

STATE OF NORTH CAROLINA DEPARTMENT OF TRANSPORTATION PURCHASING SECTION	REQUEST FOR PROPOSAL NO. 54-CA-11104061
	Bids will be publicly opened: September 27, 2012
	Contract Type: Open Market
Refer <u>ALL Inquiries to</u> : Christian Andresen Telephone No. 919-707-2627	Date Issued: August 13, 2012 Commodity Number: 920 Commodity: Mainframe Replacement Planning Project
E-Mail: ctandresen@ncdot.gov	Using Agency Name: Dept. of Transportation
(See page 2 for delivery instructions)	Agency Requisition No. 11104061

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.

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

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

ACCEPTANCE OF BID: If any or all parts of this bid are accepted, an authorized representative of NCDOT shall affix their 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).

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

ISSUING AGENCY: Department of Transportation
Purchasing Section
Raleigh, North Carolina

USING AGENCY: Department of Transportation
Division of Motor Vehicles
Raleigh, North Carolina

DELIVERY INSTRUCTIONS: Vendor must deliver two (2) signed originals and four (4) copies of the Proposal to Issuing Agency in a sealed package with Company Name and RFP Number clearly marked on the front. Vendor must also submit two (2) signed, executed electronic copies of its proposal on read-only CD/DVD(s) or USB Drive. The files on the discs should not be password-protected and should be capable of being copied to other media.

Address envelope and insert bid number as shown below. **It is the responsibility of the Vendor to have the bid in this Office by the specified time and date of opening.**

DELIVERED BY ANY MEANS
BID NUMBER: 54-CA-11104061 Dept. of Transportation Attn: Christian Andresen, Purchasing 1 South Wilmington Street, Room 412 Raleigh, NC 27601

Sealed bids, subject to the conditions made a part hereof, will be received at 1 South Wilmington Street, Room 412, Raleigh, NC 27601 until 2:00 PM Eastern Standard Time on the day of opening and then opened, for furnishing and delivering the commodity as described herein. Proposals for this RFP must be submitted in a sealed package with the Execution of Proposal signed and dated by an official authorized to bind the Vendor's firm. Failure to return a signed execution of proposal shall result in disqualification. All proposals must comply with Section 6, Proposal Content and Organization.

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.

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

Written questions concerning this RFP will be received until August 20, 2012 at 2:00pm Eastern Standard Time. They must be sent via e-mail to: ctandresen@ncdot.gov or faxed to (919) 715-8743. Please insert "Questions RFP 54-CA-11104061" as the subject for the e-mail. The questions are to be submitted in the following format:

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

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

Vendor contact regarding this RFP with anyone other than Chris Andresen may be grounds for rejection of said Vendor's offer.

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

Critical updated information may be included in these Addenda. It is important that all Vendors bidding on this proposal 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.

NOTICE TO VENDORS: The State may 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. The State reserves the right to reject any and all submitted terms and conditions in whole or in part as not being advantageous to the State. By execution and delivery of this Request for Proposal and responses, the Bidder agrees that any additional terms and conditions, whether submitted purposely or inadvertently, shall have no force or effect.

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

STARS / SADLS Systems Replacement Planning Project

Request for Proposal

North Carolina Department of Transportation

Division of Motor Vehicles

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1 Introduction

The North Carolina Department of Transportation (NCDOT), Division of Motor Vehicles (NCDMV) is soliciting proposals from Vendors to develop a detailed implementation plan, inclusive of a technical roadmap and a corresponding business process re-design approach, for the replacement of the Division's mainframe-based State Titling and Registration System (STARS) and State Automated Driver License System (SADLS).

For the purposes of this RFP, these systems, and the information systems that interact with them, are collectively known as the STARS/SADLS systems.

During the 2011-2012 session, the North Carolina General Assembly enacted Session Law 2011-145 (SL2011-145). This act mandates the replacement of the STARS/SADLS systems, and this planning will begin that process.

1.1 Purpose

The purpose of this STARS/SADLS systems planning effort is to develop a plan, timeline, cost estimates, and an understanding of the overall strategic impact of systems replacement and NCDMV modernization. NCDOT understands that numerous options may be identified, but expects the planning process to refine the list to the single approach most beneficial to the State.

This effort will evaluate the current operational and technical state of the systems and consider the changes necessary to replace these systems and modernize NCDMV business processes. The planning results must ensure that the current functionality of the STARS/SADLS systems will not be negatively impacted.

The result of this effort will be a clearly defined roadmap, detailing the most beneficial approach for a future implementation project to replace the STARS/SADLS systems.

The business and technical outputs from this procurement may be subsequently used as input to a formal procurement process for implementing the new STARS/SADLS system and processes. The replacement initiative will have the following three phases:

- Phase 1 – Planning (this project)
- Phase 2 – RFP Development/Procurement, as necessary
- Phase 3 – Implementation

Phases 2 and 3 are not part of this procurement.

1.2 Background

NCDOT is an organization with an annual budget of over \$3 billion dollars and with over 12,000 employees. Its mission is to provide and support a safe and integrated transportation system for the citizens of North Carolina. The NCDMV is a division of NCDOT responsible for licensing and regulating the citizens and motor vehicles that utilize the transportation systems. The NCDMV operates 124 driver license offices, 122 license plate agencies, several mobile driver license offices, weigh stations, and eight law enforcement district offices.

NCDMV utilizes several IT systems that provide services to the citizens of North Carolina. The two primary systems are STARS and SADLS. STARS is a mainframe-based system that provides vehicle titling and registration processes for the NCDMV. Since its inception in 1996, functionality has been added to include enabling citizens to renew vehicle registrations, request duplicate vehicle registrations, and to request personalized and specialized plates via the Internet. SADLS is a mainframe-based system that provides for the issuance and oversight of North Carolina driver licenses, including commercial driver licenses and identification cards (ID cards). The issuance of duplicate driver licenses and ID cards, as well as the ability to purchase driving records, is available via the internet. Additional information on the STARS/SADLS systems is available in Appendices D and E.

2 Bidding Information

This section describes the bidding information to include the scope and considerations, instructions to Vendors, general considerations for proposals, and the evaluation process.

2.1 Instructions to Vendors

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

1. Proposal Format – Proposals that are submitted electronically or by means of a FAX machine will not be accepted.
2. Execution— Failure to sign under EXECUTION section will render proposal invalid.
3. Time for Consideration— Unless otherwise indicated on the first page of this document, Vendor's offer must be valid for 90 days from the date of proposal opening
4. Failure to Meet Proposal Requirements— While it is not anticipated that the awarded Vendor will fail to meet the proposal requirements, if such should occur, the right is reserved to further evaluate the responses to this RFP and then to recommend an award to the next Vendor response that represents the best interest of the State.
5. Prompt Payment Discounts— Vendors are urged to compute all discounts into the price offered. If a prompt payment discount is offered, it will not be considered in the award of the contract except as a factor to aid in resolving cases of identical prices.
6. Miscellaneous— Masculine pronouns shall be read to include feminine pronouns and the singular of any word or phrase shall be read to include the plural and vice versa.
7. Vendor Registration and Solicitation Notification System— Vendor Link NC allows Vendors to electronically register with the State to receive electronic notification of current procurement opportunities for goods and services available on the Interactive Purchasing System at the following web site:
<https://www.ips.state.nc.us/IPS/Vendor/Vndrmess.asp>
8. Organization— Vendors are directed to carefully review Section 6, Proposal Content and Organization and fully comply with the content and organizational requirements therein.
9. E-Procurement— This is an e-procurement solicitation, refer to Section 7.46. The Terms and Conditions made part of this solicitation contain language necessary for the implementation of North Carolina's statewide e-procurement initiative. It is the Vendor's responsibility to read these terms and conditions carefully and to consider them in preparing the offer. By signature, the Vendor acknowledges acceptance of all terms and conditions including those related to e-procurement.
 - a. General information on the e-procurement service can be found at
<http://eprocurement.nc.gov/>

- b. Within two days after notification of award of a contract, vendor must register in NC E-Procurement @ Your Service at the following web site:
<http://eprocurement.nc.gov/Vendor.html>
- c. As of the RFP submittal date, the Vendor must be current on all e-Procurement fees. If the Vendor is not current on all e-Procurement fees, the State may disqualify the Vendor from participation in this RFP.

2.2 General Conditions for Proposals

2.2.1 Definitions, Acronyms and Abbreviations

Generally, see 09 NCAC 061.0102 for definitions. Definitions, acronyms, and abbreviations are listed in Appendix A, or may be defined within the text of this RFP as appropriate.

2.2.2 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.

2.2.3 Vendor Responsibility

The Vendor(s) will be responsible for investigating and recommending the most effective and efficient approach to the services or product requested of this RFP. Consideration shall be given to the soundness of the proposed service or product and the future direction of its effect or ability to deliver upon the requested action within this RFP. The Vendor(s) must provide a justification for their proposed service or product, along with costs thereof. Vendor(s) are encouraged to present explanations of benefits and merits of their proposed solutions together with any accompanying services, maintenance, warranties, value added services or other criteria identified herein.

2.2.4 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 Purchasing Agent named on the Execution Page 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.

2.2.5 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.

2.2.6 Conflict of Interest

Applicable standards may include N.C.G.S. §§ 147-33.100, 14-234, 133-32. The Vendor shall not knowingly employ, during the period of this contract, nor in the preparation of any response to this solicitation, any personnel who are, or have been, employed by a Vendor also in the employ of the State and who are providing services involving, or similar to, the scope and nature of this solicitation or the resulting contract.

2.2.7 Contract Term

A contract awarded pursuant to this RFP shall have an effective date as provided in the Notice of Award. The term shall be for the period of time necessary to complete the deliverables in this RFP, not to exceed one (1) year.

2.2.8 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.

