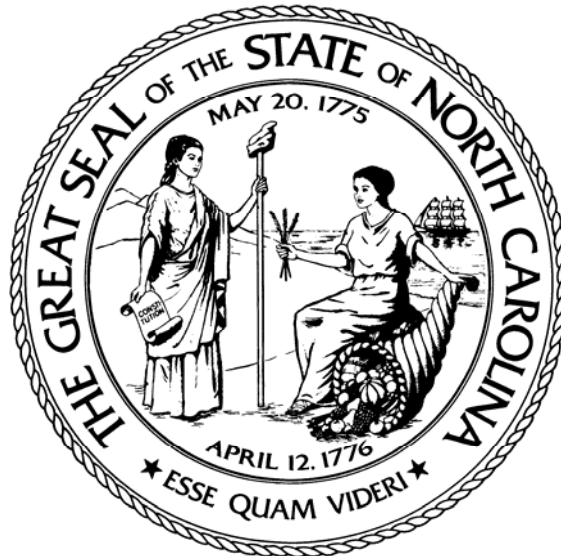


North Carolina Office of the State Controller

Website Redesign Project

Scope Statement



October 27, 2006

Tracking No. TECH-003190

PREPARED BY:

OFFICE of the State Controller

<http://www.ncosc.net>

SCOPE STATEMENT

PROJECT NAME:	OSC/BEACON Websites Redesign
TRACKING NUMBER:	TECH-003190
ISSUING AGENCY:	Office of the State Controller
AGENCY CONTACT:	Terry Senter
CONTACT EMAIL:	terry.senter@ncosc.net
CONTACT PHONE:	(919) 981-5431
TECHNICAL SERVICES CONTRACT:	Attachment 5 – Web Based Development
ISSUE DATE:	October 27, 2006
DUE DATE FOR QUESTIONS:	November 6, 2006, 12:00 noon
DUE DATE FOR PROPOSALS:	November 16, 2006, 9:00am
DELIVERY INSTRUCTIONS:	Office of the State Controller Attention: John Morgan 3512 Bush Street Raleigh, NC 27609

Questions must be sent to Terry Senter by the specified deadline above. Please put “**TECH-003190 Questions**” in the subject line of your email. Responses to the questions will be emailed to all eligible Vendors on Attachment 5 of the Technical Services Contract.

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A. Scope Statement Purpose

The purpose of this Scope Statement is to solicit proposals from eligible Vendors for the redesign of the Office of the State Controller and BEACON websites. The target “go live” date for the revised sites is 4/01/2007.

B. Agency Background

The State Controller serves as North Carolina’s independent Chief Financial Officer. The Office of the State Controller is charged with ensuring that state appropriations are expended, accounted for, and reported consistently with policies adopted by the Governmental Accounting Standards Board (GASB) and without influence from external sources.

It is the mission of the Office of the State Controller to:

- Ensure proper financial reporting and accounting for all state agencies and institutions by providing leadership, guidance, and consulting in all accounting matters.
- Maximize the cash availability and ensure compliance with all applicable state and federal requirements by providing an effective statewide cash management system.
- Ensure that all state employees are accurately paid on a timely basis by providing an effective central payroll system and leadership, guidance and support to all payroll functions in state government.
- Encourage an enterprise approach to the business systems of state government, including the use of electronic commerce, where practical.
- Promote best business practices in the management of state resources.

The Office of the State Controller (OSC) is also home to the statewide BEACON program. BEACON stands for: “**B**uilding **E**nterprise **A**ccess for North Carolina’s **C**ore **O**peration **N**eeds.” BEACON is a statewide collaborative effort to transform the way we do business in North Carolina by modernizing and standardizing key business processes in human resources, payroll, budget management, taxation, data storage and accounting. With the implementation of SAP’s Enterprise Resource Planning (ERP) software solution, the goal of BEACON is to build a foundation for management effectiveness, increased efficiency, and improved access to information, ultimately enhancing the quality of services to North Carolina’s citizens.

Additional information on both the Office of the State Controller and BEACON can be found at: <http://www.ncosc.net/> and <http://www.beacon.nc.gov/>.

