

Scope Statement

Issuing Department / Agency:	Office of the State Controller
Project Sponsor:	Robert L. Powell, State Controller
Project Name:	BEACON Budgeting & Financials Planning Project
Issue Date:	February 29, 2008
Deadline for Questions:	March 7, 2008; 5:00 pm EST
Due Date for Responses:	March 19, 2008; 2:00 pm EST
Purchasing Contact Person:	John Morgan
Contact Phone:	919-871-6480
Technical Services Contract:	Attachment 10 – Technology Advisory Services and Attachment 15 – Financial Systems Support & Implementation

DELIVERY INSTRUCTIONS: Deliver **two (2) signed originals and five (5) copies** of the Proposal to Issuing Agency in a sealed package with Company Name and Scope Statement Number clearly marked on the front. Vendor must also submit **two (2) electronic copies** of its proposal on read-only CD/DVD(s). The files on the discs should not be password-protected and should be capable of being copied to other media.

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.

DELIVERED BY US POSTAL SERVICE	DELIVERED BY ANY OTHER MEANS
BID NUMBER: TECH-003763 Office of the State Controller Attn: John Morgan 1410 Mail Service Center Raleigh, NC 27699-1410	BID NUMBER: TECH-003763 Office of the State Controller Attn: John Morgan 3512 Bush Street Raleigh, NC 27609

Proposals for this scope statement must be submitted in a sealed package with the Execution of Proposal signed and dated by an official authorized to bind the Vendor's firm. **Failure to return a signed execution of proposal shall result in disqualification.** All proposals must comply with Section VI, Vendor Proposal Requirements. Proposals will not be accepted by electronic means.

All questions about this scope statement must be in writing. Written questions concerning the scope statement specifications will be received until March 7, 2008 at 5:00 PM. They must be sent via e-mail to: BEACON@ncosc.net.

Please insert "TECH-003763 Questions" in the subject matter of your e-mail. A summary of all questions and answers will be emailed to the eligible Vendors on **Attachment 10 and Attachment 15** of the Technical Services Contract.

Basis for Rejection. Pursuant to 9 NCAC 06B.0401, the State reserves the right to reject any and all offers, in whole or in part; by deeming the offer unsatisfactory as to quality or quantity, delivery, price or service offered; non-compliance with the requirements or intent of this solicitation; lack of competitiveness; error(s) in specifications or indications that revision would be advantageous to the State; cancellation or other changes in the intended project, or other determination that the proposed requirement is no longer needed; limitation or lack of available funds; circumstances that prevent determination of the best offer; or any other determination that rejection would be in the best interest of the State.

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

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

Table of Contents

I. Purpose:..... 4

II. BEACON Background: 4

III. Project Organization and Reporting: 4

IV. Project Purpose and Objectives 5

V. Subsequent Work by Awarded Vendor 7

VI. Vendor Proposal Requirements 7

VII. “Best Value” Procurement 10

VIII. Evaluation Criteria 11

IX. Timetable/Additional Information..... 11

X. Additional Terms: 12

XI. Execution of Scope Statement..... 16

I. Purpose:

The purpose of this scope statement is to solicit proposals from Vendors to assist the State of North Carolina in managing and executing planning activities for the BEACON Budget & Financials Planning Project. This project includes development of a comprehensive implementation approach for budgeting and financial sub-modules of mySAP ERP edition 2005, cost estimates and a detailed resource plan. The deliverables produced under this scope statement will be subsequently used as input into a formal procurement process for a budgeting and financials implementation project.

The BEACON Budget & Financials Project will have the following three phases:

- Phase I – Planning (this project)
- Phase II – RFP Development and Procurement
- Phase III – Implementation

This scope statement is for Phase 1 only. The awarded Vendor will not be permitted to bid on Phase II of this project; however, the awarded Vendor will be permitted to bid on Phase III.

II. BEACON Background:

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 flexibility, increased efficiency, and improved access to information, ultimately enhancing the quality of services to North Carolina's citizens.

The first initiative under BEACON is the replacement of the State's Human Resources/Payroll infrastructure. This initiative is currently in the Go Live and Support phase of SAP's accelerated ERP implementation process ASAP (Accelerated SAP) and will be implemented in early 2008. The second initiative under BEACON is the replacement of the State's budgeting and financial infrastructure. The scope of the BEACON Budget & Financial Project will be planned as a part of this procurement process.

Additional information on the BEACON Program and budgeting and financial legacy systems can be found at: http://www.beacon.nc.gov/about/impacted_systems/index.html. The Tax and Revenue systems are not included in this project.