2.2.9 Recycling and Source Reduction

It is the policy of this State to encourage and promote the purchase of products with recycled content to the extent economically practicable, and to purchase items which are reusable, refillable, repairable, more durable, and less toxic to the extent that the purchase or use is practicable and cost-effective. The State also encourages and promotes using minimal packaging and the use of recycled/recyclable products in the packaging of goods purchased. However, no sacrifice in quality of packaging will be acceptable. The Vendor remains responsible for providing packaging that will protect the commodity and contain it for its intended use. Vendors are strongly urged to bring to the attention of the purchasers at the Statewide IT Procurement Office those products or packaging they offer which have recycled content and that are recyclable.

2.2.10 Historically Underutilized Businesses

Pursuant to N.C.G.S. §§ 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/>

2.2.11 Clarifications and Interpretations

All amendments or revisions to this document shall be made by written addendum from the IT Procurement Office. Vendors may call the Purchasing Agent listed on the Execution Page of

this RFP to obtain a verbal status of contract award. If either a unit price or an extended price is obviously in error and the other is obviously correct, the incorrect price will be disregarded.

2.2.12 Negotiation

Pursuant to 09 NCAC 06B.0403 and 06B.0302 (2) (3), the State reserves the right to utilize communications and negotiations if the offers received are not deemed advantageous to the State in one or more respects.

2.2.13 Rights Reserved

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

1. Waive any formality
2. Amend the solicitation
3. Cancel or terminate this RFP
4. Reject any or all proposals received in response to this document
5. Waive any undesirable, inconsequential, or inconsistent provisions of this document, which would not have significant impact on any proposal
6. If the response to this solicitation demonstrates a lack of competition, negotiate directly with one or more Vendors
7. Not award, or if awarded, terminate any contract if the State determines adequate State funds are not available

2.2.14 Alternate Bids

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

Alternate bids must be clearly marked

“Alternate Bid for `name of Vendor”

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

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

2.2.15 Co-Vendors

Vendors may submit offers as partnerships or other business entities. Such partners or other “co-Vendors”, if any, shall disclose their relationship fully to the State. The State shall not be obligated to contract with more than one Vendor. Any requirements for references, financial statements or similar reference materials shall mean all such partners or co-Vendors.

2.2.16 Submitting a Proposal

Each Vendor submitting a proposal warrants and represents that:

1. The proposal is based upon an understanding of the specifications and requirements described in this RFP.
2. 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.

2.2.17 Property of the State

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.

2.2.18 Proposal Modification

A proposal may not be unilaterally modified by the Vendor for a 180-day period following the delivery of the proposal, or of any best and final offer.

2.3 Subsequent Work by Winning Vendor

It is anticipated that many vendors will desire to participate in this initiative. The procurement and any future procurement(s) related to the STARS/SADLS Project implementation will be as fair and competitive as possible. This section attempts to clarify Vendor participation in the potential award of future contracts for subsequent work that may result from the results and recommendations of this effort.

Specifically, the NCDOT desires:

1. No additional work toward the implementation of the STARS/SADLS Project will result directly from this RFP
2. The awarded Vendor for this RFP (Phase 1) will not participate in the preparation of future bidding documents for the implementation of the STARS/SADLS Project (Phase 2). The awarded Vendor for this RFP will be eligible for responding to future bidding documents for the implementation of the STARS/SADLS Project (Phase 3).
3. The awarded Vendor for this RFP (Phase 1) will be required to organize pertinent information obtained in performing the work and provide this documentation to NCDOT in both paper and computer readable (hard and soft copies) formats. The documentation must be in a structure that is helpful to all vendors responding to future bidding documents related to the implementation of the STARS/SADLS Project; thereby, creating a "level playing field" for interested vendors.

The NCDOT has final approval authority of the vendor's project documentation described above including organization, structure, content and technical format.

In summary, the awarded Vendor for this RFP will be eligible to participate in subsequent procurements relative to the STARS/SADLS Project implementation. However, the awarded Vendor for this RFP cannot participate in the preparation of any solicitation documents that might result from work under this RFP.

2.4 Evaluation Process

2.4.1 Best Value

"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.

2.5 Source Selection

A trade-off/ranking method of source selection will be utilized in this procurement to allow NCDOT 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.

1. The evaluation committee may request clarifications, an interview with or presentation from any or all Vendors as allowed by 09 NCAC 06B.0307. However, NCDOT 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.
2. Evaluation Process Explanation. The evaluation committee will consist of State employees. 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.
3. 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 NCDOT. 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.
4. Vendors are advised that NCDOT 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.

2.5.1 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. NCDOT may establish a competitive range based upon evaluations of proposals and request BAFOs from the Vendors within this range; e.g. "Finalist Vendors." NCDOT will evaluate BAFOs and add any additional points to the Vendors' respective scores. Points awarded from oral presentations, site visits and product demonstrations during negotiations, if any, will be added to the previously assigned points to attain final scores.

2.5.2 Evaluation Criteria

Each of the evaluation criteria below shall be evaluated in accordance with the RFP:

1. Proposed Approach and Schedule
2. Project Methodology and Project Staff
3. Cost
4. Corporate Background and Corporate Experience

2.5.3 Evaluation Method

The RFP Scope of Work, Proposal Content and Organization, and Cost Proposal sections describe the work to be performed and the manner in which the proposals are to be structured. Evaluation of proposals will be based on a subjective review by Evaluation Committee members (including any clarifications, oral presentations, BAFOs, and any other source information deemed appropriate by the Evaluation Committee) as measured against the following factors:

Category	Weight	Description
Proposed Approach & Schedule	50%	Includes: How the Vendor recommends meeting the SOW requirements, resource requirements, addressing of deliverables, time frames, etc.
Project Methodology and Project Staffing	20%	Includes: Vendor's explanation of proposed project methodology, project management, and the qualifications of the proposed project staff
Cost	20%	Includes: Total cost for contract and the hourly rate for performing any Change Orders
Corporate Background and Corporate Experience	10%	Includes: Financial standing, demonstration of the Vendor's background, capabilities, and experience including prior relationships with the State of NC, experience with DMV industry and proven success with large projects.

2.5.4 Grounds for Disqualification

Vendor may be disqualified from any evaluation or award if Vendor or any key personnel proposed has previously failed to perform satisfactorily during the performance of any contract with the State or violated rules or statutes applicable to public bidding in the State.

2.5.5 Procurement Schedule

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

Action	Responsibility	Date
Issue of RFP	NCDOT Purchasing	August 13, 2012
Deadline To Submit Questions	Vendors	August 20, 2012
Response to Written Questions/RFP Amendments	NCDOT	August 27, 2012
Submission of Proposal	Vendors	September 27, 2012
Proposal Evaluation	NCDOT	October 29, 2012
Oral Presentation (optional)	Vendors	November 8, 2012
Best and Final Offers from Finalists (optional)	Vendors	November 13, 2012
Contract Award	State Purchasing Agent	November 28, 2012

2.5.6 Award of Contract

Qualified proposals will be evaluated and acceptance may be made in accordance with Best Value procurement practices as defined by N.C.G.S. §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.

2.5.7 Proposal Award Information

ITS implemented links to the Interactive Purchasing System (IPS) that allow the public to retrieve proposal award information electronically from our Internet web site:

<http://www.ips.state.nc.us/ips/pubmain.asp> . Click on the IPS BIDS icon, click on Search for BID, enter the Agency prefix-proposal number (54-CA-11104061), and then search. This information may not be available for several weeks dependent upon the complexity of the acquisition and the length of time to complete the evaluation process.

2.5.8 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 pursuant to 09 NCAC 06B.1102 - .1121.

2.5.9 Timetable/Schedule

The awarded vendor is expected to begin work within two weeks of selection and progress in an expeditious cost-effective manner. The Planning effort is just the first step towards implementation of the new STARS/SADLS system and NCDMV requires that this phase be completed within 90 days.

3 Scope of Work

The vendor must respond by describing how each component in this Scope of Work will be satisfied.

The scope of work for this project contains the following components:

1. Solution Analysis and Design
2. STARS/SADLS Replacement - Strategic Roadmap and Plan
3. Project Management

Prior to beginning work on any deliverable, the Vendor must submit a detailed outline, format example, and description of the deliverable. NCDOT will review and approve the deliverable content and format, or provide any requested changes to the Vendor. Vendors should provide sample documentation as part of their proposals. For the following sections, vendors should reference the statewide technical architecture guidelines (<http://www.NCSTA.gov>) and the statewide security document (<https://www.scio.nc.gov>) as needed.

3.1 Solution Analysis and Design

Responses should include specific methodologies and resources to be employed in capturing all information and deliverables identified in this section. Each deliverable shall also include an executive overview and presentation.

3.1.1 Documentation of the Current-State and Architecture

The Vendor will assess the current architecture, business operations, governing business rules and regulations, and environment in which the STARS/SADLS systems operate. The Vendor should, at a minimum, include the following information in their review:

1. Evaluation of the primary, high level business capabilities and functions supported by STARS/SADLS systems.
2. Evaluation of business rules, legislation, and regulations governing the functionality provided in the STARS/SADLS systems.
3. Evaluation of the current technology architecture supporting the STARS/SADLS systems.
4. Evaluation of all NCDMV mainframe applications which interface with or provide functionality to the STARS/SADLS systems.
5. Identify the operational, technical, and informational relationships between State Agencies or other entities, and the STARS/SADLS systems.
6. Analysis of the effect of other current initiatives upon a STARS/SADLS systems replacement effort. This analysis shall include the impact on 1) NCDOT enterprise service initiatives, (e.g. Enterprise Credit Card, Enterprise Content Management, SAP Process Integration, NCID-Active Directory Integration, etc.) 2) NCDMV specific

initiatives (e.g. MILES - Motor Vehicle Inspection and Law Enforcement System, HB 1779 – Vehicle Property Tax Collection, Next Generation Secure Driver License System, etc.) 3) Pending Change Requests.

The Vendor will deliver a comprehensive, qualitative report of the current-state, a conceptual architecture of the STARS/SADLS systems, to include identification of users, partners, service channels, business functions, information, and technology components, with supporting artifacts.