C. Project Overview

The external web pages of the Office of the State Controller (<http://www.ncosc.net>) are the gateways through which the public, state agencies served by the OSC, and OSC staff access information necessary for a clear understanding of OSC work documents available under the Public Records Act, requirements and forms used in statewide accounting activities and internal information on OSC operations. The web pages presently are not intuitive and do not package information in a user-friendly manner. This project will update the OSC website homepage and section pages and make them user-friendly and navigable.

The BEACON program website (<http://beacon.nc.gov>) is a new website dedicated to sharing information about the benefits and progress of the BEACON program. Key program stakeholders, such as state agency executives, legislators, state agency employees, and technology vendors use the BEACON website for timely information about the program's progress. Currently, the design of the BEACON website is unrelated to the design of the OSC website, though the OSC is the sponsoring agency of the BEACON program. This project will provide consistent design and navigation for both the OSC and BEACON websites.

Typical audiences for both websites include: state agencies, citizens, state employees, state legislators and staff, financial institutions, and the media.

Project Goals

- Sites that provide consistent design and navigation for both the OSC and BEACON program
- Sites that are user-friendly and provide quick access to key documents
- Sites which provide functionality for users to be able to access and submit documents
- Sites which utilize the infrastructure and tools that are in place at OSC and ITS
- Sites that can be maintained and updated by OSC in-house resources
- Sites that have a compatible design with other North Carolina State Government websites

D. Current Architectural Platform

Both websites are currently hosted by the Office of Information Technology Services (ITS), and will continue to be hosted there in the future. As such, all project deliverables must be consistent with the infrastructure standards stated below.

Server Software

- OSC website Operating System is RedHat Linux
- OSC website web server is Apache
- BEACON website Operating System is currently Windows 2000 and will be migrated to Windows 2003 by January 2007
- BEACON website web server is Microsoft IIS

Network Architecture

- Both OSC and BEACON website web servers are behind a load balancer and firewalls

Application Architecture

- There are no additional applications currently running on the OSC website Server
- There are no additional applications currently running on the BEACON website server. ASP and .NET are available but not installed

Scripting Languages

- Perl is currently supported on the OSC website server
- ActivePerl and ASP are currently supported on the BEACON website server

E. Scope of Work

As mentioned in Section C above, the overall goal of the redesign project is to improve the current OSC and BEACON websites. The scope of this project **does not include web hosting**. The Office of the State Controller will provide all incidental copy needed for the websites. Requirements and anticipated deliverables are described below:

Design and Content Development Requirements

The sites to be redesigned as part of this project include both the OSC website and the BEACON website. The OSC and BEACON websites must both include three levels of template style sheets. Both sites must be professional, concise, and convey the Office of the State Controller as an enterprise state agency.

While there is no mandatory state style guide, it is preferred that the overall designs of both sites conform to general standards of state government websites. ITS has a published Style Guide at:

http://www.its.state.nc.us/News/Documents/Web%20Style%20Guide2-2_.pdf.

Design and Content Development Requirements

New web design should contain a common theme for all areas of the web. Currently we have two separate sites and would like for the appearance of both sites to be consistent with each other and complement each other with consistent elements.

OSC Website

- Color schemes and fonts must be complementary throughout the entire site and incorporate the newly designed OSC logo.
- SECP (Statewide Electronic Commerce Program), BEACON and sub sections – which include Central Payroll, Central Compliance and the NC Accounting System Information Guide - must be sub-points of the OSC website

BEACON Website

- Must use previously-designed BEACON logo
- Must use elements of style, color, and font that is complementary with OSC website but unique for BEACON
- BEACON initiatives (HR, Data Warehouse, Financials, etc.) must be sub-points of the BEACON site

Technical Requirements

- The design must comply with Section 508 Federal Accessibility Standards - <http://www.section508.gov/index.cfm?FuseAction=Content&ID=12>
- Due to limited web accessibility within some state agencies, sites must be designed to enable user access by computers with **Windows 98** and **56K modem** connections.
- The design must use low load graphics.
- The design must be supported by all browsers. Any differences in accessing the site through a Macintosh must also be documented and explained.
- Site security elements must adhere to state security policies, standards, and procedures (www.iso.scio.nc.gov/SecurityFramework.htm).
- As sites will be hosted by Office of Information Technology Services (ITS), components necessary for site functionality and loaded to ITS servers must not interfere with any other site hosted by ITS and must be supportable by ITS.
- Due to user technical constraints, animations and use of Flash and other like tools must be kept to a minimum and cannot contain essential information, and must be easy to avoid or work around.

