**This Certification Must Be Signed And Dated And Submitted With Your Proposal**