



Office of Information Technology Services

Authorized Award to

Gartner, Inc.

6/18/04

Information Technology Services

Scope Statement

for

ATM and Frame Relay Services

Tracking No. **TECH-001888**

State Telecommunication
Office of Information Technology Services

May 12, 2004

<http://www.its.state.nc.us/>

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Scope Statement

Department/Agency:	Information Technology Services – Division of Telecommunications Services
Issue Date:	May 12, 2004
Project Name:	ATM and Frame Relay Services TECH-001888
Project Sponsor:	Steve Stoneman, Director Telecommunication Services
Project Contact:	Lisa Cobb
Contact Email:	lisa.cobb@ncmail.net
Technology Services Contract:	Attachment 10– Technology Advisory
Due date for Questions:	May 19, 2004 10:00 am
Answers Emailed to Vendors:	May 21, 2004
Information Session	There will be <u>no</u> Information Session.
Due Date for Responses:	June 1, 2004 2:00 pm
Delivery Instructions:	Contact Lisa Cobb @ (919) 981-5477 for Delivery Instructions and Address

The State requests vendors to e-mail questions regarding this Scope Statement to Lisa Cobb at lisa.cobb@ncmail.net by the date and time specified above. Responses to the questions will be emailed to all vendors on Attachment 10

Scope Statement Purpose:

The purpose of this scope statement is to solicit proposals to assist State Telecommunications Services with development of a Request for Proposal and satisfy competitive bidding requirements. ITS currently has contracts for Frame Relay and ATM services that will expire June 2005. ITS seeks the assistance of a vendor to assess current contractual arrangements and to assist with the development of the RFP.

Background:

ITS' Wide Area Network (WAN) is a key component in the State's infrastructure, provides access to centralized, distributed, and external resources, including the Internet. These services are provided statewide as fully managed turnkey service that supports the external data communication requirements.

There are seven Regional Point of Presence (RPOP) sites located across North Carolina. (Asheville, Charlotte, Greensboro, Fayetteville, Raleigh, Rocky Mount and Wilmington). These RPOP sites handle all data communication services for agencies of North Carolina state government, county and city subdivisions, and primary, secondary, vocational, technical and higher education institutions within the region.

The RPOP's are connected back to network core in Raleigh over high-speed fiber-optic transmission lines, Synchronous Optical Network (SONET) rings. There are two connections from each RPOP site back to the network core in Raleigh. These circuits are from differing service providers giving network both route diversity and redundancy.

ITS has established contracts in place with Bellsouth, Sprint and Verizon for ATM and Frame Relay services. These vendors provide services in their local servicing areas and other independent telephone companies serving area. Currently, there is approximately three thousand (3,000) sites in the state that are being served by Frame Relay or ATM services, ranging in speed from 56/64 Kbps to 155.52 Mbps.

Frame Relay:

Speeds range from 56/64 Kbps to DS3 (44,736 Mbps)

ATM:

Speed range from T1 (1.544 Mbps) to OC3 (155.52 Mbps)

Purpose and Objectives:

Purpose

- Phase 1: Assess current contractual arrangements and develop initial budget estimate
- Phase 2: Develop Procurement Strategy and Performance Plan
- Phase 3: Develop RFP and Open Market bid process

Objectives

ITS is seeking an experienced consulting firm to assist in the development of an RFP as follows:

- To receive the maximum benefit from an increasingly competitive market
- To ensure the RFP and resulting contract is optimally structured to ensure ITS' current and future telecommunications needs are met in the most cost-effective manner
- To ensure the RFP is technically complete and it reflects and fully exploits the capabilities of available technologies
- To develop a comprehensive and complete set of Service Level Agreements and penalty provisions that ensure the successful vendor will deliver services to the satisfaction of the State.
- To ensure ITS selects a vendor that possesses the appropriate skills and capabilities to deliver superior quality services, will be responsive to ITS needs, and has sufficient resources to invest in its relationship with ITS.

ITS will rely heavily upon the telecommunications provider selected through the RFP procurement process. The success of ITS in this endeavor will be measured by the reliability of critical communications services, by the value derived from ITS' relationship with its service provider, and by the satisfaction of State employees and residents.