III. Project Organization and Reporting:

The Office of the State Controller (OSC), Information Technology Services (ITS), the Office of State Budget and Management (OSBM) the Office of State Personnel (OSP), and the Department of Transportation (DOT) currently oversee the BEACON Program with the full support of Governor Easley and the General Assembly.

The Program Steering Committee (PSC) is responsible for the overall direction and management of BEACON. Specifically, PSC commits resources to the specific initiatives, maintains interagency relationships and agreements, monitors and evaluates the progress of BEACON against identified strategies, sets policies and makes the final decision on escalated issues. In addition to the Steering Committee, the State has a full time Program Director. The State Program Director works for the Office of the State Controller and is the chief advisor to the Program Steering Committee. The Program Director is responsible for ensuring the performance of the awarded Vendor and the State. The awarded Vendor shall provide necessary resources to perform its responsibilities and deliver the services for project completion in a timely manner.

A Project Manager will be assigned to this project on behalf of the State. The Project Manager will assist the awarded Vendor in completion of project deliverables.

The State Chief Information Officer (State CIO) has established technical architecture and project management standards and monitoring processes for accomplishing legislatively mandated responsibilities (G.S. 147-33.72). The North Carolina Statewide Technical Architecture website (<http://www.ncsta.gov/>) provides a series of domain documents describing objectives, principles and best practices for the development, implementation and integration of business systems. Vendors proposed approach must comply with the State's technical architecture standards. Information on all state IT policy standards and technical architecture best practices can be found at <http://www.scio.state.nc.us>

IV. Project Purpose and Objectives

The purpose and scope of this work will be to assist the State in managing and executing planning activities for the BEACON Budget & Financials Planning Project. Work shall include conceptual and detailed implementation plans for approved modules, corresponding cost estimates, and detailed implementation resource plans. Preparation of the deliverables shall take place on-site at 3514 Bush Street, Raleigh, NC using State-provided PCs and software. Vendors must abide by all security measures of the on-site location, including internet security measures.

The awarded Vendor must complete the following activities as part of the project scope. Additional activities, if applicable, may be detailed by Vendors in their bid response.

Scope Activity/Milestones	Description
BEACON Budget & Financial Project – Implementation Plan	<ul style="list-style-type: none"> • Facilitate the development of the Budgeting/Financial vision and goals for the State of North Carolina in conjunction with selected state personnel as approved by the BEACON Program Steering Committee (PSC). The vision and goals will identify the budgeting and financial functions and organization in a post-SAP environment. • Determine the scope of SAP budgeting and financial sub-modules to be implemented as approved by the PSC and after consultation with the Office of State Budget & Management relative to the budget module(s). • Identify key stakeholders impacted by implementation of the approved sub-modules. • Analyze business processes and existing legacy applications and match delivered SAP functionality in the approved scope. Identify and document gaps, complexities, and potential challenges for implementation in both the processes and applications. • Identify any external or collateral applications associated with or interfaced with the current legacy applications that may possibly be affected by the implementation of the approved sub-modules. Identify and document gaps, complexities, and potential challenges for implementation. • Identify potential implementation options: <ul style="list-style-type: none"> ○ Options should include a pro/con analysis and a projected timeline ○ Options should detail the sequencing of anticipated modules in scope ○ Options should consider impacts to and from other BEACON Program projects and integration with other existing statewide projects. • Evaluate and propose integration points which will be needed based on the defined scope. In addition, identify additional HR functionality required to support the financial implementation. • Develop and document budgeting and financial requirements to the proposed SAP modules. The requirements should be based on both existing and required functionality.
Implementation Cost Estimates	<ul style="list-style-type: none"> • Develop one-time and recurring cost estimates as well as a corresponding timeline for potential costs incurred for implementation. At a minimum, estimates should include: <ul style="list-style-type: none"> ○ Hardware ○ Software and tools (including interfaces) ○ ITS hosting ○ Staffing ○ Training ○ BEACON Enterprise Support Team (BEST) Service Center expansion ○ Facility requirements ○ SAP and legacy system impacts including historical data ○ Anticipated customizations ○ Support

Scope Activity/Milestones	Description
Implementation and On-going Support Resource Plans	<ul style="list-style-type: none"> • Recommend an organizational structure for on-going business support <ul style="list-style-type: none"> ○ The organizational structure will focus on both the business and technical-side support needed to maintain the Budgeting and Financial vision • Recommend an organizational structure for implementation <ul style="list-style-type: none"> ○ Review the current 5 year plan and provide models to support both the financials implementation project as well as upcoming BEACON projects • Develop a staff loading chart • Define roles and responsibilities for implementation to include: <ul style="list-style-type: none"> ○ Typical roles and responsibilities ○ Required knowledge, skills, and abilities • Define roles and responsibilities for on-going support to include: <ul style="list-style-type: none"> ○ Typical roles and responsibilities ○ Required knowledge, skills, and abilities