Scope of Deliverables

Vendors must include the following deliverables and any necessary supporting products in the proposals:

- User Flow Diagrams
- New site information architecture including file layout and documentation
- Site map based on new architecture
- A minimum of three design choices for OSC homepage and sectional pages for agency personnel to review and choose from during the early design process
- An OSC logo for branding the web site and any other applicable media (letterhead, news releases, etc.)
- Top-tier core page wireframe (<http://www.webopedia.com/TERM/W/wireframe.html>)
- Technical style guide for templates, including but not limited to: CSS, and any scripting documentation as applicable, font sizes and style, and colors
- Usability testing scripts
- Documentation and technical expertise will be provided to internal OSC web developers and content providers throughout the development phase
- Vendor shall transition knowledge of tools and applications used to OSC/BEACON technician(s) throughout the project and provide written documentation at the end of project
- Search engine for both sites
- Support strategies for website development including change request processes and contingency planning throughout the project duration

- Project management activities including weekly status reports
- Fully functional OSC and BEACON program websites

F. Format of Scope Statement Proposals

Vendor proposals should be straightforward, clear, well organized, easy to understand, and concise. They must contain the following seven sections. No other sections may be submitted.

1. Letter of Transmittal – Each proposal should be accompanied by a letter of transmittal that provides the following information:
 - Identify the submitting organization;
 - Identify the name, title, telephone and fax numbers, and e-mail address of the person authorized by the organization to contractually obligate the organization;
 - Identify the name, title, telephone and fax numbers, and e-mail address of the person authorized to negotiate the contract on behalf of the organization;
 - Identify the names, titles, telephone and fax numbers, and e-mail addresses of persons to be contacted for clarification;
 - Acknowledge receipt of any and all amendments to this Scope Statement.
2. Table of Contents
3. Conflict of Interest – Vendors must certify that neither they, nor any of their personnel who may provide services under any awarded contract, have a conflict of interest
 - By executing this scope statement the Vendor agrees that no assistance was received in preparing the response from any current or former employee of the State of North Carolina whose duties relate(d) to this scope statement, 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 scope statement.
 - State if the Vendor or any employee of the Vendor is related by blood or marriage to an Agency employee or resides with an Agency employee. If there are such relationships, list the names and relationships of said parties. Include the position and responsibilities within the Vendor's organization of such Vendor employees; and
 - State the employing State Agency, individual's title at that State Agency, and termination date.
 - Vendors must also sign a statement of no collusion as part of the Execution Page on page 20 of this Scope Statement.

4. Corporate Background – This section shall include information 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 indicate the capabilities for the successful completion of this work. Vendor’s understanding of the State of North Carolina’s processes, policies, and background must also be explained.
5. Experience and References – Vendor must provide a minimum of three URLs of projects similar in scope or other projects indicating the Vendor’s past performance, experiences and capabilities to do this work along with project descriptions. The following information must be provided for each project reference:
 - Name of company or government entity
 - Contact names, with titles/responsibilities, telephone numbers and email addresses
 - Purposes and/or business processes for which the reference services were performed and how the services provided benefit
 - Scope and approximate dollar value of engagement
 - Dates of engagement
 - 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 subcontractor. If subcontractors are proposed, indicate primary and subcontractor experience and references.
6. Executive Summary – This section shall describe the Vendor’s understanding of the State’s current situation and how the overall proposed services meet the needs of the State’s project.
7. Proposed Approach – This section must describe the following:
 - Description of proposed methodology/process for performing the work including defined tasks
 - Answers to the three content management questions listed on page 6, Section E
 - List of deliverables, with a description, resulting from the work
 - Project timeline with milestones and completion dates for each deliverable
8. Project Organization and Staffing – This section shall include a description of the proposed staffing, responsibilities/accountability assignments and organizational structure for accomplishing this project. At a minimum the following three sections must be included:
 - i. A diagram of the proposed project staffing structure and reporting/governance structure. The diagram should show the key Vendor, subcontractor (if applicable), and state staffing.