Project/Deliverables Description:

Compare Pricing with Data Base of comparable customers:

Make a comparative assessment between the State's existing contracts and the rates vendor observed, quoted and compare to other customers. Benchmarking will be used to assess if vendor-proposed prices present opportunities to lower costs through a Best and Final Offer (BAFO) process and/or contract negotiations.

Budget Forecast

Assist the State in the preparation of an estimated projected budget as determined from the comparative assessment of existing and potential pricing available as a result of an open competition.

Develop and Evaluate Procurement Scenarios

Provide insights on current best practices for telecommunications services procurements, and make specific recommendations to ITS on its approach.

Determine State of North Carolina Requirements

Identify current and future business and IT drivers in order to ensure they are taken into account in the development of RFP and Service Level Agreements (SLAs).

Service-Level Agreement Development

Develop all in-scope Service Level Agreements (SLAs). Determine what kind of SLA's other companies of equal size are requiring and estimate the cost each requirement may add to the cost of the service. Assist the State in defining the Service Level Performance Plan reporting requirements of the vendor.

Security Related Vendor Requirements

The selected vendor must agree that each person directly assigned to the project must sign a non-disclosure agreement and successfully pass a background check conducted at the State's expense. A copy of the non-disclosure agreement is presented in Appendix A of this document.

Content for Sections of the RFP

Assist ITS in developing language that addresses issues identified in the Objectives and Project Deliverables and that captures and accurately describes the following ITS needs and requirements:

- Service requirements
- Functional requirements
- Transition Management
- Technical requirements
- Transmission characteristics
- Test and acceptance requirements
- Customer service requirements
- Value added services.
- Evaluation Matrix

Assist in Developing Evaluation Methodology

Advise ITS in identifying a rigorous evaluation process that complies with applicable procurement processes (Title 9 of the NCAC Subchapter 06B, Section.0302) and North Carolina's "Best Value" statute (N.C.G.S. §143-135-9), which states: "'Best Value" procurement means the selection of a contractor based on a determination of which proposal offers the best trade-off between price and performance, where quality is considered an integral performance factor. The award decision is made based on multiple factors, including: total cost

of ownership, meaning the cost of acquiring, operating, maintaining, and supporting a product or service over its projected lifetime; the evaluated technical merit of the vendor's proposal; the vendor's past performance; and the evaluated probability of performing the requirements stated in the solicitation on time, with high quality, and in a manner that accomplishes the stated business objectives and maintains industry standards compliance.”

Timetable/Schedule:

The selected vendor is expected to begin work within two weeks of notification. Replacement contract(s) must be established by January 1, 2005. ITS estimates that all three phases will require approximately 6-8 months to complete.

Additional Vendor Qualifications:

- Vendor must have extensive experience in public sector in procuring data telecommunications services.
- Vendor must have experience with the latest best practices for acquisitions in both public and private sector.
- Vendor must have experience with projects of similar size and scope.
- Vendor must have up-to date insights regarding market pricing and standard contractual arrangements.
- Must have an archive (database) for benchmarking and rate analysis.
- Must have benchmarking and analysis tools.
 - Vendor must provide example of benchmarking and cost analysis reports with their response to this Scope Statement.

Administrative Items

Vendor must submit 2 originals and 4 copies of the proposal, with an execution page signed by an authorized officer of the Vendor. One electronic copy (in Microsoft Word and/or Excel format) must be provided on diskette or CD to facilitate distribution. Do not mark your entire response as “Confidential and/or Proprietary”. Only vendor information referenced in the NC Information Technology General Terms and Conditions for Goods and Related Services, Section 17, “Confidentiality” may be confidential. *Acceptance of proposals for evaluation when marked confidential or proprietary, or as exempt from disclosure under N.C. Public Records laws, shall not constitute a determination by the State that any materials or information contained therein are exempt from disclosure.*

Payment Schedule

ITS will accept invoices for progress payments at three (3) intervals in this project. The first payment will be issued upon acceptance of the deliverable of Phase I that should take approximately 2 months to complete. Thirty percent (30%) of the total cost will be paid upon acceptance of the first deliverable. The second payment will be issued after acceptance and signoff by ITS of Phase II which is estimated to take 4-6 weeks. At this time an additional twenty-five percent (25%) of the total cost will be paid. The final payment will be issued upon acceptance of the deliverable of Phase III that is expected to take approximately 3 months to

complete. The remaining forty-five percent (45%) will be issued after acceptance and signoff by ITS.