V. Subsequent Work by Awarded Vendor

The Project Steering Committee anticipates that many Vendors will desire to participate in this Project. In order to maintain a fair and competitive procurement process, the following section has been added to clarify Vendor participation in the potential award of future contracts for subsequent work that may result from the results and recommendations from this first phase effort. Specifically the State desires:

Budgeting/Financial Project Phase	Vendor Eligibility
1. Planning Phase I	All qualified Vendors
2. RFP Development and Procurement Phase II	All qualified Vendors with the exception of the Vendor who was awarded the Phase I Planning Project.
3. Implementation Phase III	All qualified Vendors with the exception of the Vendor who was awarded the Phase II RFP Development and Procurement.

The awarded Vendor of the Planning Phase I will be required to organize pertinent information obtained in performing the work and provide this documentation to the State in both paper and computer readable (hard and soft copies) formats. The documentation must be in a structure that is helpful to all Vendors responding to future bidding documents related to the project. The documentation and other relevant material and information are posted on the BEACON website at <http://www.beacon.nc.gov/index.htm>. The State has final approval authority of the Vendor’s project documentation described above including organization, structure, content and technical format.

VI. Vendor Proposal Requirements

Vendor proposals must be straightforward, clear, well organized, easy to understand, and concise. They must contain the following nine sections. Proposals should be submitted in three-ring notebooks or binders with tabs delineating each of the sections.

A. Table of contents

B. Statement of no 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:

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.

C. Corporate background and experience - 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. See Section VI.I for further information on providing information on financial soundness.

The Vendor must provide in their bid response a minimum of three references from persons who have worked with the Vendor on similar projects in scope and size or other projects indicating the Vendor's past performance, experiences and capabilities to do this work, 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. References will be contacted.

D. Project Objectives - This section must describe how the Vendor will complete the objectives described in Section IV of this document. Descriptions shall include the approach for performing the work, the Vendor person-days involved in the work, and the schedule/ timetable for completing the project. In addition to descriptions of the approach to the deliverables, please also include a completed version of the table below:

Milestone/Deliverable Name	Proposed Date Delivered	Person-days
Total Person - Days		

E. Project personnel staffing and Vendor organization for completing this project - This section must include a description on the proposed staffing, responsibilities and organizational structure for accomplishing this project. Names and qualifications of proposed staff must be provided.

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 awarded 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 two charts below, the Vendor must include one page resumes/biographies of each proposed project person in the appendix. List the following for all Vendor employees and subcontractors that may be assigned to the project. Vendor must distinguish employees from subcontractors.

Table 1: Proposed Key Project Personnel

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

Table 2: Proposed Staffing

#	Resource Role	Resource Name	Week 1	Week 2	Week 3	Week X
	<i>SAMPLE Team Lead</i>	Jane Doe	Est. Hours	Est. Hours	Est. Hours	Est. Hours
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						

Subcontracting is allowed for this work pursuant to Paragraphs 4 and 5 of the Statewide Convenience Contract Terms and Conditions, but its use must be explained and the responding Vendor must be responsible and accountable for all work performed by subcontractors. If subcontractors are proposed, indicate primary and subcontractor staffing and responsibilities and include the same information and chart for subcontractors as is required above.

- F. Cost - This project requires a not-to-exceed bid amount. The cost schedule must include two items:
1. **Not to exceed bid amount.** This amount will be used in the evaluation criteria in selecting the awarded Vendor (see Section VIII).
 2. **Single hourly rate.** 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).

3. The following chart shall be included within the Cost section of the proposal:

Cost Type	Cost
Total Not to Exceed Project Cost	
Hourly Rate	

G. Vendor Response to Additional Terms in Section X if applicable

H. Appendix – This section must include the proposed personnel resumes as requested in Section E above.

I. Financial Statements and Information – The Vendor, its partners and all subcontractors, **shall** provide evidence of financial stability with its response to this Scope Statement as further described herein below.

Provide a Comprehensive Report from Dun and Bradstreet, stating the financial condition and credit rating of the company.

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

- a) For a publicly traded company, Financial Statements for the past three (3) fiscal years must be submitted, including at a minimum, income statements, balance sheets, and statement of changes in financial position or cash flows. If three (3) years of financial statements are not available, this information shall be provided to the fullest extent possible, but not less than one year. If three (3) years of statements are not available, vendor must explain the reasons why they are not available.
- b) For a privately held company, when certified audited financial statements are not prepared, a written statement from the company’s certified public accountant stating the financial condition, debt-to-asset ratio for the past three (3) years and any pending actions that may affect the company’s financial condition must be submitted. Alternatively, Vendors may submit opinions of Certified Public Accountants, together with opinions of counsel for the past three (3) fiscal years.

