

**Scope Statement Canceled per Agency Request**

**2/19/2003**

**Scope Statement for**

**Quality Assurance Review for**

**North Carolina State Government's**

**E-Procurement Project**

**February 14, 2003**

**Tracking No. TECH-001322**

PREPARED BY:

Office of Information Technology Services

Enterprise Technology Strategies (Formerly IRM)

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## Scope Statement

Department/Agency:	Information Technology Services – Division of Enterprise Technology Strategies
Issue Date:	February 14, 2003
Project Name:	Quality Assurance Review of E-Procurement Project
Project Sponsor:	Michael Fenton, Chief Technology Officer
Project Contact:	Tom Runkle
Contact Email:	irmpo@ncmail.net
Technology Services Contract:	Attachment 17 – Project Quality Assurance Review and Associated Services
Due date for Questions:	Tuesday, February 25, 2003 @ 5:00 pm
<b>Mandatory Information Session</b>	<b>February 27, 2003 @ 2:00 pm</b> Department of Corrections Correction Enterprises' Conference Room 2020 Yonkers Road Raleigh, NC
Due Date for Responses:	2:00 pm, March 13, 2003
Delivery Instructions:	Scope Statement Responses should be addressed to: ITS/ETS 3512 Bush Street Raleigh, NC 27609 Attention: Tom Runkle

The State requests interested vendors to e-mail questions for the mandatory vendor session to Tom Runkle at irmpo@ncmail.net by 5:00 PM Tuesday February 25, 2003. Any additional questions addressed at the bidders' conference will be reduced to writing, included with the previously delivered questions, and presented as an addendum to the solicitation documents.

Conference Instructions: Please enter the building at the Correction Enterprise entrance. (This will be about halfway down the left side of the building.)

# 1. Scope Statement Purpose

The primary purpose of this procurement is to contract with a vendor who can conduct the third party independent quality assurance review (process and product) for the North Carolina state government's e-procurement project. The vendor will be required to conduct an assessment of the project and prepare a report of findings and recommendations for the Technical Architecture and Project Certification Committee (TAPCC) of the Information Resource Management Commission (IRMC).

The background and current status of the North Carolina state Government's e-procurement project is summarized as follows:

E-procurement is a public/private partnership between the State and Accenture that is a statewide four-year system implementation endeavor. It is being conducted under the auspices of an Operating Committee with representatives from the three main sponsoring agencies: Office of Information Technology Services (ITS), Division of Purchase and Contract of the Department of Administration (P&C), and the Office of the State Controller (OSC).

It combines the use of Internet technology with procurement best practices to reduce costs by streamlining the purchasing process. Additionally, price savings can be realized by negotiating more favorable contracts through the leveraging of statewide purchasing volumes and using electronic quotes and other system capabilities to obtain more competitive bids. It includes an extensive history file of purchases by vendor and state entities, a workflow management and monitoring feature to streamline approvals and other purchasing tasks, and a web-based method for getting quotes online from a large number of vendors and quickly processing them. Initial development and implementation costs will be about \$28 million and total costs will be approximately \$60 million.

The State is not required to make any initial monetary investment in e-procurement but, instead, guarantees a level of revenue for Accenture from transaction fees on purchase orders. If the total revenue from transaction fees (1.75% on each purchase order) does not produce the targeted annual revenue agreed to by both parties in the multi-year business model, the risk is shared by Accenture and the state. Revenues in excess of the business model revenue are shared in a sliding scale, with the state realizing an increased percentage as the excess increases.

While key benefits can be realized from price savings and operational cost reductions, the project involves potential risks. These include the remote chance that the project may be canceled after implementation due to changes in the political environment thus reducing the life span of the endeavor, under-utilization of e-procurement by the prescribing entities, lack of vendor participation and increase in vendor prices to cover the transaction fee. These risks are being addressed and managed by the project team and Operations Committee.