Vendor Proposal Requirements

Vendor proposals must be straightforward, clear, well organized, easy to understand, and concise. They must contain the following eight sections. No other sections may be submitted. The minimum font size is 12 on 8.5 x 11 paper, and the maximum number of pages for each section is given below, and the total number of pages in the proposal must not exceed 15. Double spacing of type is the minimum allowed spacing for major contents (inserts of charts, matrices, tables, graphs, etc. may have smaller type and spacing, but must be readable and clear). **The 15-page limit does not apply to official/legal pages or documents that must be submitted with the vendor's proposal, such as The Execution of Scope Statement.**

Vendor's proposals must contain the following items:

- Table of contents (one page maximum)
- Statement of agreement with security related vendor requirements (one page maximum) - Vendors must certify that each person assigned to the project will sign the State's non-disclosure agreement and undergo a background check conducted at the vendor's expense.
- Corporate background and experience (three pages maximum) - This section shall include two distinct types of information. The first is information determined by the vendor on the vendor's corporate organization (history, size, financial soundness, etc.), experience and skills regarding the vendor's track record, reputation and past performance that indicates the capabilities for the successful completion of this work. The second is a minimum of three references of similar projects or other projects indicating the vendor's past performance, experiences and capabilities to do this work must be provided with project description (accompanied by an explanation of how it relates to this project) and other pertinent information. Contact person(s), with telephone numbers and e-mail addresses must be provided for each reference.
- Description of Services
- **Project personnel staffing and vendor organization for completing this project (three pages maximum) – This section must include the proposed staffing, responsibilities, and organizational structure. Names and qualifications of proposed staff must be provided (three pages maximum)**
- Cost must be an all-inclusive firm fixed price (including all travel and expenses) for completed work.
- Dates of Service – (one page maximum) The timeframe for having a new contract(s) in place is January 1, 2005. We estimate that the overall process will require approximately 6-8 months to complete. The selected vendor is expected to begin work within two weeks of being notified.

- **Project/Deliverables**
- Appropriate Signatures (A proposal that is not signed will be deemed unacceptable.)

Prospective vendors on the State's Technical Service Contract have already accepted the State's terms and conditions in response to the Technical Services Contract RFP No. ITS-000748. Therefore, the taking of any exceptions to or the offering of any substitute language for the terms and conditions in the vendor's response to this Scope Statement will result in the disqualification of the vendor's response.

References

Bidder must provide three (3) names of customers; they have done projects of similar size and scope. The State may contact these users to determine quality level of the offered service. Such information will be considered in the evaluation of the proposal.

	<u>Reference 1</u>	<u>Reference 2</u>	<u>Reference 3</u>
Organization			
City/State			
Contact Name			
Telephone #			
E-Mail Address			
Description of Service			

“Best Value” Procurement

It is the intent to award this contract to a single overall vendor. The evaluation and vendor selection process will be based on “best value” in accordance with NCGS §143-135.9 and Section 11 of this document. The particular procurement methods used are selected so as to result in the best buy for the State in terms of the functions to be performed. Competitive Best Value Procurement allows the use of alternate competitive purchasing techniques in addition to low price analysis in the selection of supply sources determined to represent best value.

A tradeoff/ranking method of source selection will be utilized in this procurement. The evaluation committee may request written clarifications of any offer received. However, the State in its sole discretion 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. Evaluation methodology shall be in accordance with Title 9 of the NCAC Subchapter 06B, Section.0302, or the corresponding section of any future NC Administrative Code, and Section 9 of this document.