VII. “Best Value” Procurement

The evaluation and Vendor selection process will be based on “best value”. The particular procurement methods used are selected so as to result in the best buy for the State in terms of the function to be performed. Competitive Best Value Procurement allows for the use of alternate competitive purchasing techniques in addition to low price analysis in the selection of supply sources determined to represent best value. In this particular procurement a trade-off method, of source selection will be utilized. Proposals will be evaluated based on the criteria listed below. Evaluation methodology shall be in accordance with Title 9 of the NCAC Subchapter 06B, Section

.0302, or corresponding section of any future NC Administrative Code. 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.

VIII. Evaluation Criteria

An Evaluation Committee appointed by the Program Steering Committee will evaluate proposals and determine the awarded Vendor. At its option, the Program Steering 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 during the procurement process. Selection will be made according to best value to the State as determined by the evaluation committee. The committee will evaluate proposals and determine weighted scores using the following criteria.

Evaluation Criteria	Section of Vendor Proposal	Evaluation Weight
1. <u>Vendor strengths, capabilities and experience</u> , including corporate background, references, past and current projects, organizational structure, staffing qualifications, etc.	C, E, Biographies in H	50%
2. <u>Description of work</u> , including response to objectives, schedule/timetable, etc.	D	35%
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 – 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	15%

IX. Timetable/Additional Information

The awarded Vendor is expected to begin work within two weeks of selection. The project is expected to begin no later than May 12, 2008, and progress in an expeditious cost-effective manner. All work should be completed by October 15, 2008.

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

Action	Responsibility	Date
Issue scope statement	Statewide IT Procurement	2/29/2008
Deadline for Vendor questions	Vendor(s)	3/7/2008
Submission of proposals	Prospective Vendor(s)	3/19/2008

Proposal evaluation and selection of finalist	Evaluation Committee	3/26/2008
Oral Presentations (optional)	Evaluation Committee	3/31/2008
Request clarification/BAFO(s) (optional)	OSC	4/4/2008
BAFO submissions (optional)	Vendor(s)	4/14/2008
Statewide approval	Statewide IT Procurement	4/25/2008
Contract award	OSC	5/1/2008
Protest deadline	Vendor(s)	15 days after award

X. Additional Terms:

The following terms complement the Terms and Conditions of the Statewide Convenience Contract. In the event of a conflict between these Additional Terms and the General Terms and Conditions of the Statewide Technical Services Convenience Contract, the order of preference shall be these Additional Terms and then the General Terms and Conditions of the Statewide Technical Services Convenience Contract.

1) VENDOR UTILIZATION OF WORKERS OUTSIDE U.S.

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:

- a. The location of work performed under a state contract by the Vendor, any subcontractors, employees, or other persons performing the contract.
- b. The corporate structure and location of corporate employees and activities of the Vendors, its affiliates or any other subcontractors.
- c. 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.
- d. 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.

3) 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 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 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.

4) **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, selected state personnel and other items, materials or equipment 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.

5) 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.

6) 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. 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:

- a) Cancel the Stop Work Order, or
 - b) Terminate the work covered by the Stop Work Order as provided for in the termination for default or the termination for convenience clause of this Contract.
 - c) 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 his Contract.
 - d) 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. The State shall not be liable to the Vendor for loss of profits because of a Stop Work Order issued under this term.
- 7) **Acceptance of the Vendor's materials and deployment:** Acceptance criteria will be mutually determined by the awarded Vendor and the State during the planning process of each milestone phase. Vendor shall submit with this bid their proposed acceptance criteria for the deliverables and milestones included in their proposal.
- 8) **Deliverable format:** Upon award, the Vendor shall propose a format for project documents and gain the State's approval prior to preparation of the first deliverable. The Vendor should meet with the State Program Manager to review an outline of, and criteria for, each project deliverable in advance of its preparation. The Vendor shall provide a draft table of contents as part of the outline. The State will be responsible for reviewing and approving each deliverable. Each deliverable will require a negotiated State turn-around time to be included in the Project Schedule.
- 9) **Contract:** For the purposes of this Scope Statement, Contract shall mean the execution of this Scope Statement and acceptance by the State, the Statewide Technical Services Convenience Contract, the Vendor's executed response to that Statewide Technical Services Convenience Contract and any relevant Attachments to the Statewide Technical Services Convenience Contract.

XI. 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 State of North Carolina 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 _____, 2008.

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 OSC USE ONLY

Offer accepted this ___ day of _____, 2008, as indicated on attached certification or purchase order, By

_____ (Authorized representative of OSC)