3.1.2 Documentation of the Future-State, Conceptual Architecture

Based on the assessment of the current architecture, state of the industry and the future state business vision, the vendor will produce the following deliverables:

1. A qualitative report of the state of the industry which includes identification of trends and available COTS products, including the major functionality provided in each.
2. A qualitative document describing the future-state vision from the business perspective. The document shall include a business capabilities map which models NCDMV Future State Services. The goal is to model the business of NCDMV on its most stable elements. The way in which NCDMV implements its processes is likely to change frequently; however, the basic capabilities of NCDMV such as "Issue Credentials," "Provision Information," will tend to remain constant. This future-state, vision document shall be based on the following NCDMV business strategies:
 - Improve customer relationship management to better serve NCDMV customers and provide a consolidated view of customer information.
 - Provide seamless service to all NCDMV customers, whether an individual citizen, business, agency employee or other government organization.
 - Provide an integrated and adaptable system framework with the expectation and ability to deal with policy or legislative changes experienced within the NCDMV.
 - Develop an environment that enables access to information based on user roles and informational requirements.
 - Maintain a focus on the authentication and security of NCDMV identity and vehicle credentials to enhance overall security and prevent fraud.
 - Enhance the ability to share data across NCDMV systems and with approved external partners.
 - Improve the ability of NCDMV to audit and oversee the activities and transactions conducted within their systems.

- Develop a plan that will integrate disparate applications and information, and automate business processes in order to eliminate or minimize redundant data entry and manual, paper-intensive processing.
 - Migrate to a paperless registration and titling environment in order to reduce fraud and security risks, and to eliminate physical production and distribution costs.
 - Provide a means to offer NCDMV products and services in the most efficient and effective way to reach customers.
 - Adopt a standards-based solution that promotes interoperability and integration.
 - Provide a fully integrated financial component that provides NCDMV with a complete, consolidated view of a customer's associated NCDMV financial and account balances.
3. Alternatives for future-state, conceptual architectures for the STARS/SADLS systems replacement, to include identification of users, partners, service channels, business functions, information, and technology components, with supporting artifacts. The alternatives must be compliant with the statewide technical architecture that can be found at <http://www.ncsta.gov>.
4. A matrix mapping the future-state business capabilities and functions to the proposed technology solution components. This matrix will identify which capability NCDMV can expect to leverage in each of the following:
- “Out of the Box” COTS Product Functionality
 - Parameter Driven Configuration
 - Third-Party/Bolt-On Solution
 - New Development or Customization of Existing Software
 - Interfacing and/or Integrating with Existing NCDOT Solutions (Both Business Level and Enterprise)

3.2 Strategic Roadmap and Plan

The Vendor will perform the tasks described below.

1. Based on the alternative conceptual architectures produced in Section 3.1.2, collaborate with NCDMV to select the alternative best suited to meet the requirements of NCDMV.
2. Identify alternate transition strategies to implement the selected conceptual architecture to meet the requirements of NCDMV.
3. Based on the alternative transition strategies for the selected conceptual architecture, collaborate with NCDMV to select the alternative best suited for migration functionality to the selected conceptual architecture.
4. Document the impact on business processes and workforce training based on the selected conceptual architecture and transition strategy.

5. Document the qualified input on cost, timeline, and risks associated with the STARS/SADLS systems replacement.
6. Document any key conditions or contingencies that must be satisfied based on findings that produced the recommendation.
7. Document a high-level project plan that outlines the STARS/SADLS systems replacement project effort.
8. Provide a Cost-Benefit Analysis based on recommendation.

After executing these tasks, the vendor will provide a detailed report that includes the outcome of these tasks into an Implementation Roadmap and Plan.

3.3 Project Management

The Vendor must propose an approach to manage the Planning Project to ensure that all project deliverables are produced accurately, completed on time, and within budget.

1. The Vendor must provide a full-time, on site, Project Manager to oversee and coordinate the daily activities of the Vendor's project team and to serve as the primary contact for the Planning Project. The Project Manager must have previous experience with projects similar in scope, size, and complexity.
2. The Vendor must make formal presentations before the NCDMV and NCDOT Executive Staff and other State committees with respect to the Planning Project's progress, future plans, and scheduling.
3. The Vendor must attend and participate in status meetings and Steering Committee meetings or any other meetings as requested by the NCDOT Project Manager.
4. The project will be subject to third party quality assurance reviews by the office of Information Technology Services governed by the SB991 process and the Vendor must participate in all activities associated with such an effort as well as provide mitigations to risks and/or issues that impact project measures of success.

3.3.1 Project Organization

The Planning Project will require close coordination between NCDOT and the selected Vendor. The organization of the project follows in Figure 1.

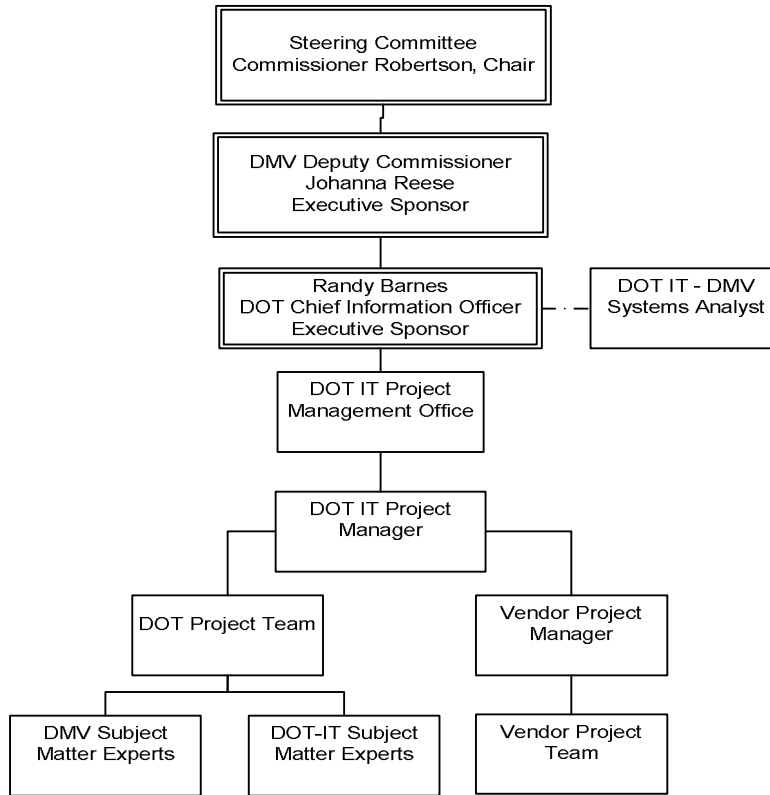


Figure 1 – Planning Project Organization

The Project team will be led by the NCDOT IT Project Manager. The remainder of the project team will consist of key business, technical, and security personnel from NCDOT and NCDMV that are key stakeholders in the implementation of the legislation. The Vendor Project Manager will be accountable for all work assigned to the Vendor and will report to the NCDOT Project Manager for the duration of the Project.

In addition, it is expected that Subject Matter Experts from all affected entities who are not full-time on the Project Team will be involved. The NCDOT IT Project Manager will coordinate the scheduling of State personnel as necessary to provide required information that the awarded Vendor needs in performing its work to meet the deliverables and objectives of the Project.

At a minimum, the Vendor Project Manager, lead functional analyst and lead technical architect must be identified in the proposal and will be considered “Key Personnel.” The Vendor may propose other Key Personnel with their job description/function on the Project team. All Key Personnel must have previous experience with projects similar in scope, size and complexity. NCDOT prefers that all Vendor personnel, with the exception of specific technical resources, have relevant experience with similar evaluation engagements, including DMV-related experience. The Vendor must provide resumes of the proposed key personnel for the Project.

Vendor proposed project organizational structure must illustrate how the Vendor will meet the measures of success and business outcomes as proposed in response to this RFP.

3.3.2 Project Management Specifications

The Vendor shall be responsible for meeting all project management requirements and deliverables as specified in the Contract, including Appendix B .

4 Cost Proposal

This section describes in detail the requirements to be addressed by the Vendor in preparing the Cost Proposal. All subsections are to be considered as mandatory requirements, unless otherwise indicated.

The cost proposed will be a total not-to-exceed cost. The Vendor must complete the Cost Proposal Form in Appendix C.

4.1 Cost Offer

The Vendor shall provide a deliverables-based payment schedule that reflects the total cost of effort defined in this RFP. The Vendor must propose payments which are tied to useable deliverables that provide measurable, stand-alone, value-add contribution towards the completion of this RFP, independent of project continuation. NCDOT will evaluate the proposed deliverables-based payment schedule and finalize it with the Vendor during the negotiation process prior to contract award. Where practical, NCDOT extends flexibility to the Vendor to combine items to reduce the number of payments. Vendor shall be responsible for ensuring all deliverables are accounted for and clearly identified in their proposal with the payment schedule.

4.2 Optional Products or Services

If there are additional services that the Vendor would recommend as part of the proposed initiative, which are not specifically required, the Vendor may provide an itemized cost list of such services for consideration by NCDOT. A detailed explanation of the business benefits and functionality must also be provided. Do not include these costs in the total cost bid.

4.3 Change Orders

The Vendor must submit in the Cost Proposal a single hourly rate for performing any Change Orders requested by NCDOT. This rate must be fully loaded to include any travel or per diem costs and must be for the duration of the contract.

5 Other Requirements and Special Terms

5.1 Vendor Utilization of Workers Outside U.S.

In accordance with N.C.G.S. § 147-33.97, the Vendor must detail in the bid response, the manner in which it intends to utilize resources or workers. The Vendor must complete the Vendor Utilization of Workers Outside the U.S. form in Appendix C.

5.2 Financial Statements and Information

The Vendor shall provide evidence of financial stability with its response to this RFP as further described herein below. As used herein, Financial Information shall exclude tax returns and compiled statements.

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 three (3) years, Vendor must explain the reason why they 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.

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

5.3 Disclosure of Litigation

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

The Vendor shall notify NCDOT 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 RFP, 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 NCDOT 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.

Vendor shall notify NCDOT 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 RFP, that involve (1) services or related goods

similar to those provided pursuant to any contract and that involve a claim in excess of \$25,000.00 or 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, in any amount less than \$25,000.00 shall be disclosed to NCDOT to the extent they affect the financial solvency and integrity of the Vendor or subcontractor.