The State may elect to conduct negotiations with one or more vendors and make requests of vendors as may be necessary or proper for best and final offers. Final ranking of responses and award of the contract will be made after the State reviews all bids and completes its evaluation, or if negotiations are conducted, and all rounds of Best and Final Offers have concluded. An award will be made to the vendor with the most advantageous offer.

Evaluation Criteria:

An evaluation team will be formed to evaluate proposals and reach a consensus on scores and the determination of vendor. The process used by the evaluation team includes the principles listed above and the criteria listed in the table below and by applying the associated percentage, the evaluation team may request oral presentations or discussion with any or all vendors for the purpose of clarification or to explain the materials presented in any part of the proposal.

Evaluation Weight

1. Vendor strengths, capabilities and experience, including Corporate background, references, past and current projects, financial soundness, performance history, benchmarking database and analysis tools and outputs etc.	40%
2. Description of work, including objectives, approach, deliverables, organizational structure, staffing qualifications, schedule/timetable, etc.	30%
3. Cost (all inclusive not-to-exceed total cost for the entire project)	30%

Execution of Scope Statement

By signing the below, the Offeror certifies that:

- This Scope Statement Response was signed by an authorized representative of the Offeror;
- This Scope Statement Response was not derived through any acts of collusion as Stated in NCGS 147-33.100;
- The Offeror agrees to all the mandatory terms and conditions and agrees to pay the 2% administrative fee to ITS per Section I, Paragraph B of the ITS Technical Services Contract; and
- The Offeror agrees to abide by all IRMC Policies, Standards and Procedures and in addition, adhere to the Statewide Technical Architecture.

Therefore in compliance with the foregoing Scope Statement and subject to all terms and conditions of the ITS Technical Services Contract, including all exhibits, the undersigned offers and agrees to furnish the services set forth in the Scope Statement if the Scope Statement Response is accepted by the State.

Failure to execute/sign scope statement response prior to submittal shall render it invalid. Late bids are not acceptable.

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

Acceptance by Agency is contingent upon the Statewide IT Procurement Office's approval of the Agency's recommendation of award. This contract was approved for award by the Statewide IT Procurement Office on _____, 2004.

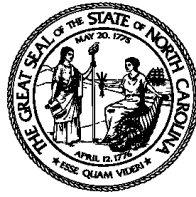
ACCEPTANCE OF SCOPE STATEMENT RESPONSE

If any or all parts of this scope are accepted, an authorized representative of Using Agency shall affix their signature hereto and this document along with the provisions of the Technical Services Contract shall then constitute the written agreement between the parties. A copy of this acceptance will be forwarded to the successful offeror(s).

FOR CONTRACTING AGENCY USE ONLY

Offer accepted this ____ day of _____, 2004, as indicated on attached certification or purchase order

by _____ (Authorized representative of ITS)
by _____ (Authorized representative of ITS)
by _____ (Authorized representative of ITS)



APPENDIX A

State of North Carolina Office of Information Technology Services

Michael F. Easley, Governor

George Bakolia, State Chief Information Officer

Non-Disclosure Agreement For ITS and Other Government Employees and Third-Party Providers¹

I have read this agreement and I agree to comply fully with the following terms and conditions.

As an ITS employee, an employee of another government agency, or as a Third-Party Provider to ITS or another government agency, I agree that signing this Non-Disclosure Agreement and fully complying with all the terms and conditions are requirements for working at ITS. Further, compliance with this agreement by a Third Party Provider is material to the performance of the contract between ITS and the Third-Party Provider or the other government agency and its Third Party Provider.

1. ITS holds government records of other agencies for the purposes of storage or safekeeping or to provide data processing. For purposes of the Public Records Law, ITS is not a custodian of any records generated on behalf of another agency.
2. Only a custodian of records can decide when records can be made public. A custodian of records is a public official in charge of the government agency that generated the records. Only public officials or their designees are authorized to release records to the public. Neither an ITS employee nor a Third Party Provider is authorized to release government records of other agencies. Employees of other government agencies and their contractors must comply with both this requirement and their specific agency's requirements, as applicable.
3. Information that belongs to agencies may include highly sensitive and confidential data. In many instances, improper release or use of other agency information by an ITS or other government employee or Third Party Provider is a crime.
4. ITS employees and Third Party Providers also have no authority to determine whether a record is public or not. Only the agencies that store their records with ITS can make that determination for their records and only the management at ITS can make that determination for ITS records.