The project began in early 2001, and the initial implementation was in the fall of that year. The following statistics summarize the status of the project as of December 31, 2002:

- Over 5,000 users from over 100 different government entities, including:
  - 29 state agencies.
  - 15 state institutions and hospitals
  - 21 local governments
  - 17 public school local education agencies (school districts)

- 21 community colleges
- Almost 20,000 suppliers (vendors) registered.
- 104 contracts, 457 vendor catalogues, and 20 Correctional Enterprise Catalogues are available on the system.

Current work efforts are focused on the five major areas of new development initiatives, supplier and catalogue management, application support, technical operations, and customer relationship management (training and help desk).

The third party independent quality assurance review (process and product) for the North Carolina state government's e-procurement project should focus on the following areas:

- System and project performance from the perspectives of users, vendors, and other participants or interested parties.
- Status of the current development and implementation efforts for interfaces with the financial systems of the local education agencies (school districts) and community colleges.
- Status of the current development and implementation efforts for upgrading the underlying Ariba software package to reflect product enhancements incorporated in the product since its installation in the North Carolina e-procurement project.
- Status of the state's efforts to develop options for making key decisions on its future when the current contract expires.
- Status of the overall project, including its progress to plans and the performance of its project management processes and procedures.

An analysis of the business model for the North Carolina state Government's e-procurement project is beyond the scope of this Scope Statement (i.e., not included within the scope of this quality assurance review).

Since elapsed time erodes the credibility and usefulness of the report of findings and recommendations (time value of information), the awarded Vendor must begin continuous work on the quality assurance review immediately (within five working days of contract award), and it must approach the work in an assertive manner and proceed expeditiously in conducting the assessment.

## **2. Project Background**

The North Carolina state Government E-Procurement project is described in the preceding section.

To date, the project has undergone two outside third party quality assurance reviews. The first addressed the initial efforts of the project and was completed in July 2001. The second covered in-process activities and finished in April 2002.

## **3. Project Purpose and Objectives**

The purpose of this Scope Statement is to conduct the third party independent quality assurance review (process and product) for the North Carolina state government's e-procurement project. The background of the project and the primary areas of focus for the quality assurance review are summarized in the first section of this Scope Statement. In many respects the project has reached a position of maturity; therefore, an overall assessment of its on-going operations and management practices is appropriate. In addition, the project is addressing two major development and implementation items (interfaces for local education agencies and community colleges and the upgrade of the underlying Ariba software). These activities merit review to ensure they are being performed in the most cost-effective and best-managed manner.

## **4. Background of Quality Assurance in North Carolina State Government**

### **A. Technology Development**

North Carolina State government is a huge, complex enterprise. Like other governmental enterprises at the federal, state and local levels, North Carolina State government is facing substantial financial pressures. NC citizens expect to access information easier and receive more services faster. Accordingly, new automated systems are needed to support the evolving and increasingly demanding requirements of the state's business processes. New systems are becoming more integrated and more complex to develop and operate. In order to accommodate the new business directions and challenges, the state's information technology infrastructure and systems architecture must continue to undergo rapid, significant change. Furthermore, the lead times for implementing new systems and employing emerging and enabling technologies must be reduced in order to accomplish these goals.

More information about state government in North Carolina is located on the state web page at <http://www.ncgov.com>.

### **B. Governance for the Management of Information Technology**

Detailed information concerning the Information Resource Management Commission (IRMC) and the state's project portfolio is located on the IRMC web page at <http://irmc.state.nc.us>. Vendors are advised to review this information.

### **C. Purpose of the ETS QA Review Process**

Policies and Standards can be found at <http://irmc.state.nc.us/>. Detailed information regarding the State of North Carolina quality assurance review process may be obtained from the Information

Resource Management Commission (IRMC) web page at: <http://IRMC.state.nc.us> under Policies and Standards/Project Reporting/IRMC Independent Quality Assurance Review Procedures.