All notices under the two paragraphs above herein shall be provided in writing to NCDOT within thirty (30) calendar days after the Vendor learns about any such criminal or civil matters; unless such matters are governed by the ITS General Terms and Conditions annexed to the RFP. Details of settlements that 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 NCDOT.

5.4 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 employees; convicted under State or federal antitrust statutes; or convicted of any other criminal offense which in the sole discretion of NCDOT, 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.

5.5 Security & Background Checks

NCDOT will conduct a security background check, at the Vendor's expense, or otherwise approve any employee or agent provided by Vendor, and reserves the right 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 NCDOT's security or other requirements. This approval requirement shall not relieve Vendor of its obligations to perform all work in compliance with the Contract terms. NCDOT reserves the right to reject and/or bar any Vendor personnel, whether employee or agent, from NCDOT facilities for cause. Facilities, as used herein, shall comprise physical, internet based resources or interfaces, intranet resources, or informational resources.

5.6 Assurances

In the event that criminal or civil investigation, litigation, arbitration or other proceedings disclosed to NCDOT pursuant to this Section, or of which NCDOT otherwise becomes aware, during the term of this Contract, causes NCDOT to be reasonably concerned about:

1. The ability of the Vendor or its subcontractor to continue to perform this Contract in accordance with its terms and conditions, or
2. Whether the Vendor or its subcontractor in performing services is engaged in conduct which is similar in nature to conduct alleged in such investigation, litigation, arbitration or other proceedings, which conduct would constitute a breach of this Contract or violation of law, regulation or public policy, then the Vendor shall be required to provide NCDOT all reasonable assurances requested by NCDOT to demonstrate that the Vendor or its subcontractors hereunder will be able to continue to perform this Contract in accordance with its terms and conditions, and the Vendor or its subcontractors will not engage in conduct in performing services under this Contract which is similar in nature to the conduct alleged in any such litigation, arbitration or other proceedings.

5.7 Confidentiality of State Data, Material and Information

The Vendor and its agents shall maintain the security and confidentiality of all data, information, working papers, and other documents related to the Contract. Any use, sale, or offering of this data in any form by the Vendor, its employees, or assignees without the prior written approval of NCDOT shall be a violation of the Contract. Any violation shall be considered a material breach of the Contract.

The Vendor shall treat all information that is obtained through its performance under the Contract as confidential information. The Vendor shall not use any information so obtained in any manner except as provided for herein. NCDOT, the State auditors, the State Attorney General, and Federal officials as authorized by Federal law or regulations, as well as the authorized representatives of the foregoing, shall have access to all confidential information in accordance with the requirements of State and Federal laws and regulations. No other person or entity shall be granted access to confidential information unless State and Federal laws and regulations allow such access. Use or disclosure of confidential information shall be limited to purposes directly connected with the administration of the Contract.

The Vendor shall safeguard and protect any data, documents, files, and other materials received from the State or NCDOT during performance of any contractual obligation from loss, destruction, or erasure, including without limitation through Vendor's performance of its duties.

The Vendor specifically warrants that it, its officers, directors, principals, employees, suppliers and any subcontractors shall hold all information received during performance of the Contract in the strictest confidence and shall not disclose the same to any third party without the express written approval of NCDOT.

The Vendor warrants that all of its employees and any approved third party subcontractors are subject to a non-disclosure and confidentiality agreement that is enforceable in North Carolina and sufficient in breadth to include and protect confidential information of the State. The Vendor shall, upon request of NCDOT, verify and produce true copies of any such agreements. Production of such agreements by the Vendor may be made subject to applicable confidentiality, non-disclosure, or privacy laws, provided that the Vendor produces satisfactory evidence supporting exclusion of such agreements from disclosure under the North Carolina Public Records laws in N.C.G.S. §132 1 et. seq. NCDOT may, in its sole discretion, provide a

non-disclosure and confidentiality agreement satisfactory to NCDOT for the Vendor's execution. NCDOT may exercise its rights under this Section as necessary or proper, in its discretion, to comply with applicable security regulations or statutes, including, but not limited to, any implementing regulations in the Code of Federal Regulations, and any future regulations imposed upon the Office of Information Technology Services or the North Carolina Department of Transportation pursuant to future statutory or regulatory requirements.

The Vendor warrants that without prior written approval of NCDOT, the Vendor shall not incorporate confidential or proprietary information of any person or entity not a Party to the Contract into any materials furnished to NCDOT hereunder, nor without such approval shall the Vendor disclose to NCDOT or induce NCDOT to use any confidential or proprietary information of any person or entity not a Party to the Contract.

The foregoing confidentiality provisions will not prevent the Vendor from disclosing information that (i) at the time of disclosure by NCDOT or the State is already known by the Vendor without an obligation of confidentiality other than under this Contract, (ii) is publicly known or becomes publicly known through no act of the Vendor other than an act that is authorized by the State, (iii) is rightfully received by the Vendor from a third party and the Vendor has no reason to believe that the third party's disclosure was in violation of an obligation of confidence to NCDOT or the State, (iv) is independently developed by the Vendor without use of the State's confidential information, (v) is disclosed without similar restrictions to a third party by the State, or (vi) is required to be disclosed pursuant to a requirement of Law (as defined in Section 7.44 herein) or a Governmental Authority (as defined in Section 7.44 herein), so long as the Vendor, to the extent possible, provides the State with timely prior notice of such requirement and coordinates with NCDOT in an effort to limit the nature and scope of such required disclosure.

5.8 State Data

Except to the extent otherwise required by Law or a Governmental Authority, Vendor shall not withhold the State Data or any other State confidential information or refuse for any reason to promptly return to the State the State Data and any other State confidential information (including copies thereof) if requested to do so on such media as reasonably requested by the State, even if the State is then or is alleged to be in breach of the Contract. As a part of Vendor's obligation to provide the State Data pursuant to this Section, Vendor will also provide the State any data maps, documentation, software, or other materials necessary, including, without limitation, handwritten notes, materials, working papers or documentation, for the State to use, translate, interpret, extract and convert the State Data and any other State confidential information for use by the State or any third party.

5.9 Security Breach

"Security Breach" means (i) any circumstance pursuant to which applicable Law requires notification of such breach to be given to affected parties or other activity in response to such circumstance; or (ii) any actual, attempted, suspected, threatened, or reasonably foreseeable circumstance that compromises, or could reasonably be expected to compromise, either Physical Security or Systems Security (as such terms are defined below) in a fashion that either does or could reasonably be expected to permit unauthorized Processing (as defined below),

use, disclosure or acquisition of or access to any the State Data or state confidential information.

“Physical Security” means physical security at any site or other location housing systems maintained by Vendor or its agents or subcontractors in connection with the Services (as defined below).

“Systems Security” means security of computer, electronic or telecommunications systems of any variety (including data bases, hardware, software, storage, switching and interconnection devices and mechanisms), and networks of which such systems are a part or communicate with, used directly or indirectly by Vendor or its agents or subcontractors in connection with the Services.

“Processing” means any operation or set of operations performed upon the State Data or State confidential information, whether or not by automatic means, such as creating, collecting, procuring, obtaining, accessing, recording, organizing, storing, adapting, altering, retrieving, consulting, using, disclosing or destroying.

“Services” shall mean the services and Deliverables to be delivered by Vendor pursuant to the Contract, including, without limitation, the inherent services described in Section 7.5.2 herein.

5.10 Breach Notification

In the event Vendor becomes aware of any Security Breach due to Vendor acts or omissions other than in accordance with the terms of the Contract, Vendor shall, at its own expense, (i) immediately notify the NCDOT Contract Administrator of such Security Breach and perform a root cause analysis thereon, (ii) investigate such Security Breach, (iii) provide a remediation plan, acceptable to NCDOT, to address the Security Breach and prevent any further incidents, (iv) conduct a forensic investigation to determine what systems, data and information have been affected by such event; and (v) cooperate with NCDOT, and any law enforcement or regulatory officials, credit reporting companies, and credit card associations investigating such Security Breach. NCDOT shall make the final decision on notifying NCDOT’s persons, entities, employees, service providers and/or the general public of such Security Breach, and the implementation of the remediation plan. If a notification to a customer is required under any Law or pursuant to any of the State’s privacy or security policies, then notifications to all persons and entities that are affected by the same event (as reasonably determined by the State) shall be considered legally required.

5.11 Notification Related Costs

Vendor shall reimburse the State for all Notification Related Costs incurred by the State arising out of or in connection with any Security Breach due to Vendor acts or omissions other than in accordance with the terms of the Contract resulting in a requirement for legally required notifications. “Notification Related Costs” shall include the State’s internal and external costs associated with addressing and responding to the Security Breach, including but not limited to: (i) preparation and mailing or other transmission of legally required notifications; (ii) preparation and mailing or other transmission of such other communications to customers, agents or others as the State deems reasonably appropriate; (iii) establishment of a call center or other communications procedures in response to such Security Breach (e.g., customer service FAQs,

talking points and training); (iv) public relations and other similar crisis management services; (v) legal and accounting fees and expenses associated with the State's investigation of and response to such event; and (vi) costs for credit reporting services that are associated with legally required notifications or are advisable, in the State's opinion, under the circumstances. In the event that Vendor becomes aware of any Security Breach which is not due to Vendor acts or omissions other than in accordance with the terms of the Contract, Vendor shall immediately notify the State of such Security Breach, and the Parties shall reasonably cooperate regarding which of the foregoing or other activities may be appropriate under the circumstances, including any applicable charges for the same.

5.12 Retainage

NCDOT will retain 20% for all invoice payments until all work under this contract is completed and accepted by NCDOT. NCDOT shall release any amounts held as retainage after acceptance of the final deliverable. NCDOT retains the right to release any or all retainage amounts at its sole discretion.

5.13 Unanticipated Tasks

In the event that additional work must be performed that was wholly unanticipated, and that is not specified in this Contract, but which in the opinion of both parties is necessary to the successful accomplishment of the contracted scope of work, the procedures outlined in this article will be followed. For each item of unanticipated work, Vendor shall prepare a work authorization in accordance with the State's practices and procedures.