¹Third party providers are non-state employees, such as vendors, suppliers, individuals, contractors, and consultants, including their employees and agents, responsible for providing goods or services to the state. In order to perform the requested services, a third party may require access to information technology assets and access to agency information determined to be valuable to operations and/or classified as confidential by law.
Q:\ISO\WORKGRP\White\Policies\revised non disclosure.doc

5. **ITS employees and Third Party Providers are not permitted to release records or information contained in records that belong to other agencies. Requests for such information must be channeled through the ITS supervisor to the ITS Public Information Officer for action according to ITS policy. Employees of other government agencies and their contractors must comply with both this requirement and their specific agency's requirements, as applicable.**
6. SPECIAL PROVISION. TAX INFORMATION. As part of my duties as an ITS or other government employee or third-party provider and as required by statute, I may be performing tasks involving use or storage of confidential state and federal tax information. As such an employee or third party provider, I may be subject to substantial civil and criminal penalties imposed by various state and federal statutes (North Carolina G.S. §105-259 and the Internal Revenue Code, 26 U.S.C. §§6103, 7213, 7213A, 7413) for unauthorized disclosure or inspection of tax information. Moreover, I may be requested by other persons to provide access to tax data. Because this may be a violation of the statutes cited above, I agree to seek authorization from appropriate Department of Revenue officials before granting access to tax records to other individuals.
7. SPECIAL PROVISION. PERSONALLY IDENTIFIABLE HEALTH INFORMATION. As part of my duties as an ITS or other government employee or third-party provider and as required by statute, I may be performing tasks involving use or storage of confidential state and federal personally identifiable health information that is protected from disclosure under federal rules adopted under the Health Insurance and Accountability Act of 1996 and state law. As such an employee or third party provider, I acknowledge and agree that I may be subject to substantial civil and criminal penalties imposed by various state and federal statutes (including but not limited to North Carolina G.S. §122C-52 and the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 104th Congress) for unauthorized disclosure or inspection of personally identifiable health information as well as personnel disciplinary action. Moreover, I may be requested by other persons to provide access to this health data. Because this may be a violation of the statutes cited above, I agree to seek authorization from appropriate agency officials before granting access to health records to other individuals.
8. SPECIAL PROVISION. CRIMINAL JUSTICE INFORMATION. As part of my duties as an ITS or other government employee or third-party provider and as required by statute, I may be performing tasks involving use or storage of confidential state and federal criminal records information. As such an employee or third party provider, I acknowledge and agree that I may be subject to civil penalties imposed by federal Privacy Act of 1974, 5 U.S.C. § 552a, as amended, for unauthorized disclosure or inspection of criminal record information as well as personnel disciplinary action. Moreover, I may be requested by other persons to provide access to the criminal record information. I agree to seek authorization from appropriate agency officials before granting access to criminal records information.

Because of the above restrictions on use of information stored at ITS, I agree not to release any information that I access at ITS without proper authority or permission. I further agree not to discuss information obtained from the databases and not to use the databases except in compliance with the Office of Information Technology Services Policy Manual or, if I am an employee of another government agency, in compliance with that agency's requirements, as applicable.

As an ITS or other government agency employee, I acknowledge and agree that failure to comply with the non-disclosure agreement may result in personnel action. As a Third Party Provider, I acknowledge and agree that failure to comply with this non-disclosure agreement may be considered a material breach of the contract and will result in denial of access to information at ITS. As stated above, in some instances failure to comply with the non-disclosure agreement may subject me to criminal prosecution.

AGREED, this _____ day of _____, 2004. I also acknowledge that I have been provided a copy of this agreement.

Employee Name Printed

Employee of Third Party Name Printed

Employee Signature

Employee of Third Party Provider Signature

Division/Agency: _____

Company Name: _____

Statutory Authority: N.C. §132-2

cc: ITS Information Security Office

cc: Signatory