## 5. Conflict of Interest and Subsequent Work by Winning Vendor

The integrity and value of the review and resulting findings and recommendations depend highly on vendor reputation, conduct of the assessment and complete absence of actual or perceived conflict of interest. Accordingly, prospective vendors must provide a statement that no potential conflict of interest exists in performance of this quality assurance review engagement. In addition, the awarded Vendor will not be eligible for any future work arising directly from this quality assurance review or the North Carolina state government's e-procurement project, with the exception of conducting future quality assurance reviews or related engagements.

## 6. Vendor Proposal Requirements

Vendor proposals must be straightforward, clear, well organized, easy to understand, and concise. They must contain the following seven sections. No other sections may be submitted. Proposals must be submitted in three-ring notebooks or binders with tabs delineating each of the sections. 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 12. 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 12-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.**

1. Table of contents (1 page maximum).
2. Statement of no conflict of interest (1 page maximum) – Vendors must certify that neither they, nor any of their personnel who may provide services under any awarded contract, have a conflict of interest:

As defined or described in NC General Statute § 14-234; and that vendor (including past or present staff) has not participated in prior work with the State that would bias the work of this project and/or create real or perceived questions regarding the veracity, integrity or trustworthiness of the work, including findings and recommendations. Also the vendor (including past and present staff) has no preexisting disposition on any finding or recommendation that comes from a vested interest in any particular technology, service or product or an emotional investment in the project or its results.

3. Corporate background and experience (3 pages maximum) - This section shall include 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. 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), cost, and other pertinent information. Contact person(s), with telephone numbers and e-mail addresses must be provided for each reference.
4. Project approach (3 pages maximum) - This section must 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 use of subcontractors is allowed pursuant to Paragraphs 4 and 5 of the General Terms and Conditions for Goods and Services, but must be described plainly in the project approach. Also, the responsibility of the primary (responsible) vendor must be unequivocally described in the project approach.

5. Project personnel staffing and vendor organization for completing this project (3 pages maximum) - This section must include the proposed staffing, responsibilities and organizational structure for accomplishing this project. Names and qualifications of proposed staff must be provided. Subcontracting is allowed for this work pursuant to Paragraphs 4 and 5 of the General Terms and Conditions for Goods and Services, but its use must be explained and the responding vendor must be responsible and accountable for all work performed by subcontractors.
6. Costs (1 page maximum) – A cost schedule consisting of a single hourly rate, which will be charged for all work performed. This rate will apply to all work efforts, regardless of type or complexity. Also, it will apply to all vendor personnel, regardless of required skill or experience levels. The single hourly rate will cover all costs, including direct and overhead expenses. Travel, per diem and other miscellaneous costs will be absorbed in the single rate. Only one (1) single hourly rate will be accepted, and that rate must apply to all persons and all work times (i.e., person-hours). No limitations on or variations of the single hourly rate will be accepted (such as tiered rates or maximum/minimum number of hours for a rate).

## 7. Anticipated Timetable and Contract Requirements

The arrangement, conduct and follow-up of quality assurance reviews will follow the process below:

1. Perform bid process consistent with the proposed schedule as follows:

Activity	Anticipated Date (2003)
Issuance of Scope Statement	Monday, February 14
Due Date for Questions on Scope Statement	Tuesday, February 25
Mandatory Bid Conference	Thursday, February 27
Response to Vendor Questions Posted	Tuesday, March 4
Proposals Due and Bid Opening	Thursday, March 13
Awarded Vendor Selected and Contract Awarded	Friday, March 28
Service Available to the Project	Monday, March 31
Statement of Work (SOW) Draft Completed By Awarded Vendor	Friday, April 4
Statement of Work (SOW) Approved – Project Begins	Friday, April 11
Draft of Preliminary High Level Project Assessment Submitted to ITS/ETS Staff	Friday, May 2
Facts (not Recommendations) of Draft of Summary-Level Report for Pilot Stabilization Review Confirmed by Project	Friday, May 9
Draft of Report Submitted to ITS/ETS Staff for Approval	Wednesday, April 30
Facts (not Recommendations) of Draft of Report Confirmed by Agency	Friday, May 9

## Agency

Final Summary-Level Report Submitted to ITS/ETS Staff	Wednesday, May 14
Final Summary-Level Report Approved by ITS/ETS Staff	Friday, May 16
Final Summary-Level Report Submitted to the TAPCC of the IRMC by the ITS/ETS Staff	Monday, June 2

2. Develop Statement of Work (SOW) – the format for the SOW is on the IRMC Web site at <http://IRMC.state.nc.us> under Policies and Standards/Project Reporting/IRMC Independent Quality Assurance Review Procedures.