1. It is understood and agreed by both parties that all of the terms and conditions of this Contract shall remain in force with the inclusion of any work authorization. A work authorization shall not constitute a contract separate from this Contract, nor in any manner amend or supersede any of the other terms or provisions of this Contract or any amendment hereto.
2. Each work authorization shall comprise a detailed statement of the purpose, objective, or goals to be undertaken by Vendor, the job classification or approximate skill level or sets of the personnel required, an identification of all significant material then known to be developed by Vendor's personnel as a Deliverable, an identification of all significant materials to be delivered by the State to Vendor's personnel, an estimated time schedule for the provision of the services by Vendor, completion criteria for the work to be performed, the name or identification of Vendor's personnel to be assigned, the Vendor's estimated work hours required to accomplish the purpose, objective or goals, the Vendor's billing rates and units billed, and the Vendor's total estimated cost of the work authorization.
3. All work authorizations must be submitted for review and approval by the procurement office that approved the original Contract and procurement. This submission and approval must be completed prior to execution of any work authorization documentation or performance thereunder. All work authorizations must be written and signed by Vendor and the State prior to beginning work.

4. The State has the right to require Vendor to stop or suspend performance under the “Stop Work” provision of the General Terms and Conditions for Goods and Related Services.
5. Vendor shall not expend Personnel resources at any cost to the State in excess of the estimated work hours unless this procedure is followed: If, during performance of the work, the Vendor determines that a work authorization to be performed under this Contract cannot be accomplished within the estimated work hours, the Vendor will be required to complete the work authorization in full. Upon receipt of such notification, the State may:
 - a. Authorize the Vendor to expend the estimated additional work hours or service in excess of the original estimate necessary to accomplish the work authorization, or
 - b. Terminate the work authorization, or
 - c. Alter the scope of the work authorization in order to define tasks that can be accomplished within the remaining estimated work hours.
 - d. The State will notify Vendor in writing of its election within seven (7) calendar days after receipt of the Vendor’s notification. If notice of the election is given to proceed, the Vendor may expend the estimated additional work hours or services.

6 Proposal Content and Organization

The 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 and/or provide the goods described in this RFP. If any relevant and material information is not provided, the offer may be rejected from consideration and evaluation. Proposals will be considered and evaluated based upon the Vendor's full completion and response to the following, and any additional requirements herein, or stated in a separate exhibit.

6.1 Information and Descriptive Literature

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

6.2 Proposal Content

Vendor's proposals must demonstrate compliance with all specifications, requirements, and terms of performance.

1. Clear understanding of the service or product required by this RFP must be demonstrated in the:
 - a. Vendor Proposal, including, without limitation, supporting documentation, statements of work and/or service level agreements, and other materials.
 - b. Vendor Cost Proposal.
2. Detailed description of Vendor's firm must include all of the following:
 - a. Full name, address, and telephone number of the organization.
 - b. Date established.
 - c. Background of firm.
 - d. Ownership (public company, partnership, subsidiary, etc.).
 - e. If incorporated, State of incorporation must be included.
 - f. Number of full-time employees on January 1st for the last three years or for the duration Vendor's firm has been in business, whichever is less.

6.3 Errata or Exceptions

Any errata or exceptions must be stated on a separate page, labeled “Errata and/or Exceptions” with references to the corresponding terms or provisions of this RFP. NCDOT objects to and will not be required to evaluate or consider any additional terms and conditions submitted with a Vendor’s response; nor any exceptions to the RFP’s terms and conditions. This applies to any language appearing in or attached to any document presented as part of the Vendor’s response.

6.4 Proposal Format

The proposal should be organized in the exact order in which the requirements and/or desirable performance criteria are presented in the RFP. The Execution page of this RFP must be placed at the front of the proposal. Each page should be numbered. The proposal should contain a table of contents, which cross-references the RFP requirement and the specific page of the response in the Vendor's proposal. The proposal should be typewritten on standard 8 ½ x 11 paper (larger paper is permissible for charts, spreadsheets, etc.) and placed within a binder with tabs delineating each section.

6.5 General Instructions

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

1. Elaborate proposals in the form of brochures or other presentations beyond that necessary to present a complete and effective proposal are not desired. All marketing type literature should be placed in an appendix with the body of the proposal containing the narrative specific to addressing this RFP.
2. The response should be complete and comprehensive with a corresponding emphasis on being concise and clear. The Vendor is encouraged to limit the number of pages in the proposal to the minimum necessary to completely explain the service or product.

6.6 Proposal Sequence and Forms

Within each section of their proposal, Vendors should address the items in the order in which they appear in this RFP. Forms provided in the RFP must be thoroughly completed and included in the appropriate section of the proposal. All discussion of proposed costs, rates, or expenses must be presented with the cost response.

6.7 Proposal Requirements

Any proposal that does not adhere to these requirements may be deemed non-responsive and rejected on that basis.

6.8 Additional Materials

Vendors may attach other materials that they feel may improve the quality of their responses. However, these materials should be included as items in a separate appendix.

6.9 Proposal Organization

The proposal must be organized and indexed in the following format and must contain, at a minimum, all listed items in the sequence indicated.

6.9.1 Letter of Transmittal

Letter of Transmittal - Each proposal must be accompanied by a letter of transmittal that provides the following information:

1. Name of the submitting organization;
2. Name, title, telephone and fax number, along with an e-mail address of the person authorized by the organization to contractually obligate the organization;
3. Name, title, telephone and fax number, along with an e-mail address of the person authorized to negotiate the contract on behalf of the organization;
4. Names, titles, telephone and fax number, along with an e-mail address of the person to be contacted for clarification;
5. Acknowledgement of any and all amendments to this RFP.

6.9.2 Table of Contents

Include a table of contents.

6.9.3 Proposal Summary

A proposal summary may be included by Vendors to provide the Evaluation Committee with an overview of the technical and business features of the proposal; however, this material will not be used in the evaluation process unless specifically referenced from other portions of the Vendor's proposal

6.9.4 Response to Scope of Work

This section will include the Vendor's response to the requirements in this RFP. The Vendor shall describe the objectives of the Project, the methodology or approach for performing the Project, the deliverables resulting from the work, the person-days involved in the work and the schedule/timetable for completing the Project. The Vendor should explain in detail how each deliverable will be accomplished. For each deliverable, the Vendor must also include a correlating percentage of the person-days involved in the work to complete the deliverable. The use of subcontractors is allowed pursuant to Section 7.4 of the General Terms and Conditions, but must be described plainly in the project approach. The responsibility of the vendor for the subcontractor must be unequivocally described in the project approach.

6.9.5 Complete Cost Response

This section should contain the Vendor's completed cost form along with any additional materials required to details and explain the cost response.

6.9.6 Vendor's Qualification and Direct Experience

In this section, details shall be provided on the Vendor's corporate and staff experience within the last five (5) years directly related to the proposed contract. This should include all related experience in the state and/or federal government arena. Experience in the Motor Vehicle and Driver Licensing environment is preferred. Vendor must provide three (3) references.

The details of the Vendor's experience (and experience of subcontractor(s), if applicable) relevant to the proposed contract must cover:

1. Experience in performing system evaluations and planning projects;
2. Experience in mainframe systems modernization;
3. Experience in Internet enabled systems;
4. Experience in client/server development and implementation;
5. Experience in the motor vehicle and driver licensing environment;

For each referenced project, the Vendor must provide the customer name and address, a description of the work performed, whether as a prime contractor or subcontractor, the time period of the project (beginning and end dates), and two customer references (including business addresses, email addresses, and telephone numbers). The customer references must have been directly involved in the project. One reference must be a person in information technology and the other reference must be a business user. The Vendor must also provide a list of all major contract disputes. If NCDOT is unable to reach a reference provided, the Vendor may be contracted to provide additional information. NCDOT will contact references as deemed appropriate during the evaluation period to verify Vendor stated experience.

6.9.7 Financial Statement and Information

This section should contain the Vendor's response to the request for financial information as outlined in section 5.2 Financial Statements and Information.

6.9.8 Conflict of Interest

Provide a statement that no assistance in preparing the response was received from any current or former employee of the State whose duties relate to this RFP, unless such assistance was provided by the state employee in his or her official public capacity and that neither such employee nor any member of his or her immediate family has any financial interest in the outcome of this RFP.

State if the Vendor or any employee of the Vendor is related by blood or marriage to a State employee or resides with a State employee. If there are such relationships, list the names and relationships of said parties. Include the position and responsibilities within the Vendor's organization of such Vendor employees. State the employing State agency, individual's title at that State agency, and termination date.

6.9.9 Vendor's Additional Terms and Conditions

This section should contain any additional terms and conditions that the Vendor would like to propose for consideration by NCDOT.

6.9.10 Errata and Exceptions

This section should contain any errata or exceptions that the Vendor would like to document for consideration by NCDOT. As stated previously, NCDOT is not obligated to accept any deviations from those documented in the RFP.

6.9.11 NCDOT Responsibilities

The Vendor must include in the proposal and project plan all tasks and deliverables that will be the responsibility of NCDOT, including but not limited to:

1. Office environment (office space, computers, Internet access, etc.)
2. Availability of personnel for interviews
3. Deliverable reviews

6.9.12 Proposal Forms

This section of the proposal shall consist of the proposal forms, located in Appendix C.

7 Contractual Terms and Conditions

Definitions: As used herein;

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

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

7.1 Standards

7.1.1 Site Preparation

Reserved

7.1.2 Goods Return

Reserved

7.1.3 Specifications

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

7.2 Warranties

Vendor shall assign all applicable third party warranties for Deliverables to the Purchasing State Agency.

7.3 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, at its sole discretion, may 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.