- ii. All proposed key project personnel, including subcontractor staff, must be identified in the proposal. The State reserves the right to approve or disapprove any change in the successful Vendor's project team members whose participation is specifically offered in the proposal. This is to ensure that persons with vital experience and skill are not arbitrarily removed from the project by the Vendor. In addition to the information required in the chart below, Vendor must include one page resumes/biographies of each proposed personnel in an appendix. List the following for all Vendor personnel (including subcontractors) that may be assigned to the project:

Name	# Years with Vendor	Company/ Position Title	Proposed Project Role and Approximate FTE Timeframe	# Yrs Skills/Experience Relevant to Assigned Project Role

- iii. Also list the following resource information needed from the State to complete the project:

State Project Role/Assignment	# FTE	Length of Assignment/ Approximate Timeframe	Skills/Experience Required

9. Total cost – The cost schedule must include three items:

- i. **Total not to exceed bid amount.** This amount will be used in the evaluation criteria in selecting the awarded vendor (see Section G).
- ii. **Single hourly rate.** [to be used to calculate estimated work hours only] 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).
- iii. **Deliverables/Payment Schedule** – Payments will be tied to the submission of acceptable deliverables. The State will determine the acceptability of all deliverables. Reference page 15 under Terms and

Conditions for payment details. The following table must be included in the Cost section of the proposal:

Milestones/Deliverables from Section F.7 (Proposed Approach)	Cost of Milestone/Deliverable	Proposed Date Delivered	Estimated Work Hours

10. Appendix – This section shall include the proposed personnel resumes as requested in section H.

G. Evaluation Process

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 G 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 partially or in full 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 G 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, after all rounds of Best and Final Offers have concluded. An award will be made to the vendor whose proposal offers the best value for OSC.

Evaluation Criteria

An Evaluation Committee will evaluate proposals and determine the awarded vendor. At its option, the Evaluation Committee 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. The process used by the Evaluation Committee includes the principles described above and the criteria listed in the table below:

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.	F 4 & F 5	30%
2. <u>Description of work</u> , including objectives, approach, deliverables, organizational structure, staffing qualifications, schedule/timetable, etc.	F 6, F 7, & F 8	50%
3. <u>Cost</u> A. Not to exceed bid amount – The not to exceed bid amount is the cost that will be used in the evaluation of vendor responses. B. Single hourly rate – [to be used to calculate estimated work hours only] The single hourly rate cost <u>is not</u> evaluated as part of these criteria, but it will be a condition of the resulting contract with the selected Vendor.	F 9	20%

H. Timetable and Environment

The Program Sponsor is Gwen Canady, Chief Deputy, Office of the State Controller. Please note that the State anticipates keeping the timetable outlined below but dates are subject to change.

Action	Responsibility	Date/on or about
Issue Scope Statement	Statewide IT Procurement	October 27, 2006
Deadline for submission of questions from Vendors	Prospective Vendors	November 6, 2006
Vendor Responses Due	Prospective Vendors	November 16, 2006
Proposal Evaluation	Evaluation Committee	November 21, 2006
Oral Interviews (optional)	Evaluation Committee/ Prospective Vendors	November 27 – November 29, 2006
Best and Final Offer from finalist(s)	Vendors	December 4, 2006
Contract Award	OSC Purchasing	December 20, 2006
Protest Deadline	Vendor	15 days after award

I. Administrative Items

The vendor should provide two (2) originals and five (5) copies of the proposal package, as well as one electronic copy on a CD in Microsoft Word format. The proposals must be delivered to the address below:

Attn: John Morgan, CFO
North Carolina Office of the State Controller
3512 Bush Street
Raleigh, NC 27609

All responses are physically due at NCOSC by 9:00 am on November 16, 2006. Responses should be placed in a sealed package and clearly labeled with the name of your company and “**Scope Statement Tech-003190**” on the outside of the package. **Vendor signatures are required on all statements of work.**

The proposal shall contain an Execution Page signed by an authorized officer of the company, which can be found at page 20 of this Scope Statement. 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 be constituted a determination by the State that any materials or information contained therein are exempt from disclosure.