- A meeting will be conducted with awarded vendor, ITS/ETS staff and representatives of the project being reviewed to obtain detailed information necessary for the awarded vendor to prepare the SOW.
- The State will provide the information, data, documentation, test data, and other items or materials necessary, in its opinion, to facilitate vendor's performance of the contract.
- Vendor shall provide written notice of any delay or failure of the State under the above bullet.
- Development of draft SOW by Awarded Vendor - using information submitted in proposal and additional insights and information from meeting with ITS/ETS staff and representatives of project being reviewed.
- Approval of SOW by ITS/ETS staff and representatives of project being reviewed – authorized signatures required.

3. Conduct quality assurance review:

- Awarded Vendor performs quality assurance assessment per SOW (any changes impacting the agreed upon SOW, such as number of hours or cost required to complete the review, will require an addendum to the SOW, which must be approved by the vendor, authorized representative of the project being reviewed, and the ITS/ETS staff).
- Awarded Vendor submits weekly status report (hours by tasks and estimates to complete, accomplishments for the week, planned activities for the following week and issues requiring ITS/IRM action or follow-up) to ITS/ETS staff for monitoring of progress of assessment and performance of vendor.
- Awarded Vendor submits preliminary high level project assessment to ITS/ETS staff for submission to the TAPCC of the IRMC.
- Awarded Vendor develops and submits to ITS/ETS staff the draft report of findings and recommendations for review by agency representatives of project being reviewed and ITS/ETS staff.
- Agency representatives of the project being reviewed submit requested changes of facts in the draft report to ITS/ETS staff.

- Changes or alterations to the facts of the report (approved by the ITS/ETS staff to ensure the integrity of the review) are submitted by the ITS/ETS staff to the Awarded Vendor for incorporation in the final report.
- Final report submitted to ITS/ETS staff by awarded Vendor.
- Final report approved by the ITS/ETS staff.
- ITS/IRM staff distributes final report and agency satisfaction survey to the authorized agency representative of the project being reviewed along with the requirements for the formal agency response.
- Agency submits formal response to the final report to ITS/ETS staff (often as part of the monthly status report).
- ITS/ETS staff submits final report and agency response to the TAPCC of the IRMC, with ITS/ETS project assessment and recommendations.
- ITS/ETS staff reviews agency satisfaction survey results (if submitted by the agency) and makes appropriate process changes.

## **8. Vendor Performance**

Vendor performance will be monitored and recorded as necessary over the duration of the contract with respect to satisfactory fulfillment of all contractual obligations. Performance assessments may include delivery, quality of deliverables, and specification compliance of deliverables. Also, performance assessments may include adequate servicing of contract in any and all aspects, which the contract has stipulated; and prompt, complete and satisfactory resolution of any contractual discrepancies or from inadequate performance of the State or Contracting Agency. The record of such performance will be considered in the evaluation of future proposals. Any bidder whose record identifies inadequate performance on a prior contract with the State, and who has not demonstrated to the State's complete and sole satisfaction that the causes (both direct and indirect) of such inadequate performance have been resolved, may be rejected on that basis.

## **9. “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 9 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.

## 10. Evaluation Criteria

An evaluation team will be formed to evaluate proposals and reach a consensus on scores and a vendor for award. The process used by this committee includes the principles listed above and the criteria listed in the table below and by applying the associated weight. At its option, 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. Due to the State's budget crisis, vendor capabilities and approaches for completing the study in a cost-effective and expeditious manner will be a key consideration.