1. Vendor personnel shall perform their duties on the premises of the State, during the State's regular workdays and normal work hours, except as may be specifically agreed otherwise, established in the specification, or statement of work.
2. The State has and reserves the right to disapprove the continuing assignment of Vendor personnel provided by Vendor under this Contract. If this right is exercised and the Vendor is not able to replace the disapproved personnel as required by the State, the parties agree to employ good faith efforts to informally resolve such failure equitably by adjustment of other duties, set-off, or modification to other terms that may be affected by Vendor's failure.
3. Vendor will make every reasonable effort consistent with prevailing business practices to honor the specific requests of the State regarding assignment of Vendor's employees. Vendor reserves the sole right to determine the assignment of its employees. If one of Vendor's employees is unable to perform due to illness, resignation, or other factors beyond Vendor's control, Vendor will provide suitable personnel at no additional cost to the State.
4. This contract shall not prevent Vendor or any of its personnel supplied under this Contract from performing similar services elsewhere or restrict Vendor from using the personnel provided to the State, provided that:
 - a. Such use does not conflict with the terms, specifications or any amendments to this Contract, or
 - b. Such use does not conflict with any procurement law, regulation or policy or
 - c. Such use does not conflict with any non-disclosure agreement, or term thereof, by and between the State and Vendor or Vendor's personnel.
5. The State shall have and retain the right to obtain personal services of any individuals providing services under this Contract, whether services hereunder are originally provided under the employment of the Vendor, or any subcontractor. This right may be exercised at the State's discretion but only in the event of any transfer of the person providing personal services, termination, default, merger, acquisition, bankruptcy or receivership of the Vendor or any subcontractor to ensure continuity of services provided under this Contract. Provided, however, that the Agency shall not retain or solicit any Vendor employee for purposes other than completion of personal services due as all or part of any performance due under this Contract.

7.4 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.

7.5 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).

7.5.1 Intellectual Property

Vendor has the right to provide the Services and Deliverables without violating or infringing any law, rule, regulation, copyright, patent, trade secret or other proprietary right of any third party. Vendor represents that its Services and Deliverables are not the subject of any actual or threatened actions arising from, or alleged under, any intellectual property rights of any third party.

7.5.2 Inherent Services

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. Unless otherwise expressly provided in the Contract, Vendor will furnish all of its own necessary management, supervision, labor, facilities, furniture, computer and telecommunications equipment, software, supplies and materials necessary for the Vendor to provide and deliver the Services and Deliverables.

7.5.3 Financial Capacity

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.

7.5.4 Warranty as to Equipment; Hardware

Reserved

7.6 Software License

Reserved

7.7 Maintenance/Support Services

Reserved

7.8 Travel Expenses

Vendor may be reimbursed for travel expenses arising under the performance of this Contract at the out-of-state rates set forth in N.C.G.S. §138-6; as amended from time to time. Vendor agrees to use the lowest available airfare not requiring a weekend stay and to use the lowest available rate for rental vehicles. All Vendor incurred travel expenses shall be billed on a monthly basis, shall be supported by receipt and shall be paid by the State within thirty (30) days after invoice approval. Travel expenses exceeding the foregoing rates shall not be paid by the State. The State will reimburse travel allowances only for days on which the Vendor is required to be in North Carolina performing services under this Contract.

7.9 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.

7.10 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 09 NCAC 06B.1102 (f), 06B.1030, or other provision of law.

7.11 Availability of Funds

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.

7.12 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 N.C.G.S. § 105A-1, et. seq. of the N.C. General Statutes and applicable North Carolina Administrative Code rules. Upon Vendor's written request of not less than 30 days and approval by the State or Agency, the Agency may:

1. Forward the Vendor's payment check(s) directly to any person or entity designated by the Vendor, or
2. Include any person or entity designated in writing by Vendor as a joint payee on the Vendor's payment check(s), however
3. 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.

7.13 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 installation 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 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.

7.14 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.

7.15 Inspection at Vendor's Site

The State reserves the right to inspect, during Vendor's regular business hours at a reasonable time, upon notice of not less than two (2) weeks, and at its own expense, the prospective Deliverables comprising equipment or other tangible goods, or the plant or other physical facilities of a prospective Vendor prior to Contract award, and during the Contract term as necessary or proper to ensure conformance with the specifications/requirements and their adequacy and suitability for the proper and effective performance of the Contract.

7.16 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.

7.17 Confidentiality

In accordance with 09 NCAC 06B.0103, 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.G.S. §132-1 et seq. Such information may include trade secrets defined by N.C.G.S. §66-152 and other information exempted from the Public Records Act pursuant to N.C.G.S. §132-1.2. Vendor may designate appropriate portions of its response as confidential, consistent with and to the extent permitted under the Statutes and Rules set forth above, by marking the top and bottom of pages containing confidential information with a legend in boldface type "CONFIDENTIAL". By so marking any page, the Vendor warrants that it has formed a good faith opinion, having received such necessary or proper review by counsel and other knowledgeable advisors that the portions marked confidential meet the requirements of the Rules and Statutes set forth above. However, under no circumstances shall price information be designated as confidential. The State may serve as

custodian of Vendor's confidential information and not as an arbiter of claims against Vendor's assertion of confidentiality. If an action is brought pursuant to N.C.G.S. §132-9 to compel the State to disclose information marked confidential, the Vendor agrees that it will intervene in the action through its counsel and participate in defending the State, including any public official(s) or public employee(s). The Vendor agrees that it shall hold the State and any official(s) and individual(s) harmless from any and all damages, costs, and attorneys' fees awarded against the State in the action. The State agrees to promptly notify the Vendor in writing of any action seeking to compel the disclosure of Vendor's confidential information. The State shall have the right, at its option and expense, to participate in the defense of the action through its counsel. The State shall have no liability to Vendor with respect to the disclosure of Vendor's confidential information ordered by a court of competent jurisdiction pursuant to N.C.G.S. §132-9 or other applicable law.

1. 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.
2. Vendor warrants that all its employees and any approved third party Vendors or subcontractors are subject to a non-disclosure and confidentiality agreement enforceable in North Carolina. Vendor will, upon request of the State, verify and produce true copies of any such agreements. Production of such agreements by Vendor may be made subject to applicable confidentiality, non-disclosure or privacy laws; provided that Vendor produces satisfactory evidence supporting exclusion of such agreements from disclosure under the N.C. Public Records laws in N.C.G.S. §132-1 et seq. The State, at its sole discretion, may 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.
3. 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.

7.18 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.

7.19 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.

7.20 Patent, Copyright, and Trade Secret Protection

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.

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.

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:

1. That the Vendor shall be notified within a reasonable time in writing by the State of any such claim; and,
2. 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.

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.

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.

Nothing stated herein, however, shall affect Vendor's ownership in or rights to its preexisting intellectual property and proprietary rights.

7.21 Access to Persons and Records

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

7.22 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 atoning 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.

7.23 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:

1. **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
2. **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
3. **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
4. 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.

7.24 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.

7.25 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 7.13 herein, the State may cancel and procure the articles or services from other sources; holding Vendor liable for any excess costs occasioned thereby,

subject only to the limitations provided in Paragraphs 7.28 and 7.29 and the obligation to informally resolve disputes as provided in Paragraph 7.24 of these Terms and Conditions. Default may be cause for debarment as provided in 09 NCAC 06B.1030. The State reserves the right to require performance guaranties pursuant to 09 NCAC 06B.1031 from the Vendor without expense to the State. The rights and remedies of the State provided above shall not be exclusive and are in addition to any other rights and remedies provided by law or under the Contract.

1. 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.
2. 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.
3. 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.

7.26 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 7.39 herein below.

7.27 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.

1. The parties may mutually terminate this Contract by written agreement at any time.
2. The State may terminate this Contract, in whole or in part, pursuant to Paragraph 7.25 (Default), or pursuant to the Special Terms and Conditions in the Solicitation Documents, if any, or for any of the following:
 - a. 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 7.28 (Limitation of Vendor's Liability) and 7.29 (Vendor's Liability for Injury to Persons or Damage to Property) herein. The rights and remedies of the State provided above shall not be exclusive and are in addition to any other rights and remedies provided by law or under the Contract. Vendor shall not be relieved of liability to the State for damages sustained by the State arising from Vendor's breach of this Contract; and the State may, in its discretion, withhold any payment due as a setoff until such time as the damages are finally determined or as agreed by the parties. Voluntary or involuntary Bankruptcy or receivership by Vendor shall be cause for termination.

- b. 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.

7.28 Limitation of Vendor's Liability

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.

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.

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.

7.29 Vendor's Liability for Injury to Persons or Damage to Property

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.

The Vendor agrees to indemnify, defend and hold the Agency and the State and its Officers, employees, agents and assigns harmless from any liability relating to personal injury or injury to real or personal property of any kind, accruing or resulting to any other person, firm or corporation furnishing or supplying work, services, materials or supplies in connection with the performance of this contract, whether tangible or intangible, arising out of the ordinary negligence, willful or wanton negligence, or intentional acts of the Vendor, its officers, employees, agents, assigns or subcontractors, in the performance of this Contract.

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.

7.30 General Indemnity

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

1. 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
2. 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.

7.31 Stop Work Order

The State may issue a written Stop Work Order to Vendor for cause at any time requiring Vendor to suspend or stop all, or any part, of the performance due under this Contract for a period up to 90 days after the Stop Work Order is delivered to the Vendor. The 90-day period may be extended for any further period for which the parties may agree.

1. The Stop Work Order shall be specifically identified as such and shall indicate that it is issued under this term. Upon receipt of the Stop Work Order, the Vendor shall immediately comply with its terms and take all reasonable steps to minimize incurring costs allocable to the work covered by the Stop Work Order during the period of work suspension or stoppage. Within a period of 90 days after a Stop Work Order is delivered to Vendor, or within any extension of that period to which the parties agree, the State shall either:
 - a. Cancel the Stop Work Order, or
 - b. Terminate the work covered by the Stop Work Order as provided for in the termination for default or the termination for convenience clause of this Contract.
2. If a Stop Work Order issued under this clause is canceled or the period of the Stop Work Order or any extension thereof expires, the Vendor shall resume work. The State shall

make an equitable adjustment in the delivery schedule, the Contract price, or both, and the Contract shall be modified, in writing, accordingly, if:

- a. The Stop Work Order results in an increase in the time required for, or in the Vendor's cost properly allocable to the performance of any part of this Contract, and
 - b. The Vendor asserts its right to an equitable adjustment within 30 days after the end of the period of work stoppage; if the State decides the facts justify the action, the State may receive and act upon a proposal submitted at any time before final payment under this Contract.
3. If a Stop Work Order is not canceled and the work covered by the Stop Work Order is terminated in accordance with the provision entitled Termination for Convenience of the State, the State shall allow reasonable direct costs resulting from the Stop Work Order in arriving at the termination settlement.
 4. The State shall not be liable to the Vendor for loss of profits because of a Stop Work Order issued under this term.