Vendor must notify the Office of the State Controller in advance of any proprietary or confidential materials contained in the proposal and provide justification for not making such material public. The Office of the State Controller shall have sole discretion to disclose or not disclose such material, consistent with state law.

J. 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 to which all Vendors are held under the Technical Services Contract, Attachment 5. 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 as follows: (1) Special terms and Conditions specified in this scope statement; (2) Specifications of the scope statement, except as amended; (3) the State's additional Terms and Conditions; (4) the State's General Terms and Conditions for Goods and Related Services; (5) Best and Final Offers, if any, and (6) the awarded vendor's proposal.
- 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 invoices for completed deliverables on a monthly basis and, upon approval by the Agency and acceptance by the State of invoiced deliverables, Vendor will 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 therefore.

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 therefore.

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 shall provide weekly status reports to the OSC Project Manager. Status reports shall 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 single point of contact 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 single point of contact.

6) Meetings: The Vendor must 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 the State 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 the State. 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)** 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 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.

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 there under. 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 fourteen (14) 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) 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.

a) 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:

i) Cancel the Stop Work Order,

- ii) 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.
- b) 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:
 - i) 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
 - ii) The Vendor asserts its right to an equitable adjustment within 30 days after the end of the period of work stoppage; provided that if the State decides the facts justify the action, the State may receive and act upon a proposal submitted at any time before final payment under this Contract.
- c) 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.
- d) The State shall not be liable to the Vendor for loss of profits because of a Stop Work Order issued under this term.

11) Vendor Termination: The Office of the State Controller shall have the right to terminate the contract with the Vendor without penalty pursuant to thirty (30) days written notice of termination to the Vendor under the following circumstances:

- Default of Vendor: It shall be considered a default whenever the Vendor shall:
- Disregard or violate material provisions of the contract documents or Agency instructions, or fail to execute the work according to the agreed schedule of completion and/or time of completion specified, including extensions thereof, or fail to reach agreed-upon performance results.
- Declare bankruptcy, become insolvent, or assign company assets for the benefit of creditors.
- Lack of Funds of the Agency: Lack of funds shall be construed to mean when the Agency in the judgment of the State Controller or his designated representative determines that it cannot continue the funding of its contract services without undue hardship to the Agency.
- Termination of contract services will be rendered if it is construed by the Agency to be in its best interest for serving citizens and employees.

12) 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) Vendor Utilization of Workers outside the United States: In accordance with Executive Order #60, the Vendor must detail in the bid response, the manner in which it intends to utilize resources or workers located outside of the United States. The State of North Carolina will evaluate the additional risks, costs, and other factors associated with such utilization prior to making an award for any such Vendor's proposal. The Vendor shall provide the following for any proposal or actual utilization or contract performance outside of the United States:

- The location of work performed under a state contract by the Vendor, any subcontractors, employees, or other persons performing the contract.
- The corporate structure and location of corporate employees and activities of the Vendors, its affiliates, or any other subcontractors.
- Notice of the relocation of the Vendor, employees of the Vendor, subcontractors of the Vendor, or other persons performing services under a state contract outside of the United States.
- 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.

K. Execution of Scope Statement

By signing 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 143-54;
- 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;
- The Offeror agrees to abide by all ITS and OSC Policies, Standards, and Procedures and in addition, to 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.

<u>BIDDER:</u>		<u>FEDERAL ID OR SOCIAL SECURITY #.:</u>	
<u>STREET ADDRESS:</u>		<u>P.O. BOX:</u>	
<u>CITY, STATE & ZIP:</u>		<u>TELEPHONE #:</u>	<u>TOLL-FREE #:</u>
<u>TYPE OR PRINT NAME OF PERSON SIGNING:</u>		<u>FAX NUMBER:</u>	
<u>AUTHORIZED SIGNATURE:</u>	<u>DATE:</u>	<u>EMAIL:</u>	

Acceptance by Agency is contingent upon Statewide IT Procurement Office's approval of the Agency's recommendation of award. This contract award was approved by ITS on _____, 2006, as indicated by the 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 Master 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 _____, 2006, as indicated on attached certification or purchase order,

By _____ (Authorized representative of the Office of the State Controller.)