Evaluation Criteria	Section of Vendor Proposal	Evaluation Weight
1. <u>Vendor strengths, capabilities and experience</u> , including corporate background, references, past and current projects, financial soundness, performance history, etc.	3	30%
2. <u>Description of work</u> , including objectives, approach, deliverables, organizational structure, staffing qualifications, schedule/timetable, etc.	4 and 5	50%
3. <u>Cost</u> , single hourly rate price.	6	20%

## 11. Administrative Items

- At least 2 originals and 2 copies of the proposal, with an execution page signed by an authorized officer of the Vendor must be submitted. One electronic copy (in Microsoft Word and/or Excel format) must be provided on diskette 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.

## 12. Additional Terms and Conditions

- 1) **Supplement:** The additional terms and conditions set forth herein shall supplement the General Terms and Conditions for Goods and Related Services. In the event of a conflict between this Supplement and the General Terms and Conditions, or any other document, the order of precedence shall be determined by the State's solicitation document(s).
- 2) **Personal Services:** The State shall have and retain the right to obtain personal services of any individuals providing services under this Contract. This right may be exercised at the State's discretion in the event of any transfer of the person providing personal services, termination, default, merger, acquisition, bankruptcy or receivership of the Vendor 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.
  - a) Vendor personnel shall perform their duties on the premises of the State, during the State's regular work days and normal work hours, except as may be specifically agreed otherwise, established in the specification, or statement of work.
  - b) 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.
  - c) 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.
  - d) 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:
    - i) Such use does not conflict with the terms, specifications or any amendments to this Contract , or
    - ii) Such use does not conflict with any procurement law, regulation or policy, or
    - iii) Such use does not conflict with any non-disclosure agreement, or term thereof, by and between the State and Vendor or Vendor's personnel.
  - e) Responsibilities of the State:
    - i) Any special requirements in addition to the specifications shall be identified in a statement of work, made in writing, and annexed to the Contract.
    - ii) The State will provide the information, data, documentation, test data, and other items or materials necessary, in its opinion, to facilitate Vendor's performance of the Contract.
  - f) Vendor shall provide written notice of any delay or failure of the State under (a) or (b) above.

**3) Invoices, Payment:** Upon execution of this Agreement, the Vendor shall submit to the Agency a monthly invoice and, upon approval by the Agency, receive payment within thirty (30) days. If this Contract is terminated, the Vendor is required to complete a final accounting report and to return any unearned funds to the Agency within sixty (60) days of the Contract termination date. All payments are contingent upon satisfactory performance of the invoiced items and fund availability. In addition to the Payment Terms of the General Terms and Conditions, the following terms shall apply:

a) Invoices for partial delivery of any Deliverables or for the number of work hours expended without acceptance of the associated Deliverables may be submitted no more frequently than monthly, shall reflect all work performed, and shall be subject to a Retainage of twenty five (25%) percent of the unit costs therefor.

b) Invoicing for work performed of a continuing nature and for an identified Deliverable shall reflect the pro-rata completion of the work associated with the Deliverable reduced by any amount previously invoiced and paid and further reduced by a Retainage of ten (10%) percent of the unit costs therefor.

c) Invoicing for unanticipated work, as described herein, shall not exceed ten (10%) of the total costs identified by the Contract, and shall be submitted in conformance with (b) above.

d) Upon completion of a work authorization, task, or Deliverable, and acceptance by the State, Vendor shall submit an invoice for the full charges applicable reduced by the amount previously invoiced and paid.

e) Notwithstanding any other term herein, progress payments shall not exceed ninety (90%) percent of the Contract amount prior to the satisfactory completion of the Contract and acceptance of the Deliverables by the State.

**4) Reports:** The Vendor will provide periodic status reports to the Project Manager. Status reports will include at a minimum a discussion of project progress, problems encountered and recommended solutions, identification of policy or management questions, and requested project plan adjustments.

**5) Project Management:** All project management and coordination on behalf of agency shall be through a single point of contact designated as the agency Project Manager. Vendor shall designate a Vendor Project Manager who will provide the single point of contact for management and coordination of Vendor's work. All work performed pursuant to this Contract shall be coordinated between the agency Project Manager and the Vendor Project Manager.

**6) Meetings:** The Vendor is required to meet with agency personnel, or designated representatives, to resolve technical or contractual problems that may occur during the term of the Contract. Meetings will occur as problems arise and will be coordinated by agency. The Vendor will be given reasonable and sufficient notice of meeting dates, times, and locations. Face to face meetings are desired. However, at the Vendor's option and expense, a conference call meeting may be substituted. Consistent failure to participate in problem resolution meetings as demonstrated by two (2) consecutive missed or rescheduled meetings), or to make a good faith effort to resolve problems, may result in termination of the Contract.

**7) Confidentiality of Data and Information:**

a) The Vendor shall protect the confidentiality of all information, data, instruments, studies, reports, records and other materials provided to it by OSC or other disclosing Agency or maintained or created in accordance with this Agreement. No such information, data, instruments, studies, reports, records and other materials in the possession of Vendor shall be disclosed in any form without the prior written consent of OSC or the disclosing State Agency. The Vendor will have written policies governing access to and duplication and dissemination of all such information, data, instruments, studies, reports, records and other materials.

b) All project materials, deliverables, including software, data, and documentation created during the performance or provision of services hereunder is the property of the State of North Carolina and must be kept confidential or returned to OSC, or destroyed with an acceptable certification of destruction provided to OSC, or designee. Proprietary vendor materials shall be identified to the State by vendor prior to use or provision of services hereunder and shall remain the property of the vendor. Derivative works of any vendor proprietary materials prepared or created during the performance of provision of services hereunder shall be subject to a perpetual, royalty free, nonexclusive license to the State.

8) **Personnel, Facilities, And Records** – Unless otherwise provided by the Agency, the Vendor shall furnish all necessary personnel, services, and otherwise perform all acts, duties and responsibilities necessary or incidental to the accomplishment of the tasks specified in this Agreement. The Vendor shall be legally and financially responsible for its personnel including, but not limited to, any deductions for social security and other withholding taxes required by State or federal law. The Vendor shall be solely responsible for acquiring any equipment, furniture, and office space necessary for it to comply with this Agreement. The Vendor shall not substitute key personnel assigned to the performance of this contract without prior written approval by the Agency's Contract Administrator. The individuals designated as key personnel for purposes of this contract are those specified in the Vendor's proposal.

9) **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.

a) 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.

b) Each work authorization shall comprise a detailed stateStatement 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.

c) All work authorizations must be submitted for review and approval by the procurement office that approved the original Contract and procurement. This submission and approval must be completed prior to execution of any work authorization documentation or performance thereunder. All work authorizations must be written and signed by Vendor and the State prior to beginning work.

d) The State has the right to require Vendor to stop or suspend performance under the "Stop Work" provision herein.

e) Vendor shall not expend Personnel resources at any cost to the State in excess of the estimated work hours unless the procedure below is followed:

i) 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:

(1) 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

(2) Terminate the work authorization, or

(3) Alter the scope of the work authorization in order to define tasks that can be accomplished within the remaining estimated work hours.

f) 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.

**10) Conflict Between Terms In Technical Services Contract** – In the event of any conflict between the terms set forth herein and the terms set forth in Exhibit 3 of the Technical Services Contract, the terms set forth herein shall prevail.

### 13 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 on \_\_\_\_\_, 2003, as indicated by attached certification letter from ITS.

**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).

<p><b><u>FOR CONTRACTING AGENCY USE ONLY</u></b></p> <p>Offer accepted this ____ day of _____, 2003, as indicated on attached certification or purchase order</p> <p>by _____ (Authorized representative of Contracting Agency)</p>
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