7.32 Price Adjustments for Term Contracts

Reserved

7.33 Time is of the Essence

Time is of the essence in the performance of this Contract.

7.34 Date and Time Warranty

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

7.35 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.

7.36 Transportation

Reserved

7.37 Notices

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

7.38 Titles and Headings

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

7.39 Amendment

This Contract may not be amended orally or by performance. Any amendment must be made in written form and signed by duly authorized representatives of the State and Vendor in conformance with Paragraph 7.26 herein.

7.40 Taxes

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

7.41 Governing Laws, Jurisdiction, and Venue

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

7.42 Force Majeure

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

7.43 Compliance with Laws

The Vendor shall comply with all laws, ordinances, codes, rules, regulations, and licensing requirements that are applicable to the conduct of its business, including those of federal, state, and local agencies having jurisdiction and/or authority. In providing Services and Deliverables, and without limiting or modifying in any respect the Vendor's obligations, Vendor shall comply, and shall cause each of its employees and subcontractors to comply at all times, with State policies that are of general application to State contractors or that Vendor has otherwise agreed to, comply with, including, without limitation, the Statewide Information Security Manual and ITS Security Standards and Policies.

7.44 Severability

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

7.45 Federal Intellectual Property Bankruptcy Protection Act

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

7.46 Electronic Procurement

Purchasing shall be conducted through the Statewide E-Procurement Service. The State's third party agent shall serve as the Supplier Manager for this E-Procurement Service. The Vendor shall register for the Statewide E-Procurement Service within two (2) business days of notification of award in order to receive an electronic purchase order resulting from award of this contract.

1. The Supplier Manager will capture the order from the State approved user, including the shipping and payment information, and submit the order in accordance with the E-Procurement Service. Subsequently, the Supplier Manager will send those orders to the appropriate Vendor on State Contract. The State or State approved user, not the Supplier Manager, shall be responsible for the solicitation, bids received, evaluation of bids received, award of contract, and the payment for goods delivered.
2. Vendor agrees at all times to maintain the confidentiality of its user name and password for the Statewide E-Procurement Services. If a Vendor is a corporation, partnership or other legal entity, then the Vendor may authorize its employees to use its password. Vendor shall be responsible for all activity and all charges for such employees. Vendor agrees not to permit a third party to use the Statewide E-Procurement Services through its account. If there is a breach of security through the Vendor's account, Vendor shall immediately change its password and notify the Supplier Manager of the security breach by e-mail. Vendor shall cooperate with the state and the Supplier Manager to mitigate and correct any security breach.

7.47 Electronic Procurement (Applies only to Statewide Term Contracts)

Reserved

Appendix A: Glossary

This section describes and defines the acronyms, abbreviations, and terms associated with this document.

Additional acronyms, abbreviations, and terms may be defined in the text of this RFP as appropriate. Acronyms and abbreviations are defined upon first use where possible.

Term	Description or Definition
24x7	A statement of availability of systems, communications, and/or supporting resources every hour (24) of each day (7 days weekly) throughout every year for periods specified herein. Where reasonable downtime is accepted, it will be stated herein. Otherwise, 24x7 implies NO loss of availability of systems, communications, and/or supporting resources.
AAMVA	American Association of Motor Vehicle Administrators
AOC	Administrative Office of the Courts
BAFO	Best and Final Offer
CICS	Customer Information Control System
CJLEADS	Criminal Justice Law Enforcement Automated Data Services
COTS	Commercial Off the Shelf
CRASH	CRS(Crash Reporting System)
DCI	Division of Criminal Investigation
DENR	Department of Environment and Natural Resources
DOJ	Department of Justice
DOR	Department of Revenue
DPH	Department of Public Health
DPI	Department of Public Instruction
DHHS	Department of Health and Human Services
FMCSA	Federal Motor Carrier Safety Administration
Goods	Includes intangibles such as computer software; provided, however that this definition does not modify the definition of "goods" in the context of N.C.G.S. §25-2-105 (UCC definition of goods)

Term	Description or Definition
ID Cards	Identification Cards
IPS	Interactive Purchasing System
ITS	Office of Information Technology Services
LITES	Liability Insurance Tracking Enforcement System
NCDMV	North Carolina Division of Motor Vehicles
NCDOT	North Carolina Department of Transportation
NCID	North Carolina Identity Management: The service infrastructure provides a unified platform for 3-business authentication and authorization.
NCTA	North Carolina Turnpike Authority
NMVTIS	National Motor Vehicle Title Information System
Open Market Contract	A contract for the purchase of goods or services not covered by a term, technical, or convenience contract
Reasonable, Necessary, or Proper	As used herein shall be interpreted solely by the State of North Carolina.
RFP	Request for Proposal
SADLS	State Automated Driver License System
SBOE	State Board of Education
SOW	Statement of Work
SME	Subject Matter Expert
WBS	Work Breakdown Structure
STARS	State Titling and Registration System
The State	The State of North Carolina, and its Agencies
URL	Internet Website Address

Term	Description or Definition
Vendor	Company, firm, corporation, partnership, individual, etc., submitting a response to a solicitation
VINA	Vehicle Identification
VLS	Verification of Lawful Status

Appendix B: Project Management Specifications

Project Management activities include, but are not limited to, defining and executing processes, systems and techniques to effectively balance schedule, cost and resources to meet the measures of success of the project. All deliverables will be formally reviewed and approved by NCDOT. The following Project Management Specifications apply to the entire term of the contract.

- 1) The Vendor will be responsible for producing all deliverables defined in #8 below. Prior to beginning work on any deliverable, the Vendor must submit a detailed outline, format example, and description of the deliverable. NCDOT will review and approve the deliverable content and format, or provide any requested changes to the Vendor.
- 2) Forms and templates used by the Vendor must be approved by NCDOT prior to use. At its discretion, NCDOT may require the Vendor to use internal NCDOT project templates.
- 3) The Vendor must ensure consistency among all deliverables associated with the project.
- 4) The Vendor must provide evidence of their own internal quality assurance review of all deliverables to verify the accuracy, completeness, continuity, spelling, and content prior to submitting the deliverables to the NCDOT Project Manager for review and approval.
- 5) The Vendor must conduct “walk-through” meetings and presentations with the Project Teams to review the deliverable for accuracy and completeness, and confirm NCDOT understanding of the deliverable content.
- 6) All completed deliverables must be approved by the NCDOT Project Manager before they are considered complete.
- 7) The Vendor must provide one copy of all deliverables in hardcopy form and one on CD-ROM or other approved electronic media as approved by NCDOT.
- 8) The Vendor must propose a comprehensive set of deliverables for the project, which include, but are not limited to:
 - a) Project Management Plan: The Vendor must provide an initial Project Management Plan in its proposal. At a minimum, the plan must include assumptions, constraints, and key risks. The plan must be updated when significant change occurs.
 - b) Project Schedule: The Vendor must provide an initial schedule and the associated Work Breakdown Structure (WBS) in Microsoft Project (2003 format) in its proposal. The Project Schedule in the proposal must show significant phases, activities, tasks, milestones and resource requirements necessary for NCDOT to evaluate the plan. Within the first 30 days of contract award, the Vendor Project Manager will work with the NCDOT Project Manager to finalize the schedule. In the finalized schedule, it is recommended that no task exceed two weeks in work effort. After the project schedule is finalized, updates comparing and contrasting the proposed or planned tasks with the current schedule must be provided to NCDOT by the Vendor at the weekly status meetings.

- c) Weekly Status Reports, Meeting Agendas and Minutes: The Vendor must provide status reports for regularly scheduled status meetings (weekly throughout the duration of the contract or as determined by NCDOT). The Vendor shall submit these documents one day prior to each status meeting in the format approved by the NCDOT Project Manager. At a minimum, these status reports shall consist of:
- i) Review of previous week's progress in comparison to the Project Plan and Schedule
 - ii) Status of major milestones and project deliverables completed, planned, delayed or added
 - iii) An updated Risk Matrix
 - iv) An updated Issues Log
 - v) An updated Project Schedule reflecting actuals and progress since the last report comparing and contrasting the proposed or planned tasks with the schedule since the last report

The Vendor shall prepare and provide timely agendas and minutes for each meeting unless otherwise designated by NCDOT. These meeting documents must be included in the project working papers and a copy delivered with the Final Project Report.

- d) Issues Management Plan and Log: An Issues Management Plan describes how issues shall be identified, monitored, and resolved. The Issues Management Plan may be included as a subsection in the Project Management Plan.
- e) Risk Management Plan and Matrix: The Risk Management Plan and Matrix shall describe how risks shall be identified, tracked, monitored and mitigated for the life of the project. The Risk Matrix must be updated for each Status meeting during the project. The Risk Management Plan may be included as a subsection in the Project Management Plan.
- f) Staffing and Organizational Plan: The Vendor must provide an initial Staffing Plan in its proposal. The initial plan must include an organization chart showing how the Vendor plans to staff the project, including numbers of resources, and it must name key Vendor personnel. Proposals must include resumes of all Vendor key personnel. If staffing changes during the length of the project, the Vendor must provide an updated organization chart.

NCDOT will provide office facilities, on-site local and long distance telephone service, and office equipment, including Department standard desktop systems for proposed personnel for the Project. The Vendor must indicate the number of cubicles/offices and desktop systems required by the Vendor for performance of this contract.

- g) Communications Plan: The Vendor must provide an initial Communications Plan in its proposal. At a minimum, the plan must include: which individuals need what information, how frequently the information will be delivered, in what form the information will be delivered (i.e., formal report, meeting, etc.), and the entity or person responsible for ensuring the communication is delivered. The type of information to be

communicated includes reporting of project processes and progress as well as procedures and responsibilities for problem management and escalation. The Vendor must deliver a Communications Plan within ten (10) days of Project Kick Off. As project needs change, the plan must be updated accordingly.

- h) Change Management Plan: The Vendor must provide an initial Change Management Plan in its proposal. A Change Management Plan describes how changes in scope, cost and schedule will be handled and escalated throughout the project lifecycle. At a minimum, the plan must include a description of how changes shall be identified, tracked and classified, and how changes shall be incorporated into the project or deferred.
- i) Quality Management Plan: The Vendor must provide an initial Quality Plan in its proposal.

9) Documentation

- a) The Vendor shall establish and maintain a repository of all supporting documentation produced during the Project.
- b) NCDOT must approve the documentation standards, format, and content of the system documentation prior to any documentation being produced by the vendor.

Appendix C: Contract Forms

1. Certification of Compliance with Executive Order #24
2. Vendor Utilization of Workers Outside the U.S.
3. Cost Proposal Form

Certification of Compliance with Executive Order # 24

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

By Executive Order 24, issued by Governor Perdue, and N.C.G.S. § 133-32, it is unlawful for any vendor or contractor (i.e. architect, bidder, contractor, construction manager, design professional, engineer, landlord, offeror, seller, subcontractor, supplier, or vendor), to make gifts or to give favors to any State employee of the Governor's Cabinet Agencies (i.e., Administration, Commerce, Correction, Crime Control and Public Safety, Cultural Resources, Environment and Natural Resources, Health and Human Services, Juvenile Justice and Delinquency Prevention, Revenue, Transportation, and the Office of the Governor). This prohibition covers those vendors and contractors who:

1. have a contract with a governmental agency
2. have performed under such a contract within the past year
3. anticipate bidding on such a contract in the future

For additional information regarding the specific requirements and exemptions, vendors and contractors are encouraged to review Executive Order 24 and N.C.G.S. § 133-32.

The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-contractors shall certify and disclose accordingly.

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.

N.C.G.S. § 133-32 and Executive Order 24 prohibit the offer to, or acceptance by, any State Employee of any gift from anyone with a contract with the State, or from any person seeking to do business with the State. By execution of this Attachment and submitting a bid in response to the accompanying solicitation, you attest, for your entire organization and its employees or agents, that you are not aware that any such gift has been offered, accepted, or promised by any employees of your organization.

TYPE OR PRINT NAME & TITLE OF PERSON SIGNING:	E-MAIL:
AUTHORIZED SIGNATURE:	DATE:

Vendor Utilization of Workers Outside the U.S.

In accordance with N.C.G.S. § 147-33.97, the Vendor must detail in the bid response, the manner in which it intends to utilize resources or workers. The State of North Carolina will evaluate the additional risks, costs, and other factors associated with such utilization prior to making an award for any such Vendor's proposal. The Vendor shall provide the following for any proposal or actual utilization or contract performance:

- The location of work performed under a state contract by the Vendor, any subcontractors, employees, or other persons performing the contract and whether any of this work will be performed outside the United States
- The corporate structure and location of corporate employees and activities of the Vendors, its affiliates or any other subcontractors
- Notice of the location of the Vendor, employees of the Vendor, subcontractors of the Vendor, or other persons performing services under a state contract outside of the United States.
- Any Vendor or subcontractor providing call or contact center services to the State of North Carolina shall disclose to inbound callers the location from which the call or contact center services are being provided.

Will any work under this contract be performed outside the United States?

YES _____

NO _____

Where will services be performed?

Cost Proposal Form

Bid #: _____ **Vendor:** _____

NOTE: These are summary tables only. The Vendor ***MUST*** also provide a line-item breakout of the cost proposal to justify the Not to Exceed total cost, and any optional, non-required costs.

Cost Offer:

Item	Deliverables	Payment Amount
1.		
2.		
3.		
4.	(add lines as needed)	
	Total Not to Exceed Cost	

Optional Products or Services: (not to be included in Cost Offer)

Item	Description	Cost
1.		
2.		
3.		
4.	(add lines as needed)	
	Total Optional Cost	

Change Orders:

Proposed single fully-loaded hourly rate for performing any Change Orders requested by NCDOT: \$ _____

Appendix D: STARS System Overview

In December 1996, the NCDOT developed and implemented STARS for the Division of Motor Vehicles (NCDMV) to provide automated titling and registration services for all motor vehicles registered in the State of North Carolina. The STARS system has mainframe and Internet components and complies with the North Carolina Statewide Technical Architecture guidelines, and the statewide security manual. The mainframe components of STARS are written primarily in COBOL and CICS using DB2 as the database repository. Some of the STARS batch mainframe programs are written in EASYTRIEVE. The mainframe batch and online components operate under the IBM ZOS operating system.

The STARS Internet components are written in Java and utilize IBM MQ Series to interface with the mainframe; the STARS Internet applications operate under Windows 2003, Internet Information Server (IIS) and JRUN.

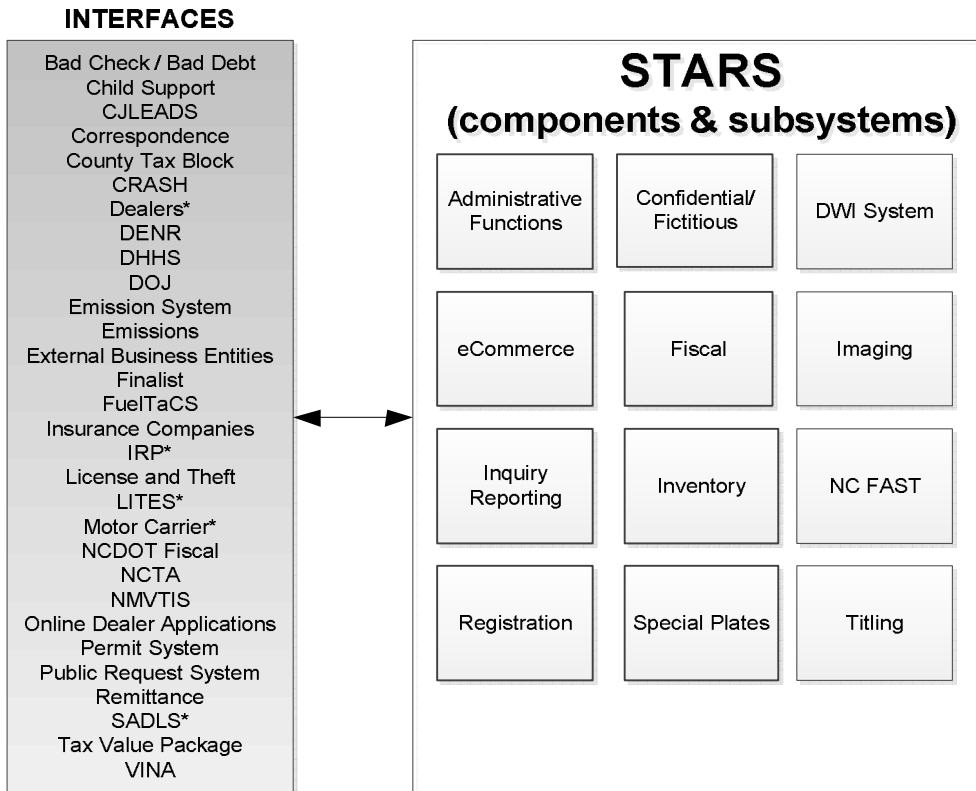
STARS Internet components are as follows:

- a) Registration Renewal– allows North Carolina (NC) citizens to request the renewal of vehicle registrations via Internet
- b) Duplicate Registration– enables NC citizens to request duplicate vehicle registrations via the Internet
- c) Special/Personalized Plate Reservation and Inquiry - provides capability for NC citizens to request special and personalized plates

The primary user of the STARS application is the NCDMV. STARS also provides support for the Administrative Office of Courts, the Division of Criminal Investigation (DCI), the Department of Public Instruction (DPI), the Department of Health and Human Services (DHHS), state counties and many other public and private entities. The STARS system has approximately 1,000 mainframe programs and 54 Internet modules. The STARS system utilizes a DB2 database with hundreds of millions of records distributed among 136 DB2 tables. Also, STARS shares several NCDMV Enterprise tables with other NCDMV systems.

STARS Functional Design

STARS interfaces with several applications, state agencies, and other private institutions, as depicted in the diagram below. Mainframe systems are marked with an asterisk.



Appendix E: SADLS System Overview

In 1994, SADLS was implemented to provide for the issuance and oversight of NC driver licenses and ID cards and for the efficient and consistent adjudication of driver license records that reflect convictions and moving violations. SADLS consists of both mainframe and distributed components and complies with the North Carolina Statewide Technical Architecture guidelines (<http://www.NCSTA.gov>).

The mainframe components of SADLS are primarily COBOL/CICS, Easytrieve, VSAM, and DB2. The mainframe batch and online components operate under the IBM System z operating system. SADLS consists of mainframe programs, Internet modules, and a DB2 database with hundreds of millions of records distributed among DB2 tables. Many of these tables are shared with other NCDMV systems.

The distributed components of SADLS are written in Java and utilize IBM CICS Transaction Gateway and native DB2 drivers to interface with the mainframe. The distributed components of SADLS support the issuance of duplicate driver licenses and ID cards, the purchase driving records, and the ability of organ procurement organizations to search for registered donors.

NCDMV is in the process of extending SADLS to address the issuance of more secure driver license and identification cards for North Carolina. This new secure issuance functionality is being integrated with SADLS to provide tamper-resistant driver licenses and ID cards, which will reduce fraud, identity theft, and repeat offenders, and will bring the State into compliance with State and Federal legislative mandates as well as national security frameworks.

SADLS interfaces with numerous applications, state agencies, and other private institutions, as depicted in the following diagram:

SADLS Functional Design

SADLS interfaces with several applications, state agencies, and other private institutions, as depicted in the following diagram:

