

Authorized Award to Keane, Inc.  
On 4-1-2008

# Project Management Services Scope Statement

North Carolina Department of Revenue

Tax Information Management System (TIMS)  
Project Management



Tracking Number TECH-003810

January 22, 2008

## Scope Statement

- Department/Agency:** Department of Revenue (DOR)
- Project Name:** TECH-003810 – Tax Information Management System Project Management
- Contact Email:** [Avis.McLaughlin@dornnc.com](mailto:Avis.McLaughlin@dornnc.com)
- Tech. Services Contract:** Attachment 12 – Major Project Implementation to Include Project Management
- Issue Date:** January 23, 2008
- Information Session:** There will be no information session for this scope statement.
- Deadline for Questions:** Questions will be accepted until 4:00 pm ET on January 30, 2008
- Response Due Date:** February 12, 2008 @ 2:00 PM
- Delivery Instructions:** Mail Proposal to:  
Scope Statement No. **TECH-003810**  
Department of Revenue  
“TIMS PM”  
Avis McLaughlin  
Purchasing Office  
P O Box 25000  
Raleigh, NC 27604
- Delivery other than Mail:  
Scope Statement No. **TECH-003810**  
Department of Revenue  
“TIMS PM”  
Avis McLaughlin  
Purchasing Office  
501 N. Wilmington Street  
Raleigh, NC 27601

**Written questions** concerning the Scope Statement shall be received until 2:00 pm on the date indicated on the cover page. They must be sent via e-mail to: [TIMSPM@DORNC.COM](mailto:TIMSPM@DORNC.COM). Please insert “**TECH-003810 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 12.

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.

**Addenda:** It is the Vendor’s responsibility to ensure that all addenda have been reviewed, signed, and returned with the Vendor’s response to this Scope Statement.

Submit two (2) signed printed originals, one (1) printed copy, and one (1) electronic copy of proposal in MS Word format on CD or diskette to facilitate distribution. The proposal shall contain an Execution Page signed by an authorized officer of the company, which can be found on page 24 of this Scope Statement.

## DEFINITIONS

**“Application”** – Tax Information Management System (TIMS).

**“Business Day”** - Any single day from Monday through Friday, except State holidays.

**“Business Contact(s)”** – DOR employees assigned the task of working with the Vendor.

**“Client”**- Department of Revenue (DOR) employees from any Division.

**“Contracted Vendor”** – the Vendor awarded the contract under this Scope Statement.

**“Contractor”** – the staff supplied by the Contracted Vendor for the fulfillment of this Contract.

**“Contract Amendment”** – A formal change to the agreement between DOR and the selected Vendor relating to this Contract.

**“Deliverable”** – any product or service to be provided by the contracted Vendor.

**“Department”** - The North Carolina Department of Revenue.

**“DOR Contract Administrator”** - The DOR employee responsible for all matters relating to the daily operations of the service provided under this Contract.

**“Parties”** - DOR and the selected Vendor, collectively.

**“State”** - The State of North Carolina.

**“Third Party Vendors”** – Subcontractors the Contracted Vendor and/or DOR have identified as potential and/or existing business and information technology partners.

**“Vendor”** – Firms or companies that elect to submit proposals in response to this Scope Statement.

**“Vendor Contract Administrator”** - The Contracted Vendor’s representative having full authority to commit the Vendor on matters concerning the Contract.

**“Vendor Liaison”**-The Contracted Vendor’s designated primary contact for the DOR Contract Administrator.

**“Workload”** - The amount of work performed during a typical 12-month period.

## **PURPOSE**

The purpose of this Scope Statement is to obtain a vendor to provide Program/Project Management services for implementation of the Tax Information Management System in the North Carolina Department of Revenue (NCDOR).

## **BUSINESS DESCRIPTION**

The North Carolina Department of Revenue (DOR) desires to replace its current integrated tax system with a new system that will fully support all of the essential functions of tax administration for the State. The principal sources of revenue for North Carolina State government are through taxes administered and collected by DOR. The new solution name will be the Tax Information Management System (TIMS) and the project to implement the system will be the TIMS Project.

DOR has embarked on a program to transform how the Department uses technology to execute its statutory responsibilities. It articulated this vision of the future within its e-Business Strategic Plan. In the fall of 2006, DOR, in consultation with CGI, Inc., developed the Project Definition and Planning (PDP) document, which serves as a roadmap for transforming DOR's e-Business vision into reality. The new integrated tax system is the centerpiece of the e-Business implementation program. The implementation of TIMS provides the foundation that will allow DOR to achieve its e-Business Strategic Plan in the most efficient manner possible.

The current Integrated Tax Administration System (ITAS) has been operational since October 1994. While this 13 year-old legacy system functions as it was originally designed, its use of the COBOL language with a DB2 database on the mainframe makes it an unsuitable and restrictive platform for the type of transformational changes the Department intends to implement. The system is nearing the end of its useful life and newer, more robust technologies are available to significantly improve the ability of DOR to meet its objectives and support the expansion of e-Business services.

ITAS currently supports 12 tax schedules that account for at least 95% of all taxes collected by the Department. ITAS allows editing, correcting and posting of tax returns and payments, noticing to taxpayers, business registration, refund check writing, reporting, local sales and use tax accounting and distribution, exceptions processing, and numerous other functions.

In addition to replacing ITAS, the new system will replace other existing systems as referenced in this solicitation document, including Unauthorized Substance System (USUB), JAVA Enabled Tax System (JETS), Revenue Collection and Accounting System (RCA), Vehicle Information System for Tax Administration (VISTA), Business Incentives (William S. Lee) and other smaller MS Access systems.

Due to the significance of this application to the business, the Department desires to have the highest quality solution implemented as expeditiously as possible. DOR is currently in the process of issuing a Request for Proposal (RFP) to acquire the services of a third party integration vendor that will deliver and implement TIMS based on the requirements in the RFP.

Through a new, modernized tax information system, which will integrate all of the state's tax types, DOR will be able to:

- Provide taxpayers and agency staff with a complete picture of tax liabilities, allowing the Department to provide a higher level of customer service and a more timely and accurate resolution of taxpayer issues and questions.
- Enhance DOR's compliance (audit) and collections capability (e.g., more flexible reporting, more detailed taxpayer information).
- Provide additional automation for recurring manual processes.
- Achieve faster and more accurate processing of all tax returns.
- Achieve more fully integrated revenue accounting to provide quicker access and more information relative to distribution of data to local governments.
- Provide more timely, flexible, and easier responses to legislative changes and mandates and other requirements that necessitate software modification.
- Provide more timely responses to legislative and other external agency requests for information.
- Enhance management reporting and executive "snapshot" information.

Key support services include:

- Implementation of the new technical infrastructure to support the system.
- Conversion planning and execution.
- Training for DOR staff to use and support the system.
- Business Process Reengineering planning and implementation.
- Technical and user documentation for the system.
- Project Management from initiation through project closeout.
- Post-implementation maintenance support of key software as prescribed by DOR.

Because of the anticipated funding stream, the TIMS project must be broken down into separately defined phases. However, the system must be implemented as a complete integrated system so as not to degrade the current integration capabilities during any project phase. The TIMS contract will be awarded to a single vendor for all phases, with phases approved for initiation when funding is available.

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

1. Project Management
2. Implementation of the Integrated Tax System
3. Implementation of Hardware, Software and Network Infrastructure
4. Conversion of Data
5. Business Process Reengineering
6. Training
7. Documentation
8. Post-Implementation Service

The purpose of this Scope Statement is to obtain a qualified Vendor to serve as DOR Project Manager for the TIMS project. DOR has an operational Enterprise Project Management Office but does not have the resources available with the requisite skills to fulfill this role.

**Note: The awarded vendor for this Scope Statement will not be allowed to bid on the procurement for the Tax Information Management System (TIMS) Implementation Project.**

## **PROFESSIONAL SKILLS**

The following professional skills are required of the selected Vendor personnel filling the needs of this request. Vendor must demonstrate in their bid proposal how the proposed staff meets these skills:

The following professional skills and experience are required of the selected Vendor personnel filling the needs of this request:

- At least twelve (12) years of general and progressively responsible project management experience managing information system design, development, and implementation for large systems (more than 1,200 users). PMP certification is required. Verification will be obtained through the PMI Online Credential Registry.

Demonstrated experience in the nine (9) Project Management Knowledge Areas. The Vendor personnel must describe depth of experience and specific examples of how he or she practiced:

Scope Management  
Cost Management  
Time Management  
Risk Management  
Human Resource Management  
Procurement Management  
Quality Management

Communications Management  
Integration Management

- Successful program/project management of three (3) or more projects – each with at least a total budget of \$3M. These projects must be listed as references.
- In addition, the Vendor personnel must have the following requisite skills:
  - Presentations: Preparation and Delivery
  - Excellent Oral and Written, Business and Technical Communications
  - Negotiation
  - Conflict Management
  - Facilitation
  - Analytical and Problem Solving skills
  - Ability to develop and recommend alternative approaches to meet project schedule and budget

## **TECHNICAL SKILLS**

The following technical skills are required of the selected Vendor personnel filling the needs of this request. Vendor must demonstrate in their bid proposal how the proposed staff meets these skills:

- System Design and Configuration Skills
- User Interface Design and Ergonomics
- Tracking Design and Development to meet Detailed Requirements
- Application of business and system software upgrades
- Capacity Planning
- Configuration Management
- Software Release Management Tools familiarity: for example, Endeavor, Microsoft Visual Source Safe



Scope Statement TECH-003810  
NC DOR TIMS Project Management

- Data modeling familiarity
- Data Conversion Planning, Execution and Implementation
- Business Client/ Technical Development Coordination
- Test Plan Development and Tracking Methodologies
- Quality Control and Quality Assurance Planning and Monitoring
- Client Training Coordination
- Proficient skills in the use of MS Project, Excel, Word, PowerPoint, and Visio
- Minimum 5 years experience in of software development technologies from construction through testing and debugging which may include, MS Visual Studio, JAVA, .NET, C, CICS, VSAM, DB2, Access, MS SQL, ORACLE, other relational databases and software development applications, testing tool software.

## **SCOPE OF WORK**

The NCDOR is seeking a Vendor to address and provide all requirements outlined in this Scope Statement. The proposed Vendor program/project manager shall report to the DOR Assistant Secretary for Information Technology or her designee for day-to-day supervision and for assignment and prioritization of tasks. The DOR Assistant Secretary for Information Technology or her designee may delegate this specific responsibility to one or more State staff.

Working with State personnel, the Vendor shall provide all standard Program/ Project Management deliverables for the TIMS Project that shall include, but not be limited to, the following:

- The coordination and facilitation of the TIMS procurements evaluation process. The vendor will not be involved in the selection process itself but will help compile results, schedule meetings, etc.
- The development and execution of an Integration Management Plan incorporating all the components of the project, including deliverables from the 3<sup>rd</sup> party integration vendor, other DOR resources, and other state agencies.

Scope Statement TECH-003810  
NC DOR TIMS Project Management

- The development and execution of an integrated Project Schedule utilizing a Master-Subproject view, and identifying dependencies across the project.
- The development and execution of integrated Risks and Issues Management Plan, Communications Plan, Cost Management Plan, Resource Management Plan, Quality Management Plan, Procurement Plan, and Scope/change Management Plan.
- A weekly status report shall be submitted to the DOR Contract Administrator by the Vendor Liaison or designee detailing progress, status, and all open issues or tasks by noon on Monday for the previous week. The format of this status report will be agreed upon between the DOR Contract Administrator or her designee and the Vendor within two weeks following Contract execution.
- A monthly update, as specified by ITS, to the State's PPM Tool for project status is required to be completed by the program/project manager by the 10<sup>th</sup> of each month for the previous month's status. The information as specified by ITS will be provided to the awarded Vendor.
- The Vendor personnel shall also be responsible for:
  - Facilitating the engagement of project stakeholders and resources.
  - Guiding the direction of the project, including coordination between the various stakeholder and technical groups.
  - Scheduling, planning, and documenting meetings – ensuring that agendas are distributed at least 1 Business Day in advance, and minutes are disseminated within 2 Business Days of the meetings.
  - Interacting with the DOR Assistant Secretary for Information Technology (CIO), Enterprise Project Management Officer, Executive Leadership, CFO, Contract Administrator, Clients, Third Party Vendors, ITS and all other individuals deemed necessary to provide support for the project.
  - Conducting and/or participating in other meetings as requested by the DOR Contract Administrator and/or Clients.

At least every two weeks, the DOR Contract Administrator or her designee will review the prior weeks' deliverables for quality and timeliness and shall document all unresolved issues. The DOR Contract Administrator or her designee will work with the Vendor and mutually agree upon a plan of action to resolve any deficiencies.

It is required that work under this Scope Statement be performed on site at the DOR headquarters location at 501 N. Wilmington Street, Raleigh, NC, unless otherwise agreed upon by the DOR Contract Administrator.

## **ROLES AND RESPONSIBILITIES**

### **The DOR Contract Administrator shall:**

- Ensure all Contract instruments are appropriately executed.
- Review and approve any Contract changes prior to implementing.
- Review and approve invoices and any adjustments to invoices.
- Research and analyze all factors to develop recommendations to address contract clarifications and disputes.
- Participate in status meetings.
- Provide subject matter expertise.
- Project support to the Vendor in obtaining appropriate deliverable feedback and/or signoff.
- Review project deliverables and provide feedback or approval to the Vendor Liaison.
- Sign off on Vendor deliverables.
- Determine whether and ensure that the Vendor's fulfillment of the requirements of each milestone or deliverable is properly documented.
- Determine whether and ensure that the Vendor's meeting of each performance deadline is properly documented.

### **The DOR Business Contacts shall:**

- Participate in status meetings as needed.
- Provide subject matter expertise.
- Participate in work sessions, as necessary.

- Review Project deliverables and provide feedback or approval to the DOR Contract Administrator or designee.
- Sign off on deliverables.
- Provide existing documents to the awarded Vendor.
- Make recommendations to DOR Contract Administrator or designee concerning the project deliverables.

**The Vendor Contract Administrator shall:**

- Have full authority to commit the awarded Vendor on matters concerning the Contract, including but not limited to: invoices, negotiating and taking all actions necessary to ensure Contract compliance and proper performance for all tasks.
- Notify the DOR Contract Administrator pertaining to any Contract issues, verbally and in writing, when the Vendor discovers any problem(s) that may jeopardize the successful or timely completion of tasks or deliverables.

**The Vendor Liaison shall:**

- Notify the DOR Contract Administrator, verbally and in writing, when the Vendor Contract Administrator and/or Resource discover any problem(s) that may jeopardize the successful or timely completion of tasks and deliverables.
- Have the responsibility to ensure Vendor compliance with the Contract and tasks detailed in the approved project work plan.

**The Vendor shall:**

- Be the Program/Project Manager for the State's responsibility for the TIMS implementation and operations/maintenance project phases.
- Develop and submit all Project Management Deliverables as required by this Contract (see Scope of Work starting on **Page 9**).
- Meet the schedules and milestones as defined in the project work schedules that will be developed during the Planning and Design Phase of the projects.
- Participate in meetings as requested.

- Provide support to resolve any known problems and issues as reported by DOR.
- Provide assistance in cross training of State employees when needed.

## **OTHER REQUIREMENT AND SPECIAL TERMS**

### **VERIFICATION OF VENDOR CONTACT INFORMATION**

Within five (5) Business Days after the effective date of the Contract between the awarded Vendor and the State, the Contracted Vendor shall submit to the DOR Assistant Secretary for Information Technology or her designee, written verification of the current street addresses, mailing addresses, telephone numbers, fax numbers and e-mail addresses of the Vendor Contract Administrator and the Vendor Liaison named in the Vendor's proposal.

### **REASSIGNMENT AND REPLACEMENT OF VENDOR PERSONNEL**

The Contracted Vendor shall not reassign or replace any personnel working on the project without first obtaining the DOR Contract Administrator's approval. DOR reserves the right to deny any request for reassignment or replacement. Reassignment and replacement shall not normally be permitted unless such substitutions are necessitated by an individual's sudden illness, death, or termination, changed work requirements, or substandard employee performance.

The Contracted Vendor shall submit all requests for reassignment or replacement of personnel to the DOR Contract Administrator at least ten (10) calendar days before the proposed effective date of the change unless the change were due to sudden illness or death of the current personnel. Each request shall provide a detailed explanation of the circumstances necessitating the proposed reassignment or replacement. The DOR Assistant Secretary for Information Technology or her designee will issue a written decision within ten (10) calendar days of receipt of the request. The State reserves the right to interview proposed replacement personnel, contact references and conduct background checks.

The State reserves the right to require the Contracted Vendor to reassign or replace employees who are deemed incompetent, careless, unsuitable or otherwise objectionable in the State's sole discretion, or whose continued assignment to any task under this Contract is deemed contrary to the best interests of the State. All such requests shall be made in writing by the DOR Contract Administrator or her designee.

## **TRANSITION ASSISTANCE PRIOR TO CONTRACT EXPIRATION OR TERMINATION**

The Parties agree that if the Contract resulting from this Scope Statement is not renewed at the end of the applicable term, or is terminated prior to its expiration, for any reason, the Contracted Vendor must provide, eight (8) weeks of transition assistance to DOR to allow for the expired or terminated portion of the Contract services to facilitate the orderly transfer of such services to DOR or its designee(s) without interruption. Such transition assistance will be deemed by the Parties to be governed by the terms and conditions of this Contract, notwithstanding the expiration or termination, except for those Contract terms or conditions that do not reasonably apply to such transition assistance. If DOR terminates this Contract for cause, DOR may offset the cost of transition assistance with any damages that may have been suffered by DOR as a consequence of the Contracted Vendor's breach.

The Contracted Vendor shall develop a written Transition Plan as determined in the agreed work schedule. The Contracted Vendor must obtain DOR's written approval of the plan one week prior to the commencement of the eight (8) week transition assistance period and before the plan is implemented.

## **OWNERSHIP OF PROJECT MATERIALS AND DELIVERABLES**

All materials, 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, returned to the Department, or destroyed. Proprietary vendor materials shall be identified to the State by the 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 or provision of services hereunder shall be subject to a perpetual, royalty free, nonexclusive license to the State.

## **CONFIDENTIALITY**

In accordance with 9 NCAC 6B.0207 and 6B.1001 and to promote maximum competition in the State competitive bidding process, the State may maintain the confidentiality of certain types of information described in N.C. Gen. Stat. §132-1 et. seq. Such information may include trade secrets defined by N.C. Gen. Stat. §66-152 and other information exempted from the Public Records Act pursuant to N.C. Gen. Stat. §132-1.2. Under no circumstances shall price information be designated as confidential. Vendor may designate appropriate portions of its response as confidential, consistent with and to the extent permitted under the Statutes and Rules set forth above, by marking the top and bottom of pages containing confidential information with a legend in boldface type "CONFIDENTIAL". By so marking any page, the Vendor warrants that it has formed good faith opinion, having received such necessary or proper review by counsel and other knowledgeable advisors that the portions marked confidential

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

#### **NO CONFLICT OF INTEREST STATEMENT**

Vendors must certify in their response 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 bidder (including past or present staff) has not participated in prior work with the State that would bias the work of the project and/or create real or perceived questions regarding the veracity, integrity or trustworthiness of the work, including findings and recommendations. Also the bidder (including past and present staff) has no preexisting disposition on any finding or recommendation that comes from a vested interest in an particular technology, service or product or an emotional investment in the project or its results.

#### **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.

### **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 NCDOR, or destroyed with an acceptable certification of destruction provided to NCDOR, 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.

### **PERSONNEL, FACILITIES, AND RECORDS**

Unless otherwise provided by the Department, 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 not substitute key personnel assigned to the performance of this contract without prior written approval by the Department's Contract Administrator. The individuals designated as key personnel for purposes of this contract are those specified in the Vendor's proposal.

### **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 ITS-000748 Technical Services Contract, the terms set forth herein shall prevail.

### **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.

### **UNANTICIPATED WORK**

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 ten (10) 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.

### **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 calendar 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.

### **CONTRACT TERM**

The Vendor must be prepared to deliver all services listed in this document upon the awarding of the Scope Statement. The Vendor must begin work immediately upon award. A contract awarded pursuant to this Scope Statement shall have an effective date as provided in the Notice of Award. The term shall be established based upon the implementation and the phasing requirements for implementation. The initial term of the contract may not exceed three years, unless explicit approval is received from the State Chief Information Officer (SCIO) and based upon appropriate business needs. 9 NCAC 06B.0301(3)(b)

### **VENDOR EVALUATION AND SELECTION CRITERIA**

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.

The state may, at its option and after evaluating all proposals, select a number of preliminary vendors whose proposal rates above the others. The references of the selected preliminary vendors will be contacted. The results from the reference check will be used to adjust the qualification score. The following evaluation criteria are listed below in order of importance with their weighted value:

- **Qualifications (50%):** The firm’s qualifications to perform the work required for this Scope Statement based on references, methodology and tools, and Vendor’s key personnel and their qualifications and experience. Vendor must demonstrate qualifications, relative experience, and staff with appropriate skills.
- **Proposal (25%):** Clear and concise proposal describing services to be provided. Proposed management plan and approach and the proposal to be in the format indicated in this Scope Statement. Vendor must demonstrate understanding and willingness to comply or satisfy all deliverables and expectations.

- **Cost (25%):** This project requires a bid with a not-to-exceed amount. The cost schedule must include two items:
  - a) **Not to exceed bid amount**

This amount will be used in the evaluation criteria in selecting the awarded vendor.
  - b) **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).

## **PROPOSAL SUBMISSION**

- Vendors are urged to submit a proposal for establishing and performing the services described herein. All proposals must be submitted in strict accordance with the requirements for the Scope Statement. Failure to furnish any required information with your proposal is grounds for rejection, at the option of the State.
- Each offeror shall demonstrate in its proposal that the firm and its management and employees are experienced and competent, and that it has the background, training and experience to perform the services required by the Contract.
- All proposals must be received by the Department no later than the date and time specified on the cover sheet of this Scope Statement. Refer to the cover sheet for specific mailing and delivery instructions.
- At that date and time, the package containing the proposals from each responding firm will be publicly opened.

## **PROPOSAL CONTENT**

It is **MANDATORY** that the following outline be used for the proposal:

- A brief narrative statement that addresses the experience of the Vendor as it relates to the requirements of this Scope Statement.

- A resume of the proposed program/project manager(s) that are being submitted for the proposal. A mandatory qualification is demonstrated successful program/project management of three (3) projects – each with at least a Total Cost of Ownership of \$3.M. These projects should be listed as references.
- A list of three professional client references, including a description of scale and scope of work performed by the Vendor, which demonstrates the Vendor's experience in work similar in scope and size to that described in this Scope Statement. This information must include the reference company name, address, phone number, contact name, and contact's role/title.
- Identify the key personnel who shall be involved in this service. Include a summary of their professional credentials and experience, and describe any background verification, confidentiality agreements, and/or employment screenings the company conducts to ensure quality and confidentiality. If the use of subcontractors is expected, the same information is required.
- Identify the appropriate service manager for escalation and discussion of issues and concerns. Provide an overview of the escalation process for the Department to use.
- This project requires a total not-to-exceed bid amount for providing the deliverables. This amount will be used in the evaluation criteria in selecting the awarded Vendor. The bid amount will cover all costs, including direct and indirect expenses. Travel, per diem and other miscellaneous costs must be included in the applicable bid amount. See Attachment A -- Cost Template on Page 25.
- Statement of No Conflict of Interest
- The Execution of Scope Statement on Page 24 of this Scope Statement must be included in your response and be signed by an individual authorized to legally bind the company.
- The Certifications and Assurances Form signed by an individual authorized to legally bind the company.
- The Acknowledgement of Compliance with Revenue Laws Form signed by an individual authorized to legally bind the company. Additionally, each individual who works on this project must also sign this form prior to starting on the project.

Scope Statement TECH-003810  
NC DOR TIMS Project Management

- The Agreement for the Protection of Confidential Tax Information signed by an individual authorized to legally bind the company. Additionally, each individual who works on this project must also sign this form prior to starting on the project. This form is subject to change in future legislative sessions and the Vendor and each individual working on the project may be required to re-sign this agreement.

**EXECUTION OF THE 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.
- The Offeror agrees to abide by all State CIO 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 prior to submittal shall render it invalid.  
 Late bids are not acceptable.**

<b>Bidder:</b>		<b>Federal ID/Social Security #</b>	
<b>Street Address:</b>			<b>PO Box</b>
<b>City, State:</b>		<b>ZIP:</b>	<b>Telephone #</b>
<b>Type/Print Name &amp; Title of Person Signing:</b>		<b>FAX #:</b>	
<b>AUTHORIZED SIGNATURE:</b>	<b>Date:</b>	<b>E-Mail:</b>	

Acceptance by Department is contingent upon ITS approval of the Department's recommendation of award. This contract award was approved by ITS on \_\_\_\_\_, 2008, 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 the Department of Public Instruction shall affix their signature hereto and this document along with the provisions of the Umbrella Contract shall then constitute the written agreement between the parties. A copy of this acceptance will be forwarded to the successful offeror(s).

**FOR NCDOR USE ONLY**

*Offer accepted this \_\_\_ day of \_\_\_\_\_, 2008, as indicated on attached certification or purchase order, By \_\_\_\_\_ (Authorized representative of NCDOR)*



**Attachment A -- Cost Template**

Vendor must use the following template for submitting their cost information.

**Program/Project Management Services**

Using the format below enter hourly rate for each proposed staff you are submitting in response to this RFP, which meets the qualifications described in the Scope of Work as noted on **Page 9** and the total not to exceed costs for the three year period. This project requires a total not-to-exceed bid amount for providing the deliverables. This amount will be used in the evaluation criteria in selecting the awarded Vendor. The bid amount will cover all costs, including direct and indirect expenses. Travel, per diem and other miscellaneous costs must be included in the applicable bid amount.

<b>Proposed Staff</b>	<b>Hourly Rate</b>	<b>Total Not to Exceed Cost for Three Year Period</b>
	\$	\$
	\$	\$
	Total	

**Certifications and Assurances Form**

\_\_\_\_\_ (Company) hereby certifies that:

All prices have been achieved without any collusion, consultation, communication or agreement with any other contractor or competitor, nor is otherwise in violation of Federal or North Carolina antitrust laws.

It will not discuss or otherwise reveal technical or cost information contained in its proposal to North Carolina Department of Revenue to any other source, government or private, until after award of the contract.

It will comply with the Civil Rights Act to the end that no person shall, on the grounds of age, creed, sex or origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this contract.

It complies with the nondiscrimination clause contained in Section 202 Executive Order 11246, as amended by Executive Order 11375, relating to Equal Employment Opportunity for all persons without regard to race, color, religion, sex, age or national origin and the implementing origin and the implementing rules and regulations prescribed by the Secretary of Labor.

It complies with the Program for Employment of the Handicapped (Affirmative Action): Regulations issued by the Secretary of Labor of the United States in Title 20, Part 741, Chapter VI, Subchapter "c" of the Code of Federal Regulations, pursuant to the provisions of Executive Order 11758, Section 503 of the Federal Rehabilitation Act of 1973, and Americans with Disabilities Act of 1992.

It has not communicated with any State staff member regarding clarification of the RFP, except as provided in Section 5.

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Company)

\_\_\_\_\_  
(Date)

**Acknowledge of Compliance with Revenue Laws**

The Department of Revenue is charged with administering the Revenue Laws of North Carolina and collecting the taxes imposed by those statutes. To perform this duty, the Department must maintain the highest degree of public trust and the personal conduct of its employees must be above reproach. As a service contractor at the North Carolina Department of Revenue, you must maintain this same level of personal conduct. You are expected to fully comply with the Revenue Laws of North Carolina and file all applicable returns, including registration and licensing requirements, in a timely manner.

**Contractor Acknowledgement:**

I have read the above policy and understand that failure to comply with this policy can result in my termination of employment as a service provider, or in disqualification of my consideration as a possible future provider.

Printed Name: \_\_\_\_\_

Signature: \_\_\_\_\_

**North Carolina Department of Revenue**  
**Agreement for the Protection of Confidential Tax Information**

**NC General Statute 105**

**§ 105-259. Secrecy required of officials; penalty for violation.**

- (a) **Definitions.** – The following definitions apply in this section:
- (1) **Employee or officer.** – The term includes a former employee, a former officer, and a current or former member of a State board or commission.
- (2) **Tax information.** – Any information from any source concerning the liability of a taxpayer for a tax, as defined in G.S. 105-228.90. The term includes the following:
- a. Information contained on a tax return, a tax report, or an application for a license for which a tax is imposed.
  - b. Information obtained through an audit of a taxpayer or by correspondence with a taxpayer.
  - c. Information on whether a taxpayer has filed a tax return or a tax report.
  - d. A list or other compilation of the names, addresses, social security numbers, or similar information concerning taxpayers

The term does not include (i) statistics classified so that information about specific taxpayers cannot be identified, (ii) an annual report required to be filed under G.S. 55-16-22 or (iii) the amount of tax refunds paid to a governmental entity listed in G.S. 105-164.14(c) or to a State agency.

- (b) **Disclosure Prohibited.**  
**An officer, an employee, or an agent of the State who has access to tax information in the course of service to or employment by the State may not disclose the information to any other person unless the disclosure is made for one of the following purposes:**
- (1) To comply with a court order, and administrative law judge’s order in a contested tax case, or a law.
  - (2) Review by the Attorney General or a representative of the Attorney General.
  - (3) To exchange the following types of information with a tax official of another jurisdiction if the laws of the other jurisdiction allow it to provide similar tax information to a representative of this State:
    - a. Information to aid the jurisdiction on collecting a tax imposed by this State or the other jurisdiction.

- b. Information needed for statistical reports and revenue estimates.
- (4) To provide a governmental agency or an officer of an organized association of taxpayers with a list of taxpayers who have paid a privilege license tax under Article 2 of this Chapter.
- (5) To furnish to the chair of a board of county commissioners information on the county sales and use tax.
- (5a) Reserved.
- (5b) To furnish to the finance officials of a city a list of the utility taxable gross receipts and piped natural gas tax revenues attributable to the city under G.S. 105-116.1 and G.S. 105-187.44 or under former G.S. 105-116 and G.S. 105-120.
- (5c) To provide the following information to a regional public transportation authority or a regional transportation authority created pursuant to Article 26 or Article 27 of Chapter 160A of the General Statutes on an annual basis, when the information is needed to enable the authority to administer its tax laws:
  - a. The name, address, and identification number of retailers who collect the tax on leased vehicles imposed by G.S. 105-187.5.
  - b. The name, address, and identification number of a retailer audited by the Department of Revenue regarding the tax on leased vehicles imposed by G.S. 105-187.5, when the Department determines that the audit results may be of interest to the authority.
- (5d) To provide the following information to a county or city on an annual basis, when the county or city needs the information for the administration of its local prepared food and beverages tax or room occupancy tax:
  - a. The name, address, and identification number of retailers who collect the sales and use taxes imposed under Article 5 of this Chapter and may be engaged in a business subject to a local prepared food and beverages tax or room occupancy tax.
  - b. The name, address, and identification number of a retailer audited by the Department of Revenue regarding the sales and use taxes imposed under Article 5 of this Chapter, when the Department determines that the audit results may be of interest to the county or city in the administration of its local prepared food and beverages tax or room occupancy tax.
- (6) To sort, process, or deliver tax information on behalf of the Department of Revenue.
- (6a) To furnish the county or city official designated under G.S. 105-164.14(f) a list of claimants that have received a refund of the county sales or use tax to the extent authorized in G.S. 105-164.14(f).

- (7) To exchange information with the Division of the State Highway Patrol of the Department of Crime Control and Public Safety, the Division of Motor Vehicles of the Department of Transportation, the International Fuel Tax Association, Inc., or the Joint Operations Center for National Fuel Tax Compliance when the information is needed to fulfill a duty imposed on the Department of Revenue, the Division of the State Highway Patrol of the Department of Crime Control and Public Safety, or the Division of Motor Vehicles of the Department of Transportation.
- (7a) To furnish the name and identifying information of motor carriers whose licenses have been revoked to the administrator of a national criminal justice system database that makes the information available only to criminal justice agencies and public safety organizations.
- (8) To furnish to the Department of State Treasurer, upon request, the name, address, and account and identification numbers of a taxpayer who may be entitled to property held in the Escheat Fund.
- (9) To furnish to the Employment Security Commission the name, address, and account and identification numbers of a taxpayer when the information is requested by the Commission in order to fulfill a duty imposed under Article 2 of Chapter 96 of the General Statutes.
- (9a) To furnish information to the Employment Security Commission to the extent required for its NC WORKS study of the working poor pursuant to G.S. 108A-29(r). The Employment Security Commission shall use information furnished to it under this subdivision only in a non-identifying form for statistical and analytical purposes related to its NC WORKS study. The information that may be furnished under this subdivision is the following with respect to individual income taxpayers, as shown on the North Carolina income tax forms:
  - a. Name, social security number, spouse's name, spouse's social security number, and county of residence.
  - b. Filing status and federal personal exemptions.
  - c. Federal taxable income, additions to federal taxable income, and total of federal taxable income plus additional income.
  - d. Income while a North Carolina resident, total income from North Carolina sources while a nonresident, and total income from all sources.
  - e. Exemption for children, nonresidents' and part-year residents' exemption for children, and credit for children.
  - f. Expenses for child and dependent care, portion of expenses paid while a resident of North Carolina, portion of expenses paid while a resident of North Carolina that was incurred for dependents who were under the age of seven and dependents who were physically or mentally incapable of caring for themselves, credit for child and

dependent care expenses, other qualifying expenses, credit for other qualifying expenses, total credit for child and dependent care expenses.

- (10) Review by the State Auditor to the extent authorized in G.S. 147-64.7.
- (11) To give a spouse who elects to file a joint tax return a copy of the return or information contained on the return.
  - (11a) To provide a copy of a return to the taxpayer who filed the return.
  - (11b) In the case of a return filed by a corporation, a partnership, a trust, or an estate, to provide a copy of the return or information on the return to a person who has a material interest in the return if, under the circumstances, section 6103(e)(1) of the Code would require disclosure to that person of any corresponding federal return or information.
  - (11c) In the case of a return of an individual who is legally incompetent or deceased, to provide a copy of the return to the legal representative of the estate of the incompetent individual or decedent.
- (12) To contract with a financial institution for the receipt of withheld income tax payments under G.S. 105-163.6 or for the transmittal of payments by electronic funds transfer.
- (13) To furnish the following to the Fiscal Research Division of the General Assembly, upon request:
  - a. A sample, suitable in character, composition, and size for statistical analyses, of tax returns or other tax information from which taxpayers' names and identification numbers have been removed.
  - b. An analysis of the fiscal impact of proposed legislation.
- (14) To exchange information concerning a tax imposed by Subchapter V of this Chapter with the Standards Division of the Department of Agriculture and Consumer Services when the information is needed to administer the Gasoline and Oil Inspection Act, Article 3 of Chapter 119 of the General Statutes.
- (15) To exchange information concerning a tax imposed by Articles 2A, 2C, or 2D of this Chapter with one of the following agencies when the information is needed to fulfill a duty imposed on the Department or the agency:
  - a. The North Carolina Alcoholic Beverage Control Commission.
  - b. The Division of Alcohol Law Enforcement of the Department of Crime Control and Public Safety.
  - c. The Bureau of Alcohol, Tobacco, and Firearms of the United States Treasury Department.
  - d. Law enforcement agencies.
  - e. The Division of Community Corrections of the Department of Correction.

- (15a) To furnish to the head of the appropriate State or federal law enforcement agency information concerning the commission of an offense under the jurisdiction of that agency discovered by the Department during a criminal investigation of the taxpayer.
- (16) To furnish to the Department of Secretary of State the name, address, tax year end, and account and identification numbers of a corporation liable for corporate income or franchise taxes or of a limited liability company liable for a corporate or a partnership tax return to enable the Secretary of State to notify the corporation or the limited liability company of the annual report filing requirement or that its articles of incorporation or articles of organization or its certificate of authority has been suspended.
- (16a) To provide the North Carolina Self-Insurance Security Association information on self-insurers' premiums as determined under G.S. 105-228.5(b), (b1), and (c) for the purpose of collecting the assessments authorized in G.S. 97-133(a).
- (17) To inform the Business License Information Office of the Department of Commerce of the status of an application for a license for which a tax is imposed and of any information needed to process the application.
- (18) To furnish to the Office of the State Controller the name, address, and account and identification numbers of a taxpayer upon request to enable the State Controller to verify statewide vendor files or track debtors of the State.
- (19) To furnish to the North Carolina Industrial Commission information concerning workers' compensation reported to the Secretary under G.S. 105-163.7.
- (20) **(Repealed effective January 1, 2012)** To furnish to the Environmental Management Commission information concerning whether a person who is requesting certification of a dry-cleaning facility or wholesale distribution facility from the Commission is liable for privilege tax under Article 5D of this Chapter.
- (21) To exchange information concerning the tax on piped natural gas imposed by Article 5E of this Chapter with the North Carolina Utilities Commission or the Public Staff of that Commission.
- (22) To provide the Secretary of Administration pursuant to G.S. 143-59.1 a list of vendors and their affiliates who meet one or more of the conditions of G.S. 105-164.8(b) but refuse to collect the use tax levied under Article 5 of this Chapter on their sales delivered to North Carolina.
- (23) To provide public access to a database containing the names and account numbers of taxpayers who are not required to pay sales and use taxes under Article 5 of this Chapter to a retailer because of an exemption or because they are authorized to pay the tax directly to the Department of Revenue.



- (24) To furnish the Department of Commerce and the Employment Security Commission a copy of the qualifying information required in G.S. 105-129.7(b) or G.S. 105-129.86(b).
- (25) To provide public access to a database containing the names of retailers who are registered to collect sales and use taxes under Article 5 of this Chapter.
- (26) To contract for the collection of tax debts pursuant to G.S. 105-243.1.
- (27) To provide a report required under this Chapter.
- (28) To exchange information concerning a tax credit claimed under Article 3E of this Chapter with the North Carolina Housing Finance Agency.
- (29) To provide to the Economic Investment Committee established pursuant to G.S. 143B-437.48 information necessary to implement Part 2F of Article 10 of Chapter 143B of the General Statutes.
- (30) To prove that a business does not meet the definition of "small business" under Article 3F of this Chapter because the annual receipts of the business, combined with the annual receipts of all related persons, exceeds the applicable amount.
- (31) **(Repealed for business activities occurring in taxable years beginning on or after January 1, 2020)** To verify with a related entity or strategic partner information relating to that entity provided by a taxpayer claiming a credit under Article 3G of this Chapter.
- (32) Repealed by Session Laws 2006-162, s. 4(c), as amended by Session Laws 2007-527, s. 24, effective July 24, 2006.
- (33) To provide to the North Carolina State Lottery Commission the information required under G.S. 18C-141.
- (34) To exchange information concerning a tax credit claimed under G.S. 105-130.47 or G.S. 105-151.29 with the North Carolina Film Office of the Department of Commerce and with the regional film commissions.
- (35) To furnish to a taxpayer claiming a credit under Article 3G of this Chapter information from a related entity or strategic partner to the extent that information was used by the Secretary to adjust the amount of tax credit claimed by the taxpayer.
- (36) To furnish to a taxpayer claiming a credit under G.S. 105-130.47 or G.S. 105-151.29 information used by the Secretary to adjust the amount of the credit claimed by the taxpayer.
- (37) To furnish the Department of Commerce with the information needed to complete the studies required under G.S. 105-129.2A and G.S. 105-129.82.

- (38) **(Effective for taxable years beginning on or after January 1, 2008)** To verify with a nonprofit organization information relating to eligibility for a credit under G.S. 105-129.16H

**(c) Punishment.**

**A person who violates this section is guilty of a Class 1 misdemeanor. If the person committing the violation is an officer or employee, that person shall be dismissed from public office or public employment and may not hold any public office or public employment in this State for five years after the violation.** (1939, c. 158, s. 928; 1951, c. 190, s. 2; 1973, c. 476, s. 193; c. 903, s. 4; c. 1287, s. 13; 1975, c. 19, s. 29; c. 275, s. 7; 1977, c. 657, s. 6; 1979, c. 495; 1983, c. 7; 1983 (Reg. Sess., 1984), c. 1004, s. 3; c. 1034, s. 125; 1987, c. 440, s. 4; 1989, c. 628; c. 728, s. 1.47; 1989 (Reg. Sess., 1990), c. 945, s. 15; 1993, c. 485, s. 31; c. 539, s. 712; 1994, Ex. Sess., c. 14, s. 51; c. 24, s. 14(c); 1993 (Reg. Sess., 1994), c. 679, s. 8.4; 1995, c. 17, s. 11; c. 21, s. 2; 1997-118, s. 6; 1997-261, s. 14; 1997-340, s. 2; 1997-392, s. 4.1; 1997-475, s. 6.11; 1998-22, ss. 10, 11; 1998-98, ss. 13.1(b), 20; 1998-139, s. 1; 1998-212, s. 12.27A(o); 1999-219, s. 7.1; 1999-340, s. 8; 1999-341, s. 8; 1999-360, s. 2.1; 1999-438, s. 18; 1999-452, s. 28.1; 2000-120, s. 8; 2000-173, s. 11; 2001-205, s. 1; 2001-380, s. 5; 2001-476, s. 8(b); 2001-487, ss. 47(d), 123; 2002-87, s. 7; 2002-106, s. 5; 2002-172, s. 2.3; 2003-349, s. 4; 2003-416, s. 2; 2004-124, s. 32D.3; 2004-170, s. 23; 2004-204, 1st Ex. Sess., s. 4; 2005-276, ss. 31.1(cc), 39.1(c), 7.27(b); 2005-400, s. 20; 2005-429, s. 2.13; 2005-435, ss. 32(b), 32(c), 37, 48; 2006-162, s. 4(c); 2006-196, s. 11; 2006-252, s. 2.21; 2007-397, s. 13(d); 2007-491, s. 38; 2007-527, ss. 24, 33, 34, 35, 36.)

**IRC SEC. 6103. CONFIDENTIALITY AND DISCLOSURE OF RETURNS AND RETURN INFORMATION.**

**(a) GENERAL RULE. Returns and return information shall be confidential, and except as authorized by this title**

(1) no officer or employee of the United States,  
(2) no officer or employee of any State, any local child support enforcement agency, or any local agency administering a program listed in subsection (1) (7) (D) who has or had access to returns or return information under this section, and (3) no other person (or officer or employee thereof) who has or had access to returns or return information under subsection (c)(1)(D)(iii), paragraph (6) or (12) of subsection (1), paragraph (2) or (4)(B) of subsection (in), or subsection (n), shall disclose any return or return information obtained by him in any manner in connection with his service as such an officer or an employee or otherwise or under the provisions of this section. For purposes on this subsection, the term "officer or employee" includes a former officer or employee.

**(b) DEFINITIONS. For purposes of this section**

(1) **Return.** -The term "return" means any tax or information return, declaration of estimated tax, or claim for refund required by, or provided for or permitted under, the provisions of this title which is filed with the Secretary by, on behalf of, or with respect to any person, and any amendment or supplement thereof, including supporting schedules, attachments, or lists, which are supplemental to, or part of the return filed.

(2) **Return Information.** –The term "return information" means  
(A) a taxpayer's identity, the nature, source, or amount of his income, payments, receipts, deductions, exemptions, credits, assets, liabilities, net worth, tax liability, tax withheld, deficiencies, over assessments, or tax payments, whether the taxpayer's return was, is being, or will be examined subject to other investigation or processing, or any other data, received by, recorded by, prepared by, furnished to, or collected by the Secretary with respect to a return or with respect to the determination of the existence, or possible existence, of liability (or the amount thereof) of any person under this title for any tax, penalty, interest, fine, forfeiture, or other imposition, or offense, and

(B) any part of any written determination or any background file document relating to such written determination [as such terms are defined in section 6110(b)] which is not open to the public inspection under 6110, but such term does not include data in a form which cannot be associated with, or otherwise identify, directly or indirectly, a particular taxpayer. Nothing in the preceding sentence, or in any other provision of the law, shall be construed to require the disclosure of standards used or to be used for the selection of returns for examination, or data used or to be used for determining such standards, if the Secretary determines that such disclosure will seriously impair assessment, collection, or enforcement under the internal revenue laws.

(3) **Taxpayer Return Information.** -The term "taxpayer return information" means return information as defined in paragraph (2) which is filed with, or furnished to, the Secretary by or on behalf of the taxpayer to whom such return information relates.

(4) **Tax Administration.** - The term "tax administration" means

(A)

(i) the administration, management, conduct, direction, and supervision of the execution and application of the internal revenue laws and related statutes (or equivalent laws and statutes of a State) and tax convention to which the United States is a party, and

(ii) the development and formulation of Federal tax policy relating to existing or proposed internal revenue laws, related statutes and tax conventions and

(B) includes assessments, collection, enforcement, litigation, publication and statistical gathering functions under such laws, statutes, or conventions.

(5) **State.**- The term "state" means

(A) any of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, the Canal Zone, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands, and

(B) for purposes of subsection (a)(2), (b)(4), (d)(1), (h)(4) and (p) any municipality

(i) with a population in excess of 250,000 (as determined under the most recent decennial United States census data available),

(ii) which imposes a tax on income or wages, and

(iii) with which the Secretary (in his sole discretion) has entered into an agreement regarding disclosure.

(6) **Taxpayer Identity.**- The term "taxpayer identity" means the name of a person with respect to whom a return is filed, his mailing address, his taxpayer identifying number (as described in section 6109), or a combination thereof.

(7) **Inspection.**-The terms "inspected" and "inspection" means any examination of a return or return information.

(8) **Disclosure.**- The term "disclosure" means the making known to any person in any manner whatever a return or return information.

(9) **Federal Agency.**-The term "Federal agency" means an agency within the meaning of section 551 (1) of title 5, United States Code.

(10) **Chief Executive Officer.**-The term "chief executive officer" means, with respect to any municipality, any elected official and the chief official (even if not elected) of such municipality.

## *EXHIBIT 2*

### *SEC 6103(p)(4) SAFEGUARDS*

(4) SAFEGUARDS. Any Federal agency described in subsection (h)(2), (h)(5), (i)(1), (2), (3), or (5), (j)(1), (2), or (5), (k)(8), (1)(1), (2), (3), (5), (10), (11), (13), (14), (15), or (17) or (o)(1), the General Accounting Office, or any agency, body, or commission described in subsection (d), (i)(3) (B)(i) or (1)(6), (7), (8), (9), (12) or (15), or (16), or any other person described in

subsection (l)(16) shall, as a condition for receiving returns or return information.

- (A) establish and maintain, to the satisfaction of the Secretary, a permanent system of standardized records with respect to any request, the reason for such request, and the date of such request made by or of it and any disclosure of return or return information made by or to it;
- (B) establish and maintain, to the satisfaction of the Secretary, a secure area or place in which such returns or return information shall be stored;
- (C) restrict, to the satisfaction of the Secretary, access to the returns or return information only to persons whose duties or responsibilities require access and to whom disclosure may be made under the provisions of this title;
- (D) provide such other safeguards which the Secretary determines (and which he prescribes in regulations) to be necessary or appropriate to protect the confidentiality of the returns and return information;
- (E) furnish a report to the Secretary, at such time and containing such information as the Secretary may prescribe, which describes the procedures established and utilized by such agency, body, or commission or the General Accounting Office for ensuring the confidentiality of returns and return information required by this paragraph; and
- (F) upon completion of use of such returns or return information
  - (i) in the case of an agency, body or commission described in subsection(d), (i) (3) (B)(i), or (1)(6), (7), (8), (9) or (16) or any other person described in subsection (l)(16) return to the Secretary such returns or return information (along with any copies made there from) or make such returns or return information undisclosable in any manner and furnish a written report to the Secretary describing such manner
  - (ii) in the case of an agency described in subsection (h)(2), (h)(5), (i)(1), (2), (3), or (5), (j)(1), (2), or (5), (1)(1), (2), (3), (5), (10), (11), (12), (13), (14), (15), or (17), or (o)(1), or the General Accounting Office, either
    - (l) return to the Secretary such returns or return information (along with any copies made there from)
    - (2) otherwise make such returns or return information undisclosable, or
    - (3) to the extent not so returned or made undisclosable, ensure that the conditions of subparagraphs (A), (B), (C), (D), and (E) of this paragraph continue to be met with respect to such returns or return information, and
    - (iii) in the case of the Department of Health and Human Services for purposes of subsection (m) (6), destroy all such return information upon completion of its use in providing the notification for which the information was obtained, so as to make such information undisclosable; except that conditions of subparagraph (A), (B), (C), (D), and (E) shall cease to apply with respect to any return or return information if, and to the extent that, such return or return information is disclosed in the course of any judicial or administrative proceedings and made a part of the public record thereof. If the Secretary determines that any such agency, body, or

commission including an agency or any other person described in subsection (l)(16) or the General Accounting Office has failed to, or does not, meet requirements of this paragraph, he may, after any proceedings for review established under paragraph (7), take such actions as are necessary to ensure such requirements are met, including refusing to disclose returns, or return information to such agency, body, or commission including an agency or any other person described in subsection (l)(16) or the General Accounting Office until he determines that such requirements have been or will be met. In the case of any agency which receives any mailing address under paragraph (2), (4), (6) or (7) of subsection (m) and which discloses any such mailing address to any agent, or which receives any information under paragraph (6)(A), 12(B) or (16) of subsection (1) and which discloses any such information to any agent or any person including an agent described in subsection (l)(16) this paragraph shall apply to such agency and each such agent or other person (except that, in the case of an agent, or any person including an agent described in subsection (l)(16), any report to the Secretary or other action with respect to the Secretary shall be made or taken through such agency). For purposes of applying this paragraph in any case to which subsection (m)(6) applies, the term "return information" includes related blood donor records (as defined in section 114(h)(2) of the Social Security Act).

***IRC SEC. 7213 UNAUTHORIZED DISCLOSURE OF INFORMATION.***

**(a) RETURNS AND RETURN INFORMATION.**

(1) FEDERAL EMPLOYEES AND OTHER PERSONS. It shall be unlawful for any officer or employee of the United States or any person described in section 6103(n) (or an officer or employee of any such person), or any former officer or employee, willfully to disclose to any person, except as authorized in this title, any return or return information [as defined in section 6103(b)]. Any violation of this paragraph shall be a felony punishable upon conviction by a fine in any amount not exceeding \$5,000, or imprisonment of not more than 5 years, or both, together with the costs of prosecution, and if such offense is committed by any officer or employee of the United States, he shall, in addition to any other punishment, be dismissed from office or discharged from employment upon conviction for such offense.

(2) STATE AND OTHER EMPLOYEES. It shall be unlawful for any person [not described in paragraph (1)] willfully to disclose to any person, except as authorized in this title, any return or return information [as defined in section 6103(b)] acquired by him or another person under subsection (d), (i)(3)(B)(i), (1)(6), (7), (8), (9), (10), (12), (15) or (16) or (m)(2), (4), (5), (6), or (7) of section 6103. Any violation of this paragraph shall be a felony

punishable by a fine in any amount not exceeding \$5,000, or imprisonment of not more than 5 years, or both, together with the cost of prosecution.

(3) OTHER PERSONS. It shall be unlawful for any person to whom any return or return information [as defined in section 6103(b)] is disclosed in an manner unauthorized by this title thereafter willfully to print or publish in any manner not provided by law any such return or return information. Any violation of this paragraph shall be a felony punishable by a fine in any amount not exceeding \$5,000, or imprisonment of not more than 5 years, or both, together with the cost of prosecution.

(4) SOLICITATION. It shall be unlawful for any person willfully to offer any item of material value in exchange for any return or return information [as defined in 6103(b)] and to receive as a result of such solicitation any such return or return information. Any violation of this paragraph shall be a felony punishable by a fine in any amount not exceeding \$5,000, or imprisonment of not more than 5 years, or both, together with the cost of prosecution.

(5) SHAREHOLDERS. It shall be unlawful for any person to whom return or return information [as defined in 6103(b)] is disclosed pursuant to the provisions of 6103(e)(1)(D)(iii) willfully to disclose such return or return information in any manner not provided by law. Any violation of this paragraph shall be a felony punishable by a fine in any amount not exceeding \$5,000, or imprisonment of not more than 5 years, or both, together with the cost of prosecution.

### ***SEC. 7213A. UNAUTHORIZED INSPECTION OF RETURNS OR RETURN INFORMATION***

#### **(a) PROHIBITIONS.**

(1) FEDERAL EMPLOYEES AND OTHER PERSONS. It shall be unlawful for (A) any officer or employee of the United States, or (B) any person described in section 6103(n) or an officer willfully to inspect, except as authorized in this title, any return or return information.

(2) STATE AND OTHER EMPLOYEES. It shall be unlawful for any person [not described in paragraph (1)] willfully to inspect, except as authorized by this title, any return information acquired by such person or another person under a provision of section 6103 referred to in section 7213(a)(2).

#### **(b) PENALTY.**

(1) IN GENERAL. Any violation of subsection (a) shall be punishable upon conviction by a fine in any amount not exceeding \$1000, or

imprisonment of not more than 1 year, or both, together with the costs of prosecution.

(2) FEDERAL OFFICERS OR EMPLOYEES. An officer or employee of the United States who is convicted of any violation of subsection (a) shall, in addition to any other punishment, be dismissed from office or discharged from employment.

(c) DEFINITIONS. For purposes of this section, the terms "inspect", "return", and "return information" have respective meanings given such terms by section 6103(b).

***IRC SEC. 7431 CIVIL DAMAGES FOR UNAUTHORIZED DISCLOSURE OF RETURNS AND RETURN INFORMATION.***

**(a) IN GENERAL.**

(1) INSPECTION OR DISCLOSURE BY EMPLOYEE OF UNITED STATES. If any officer or employee of the United States knowingly, or by reason of negligence, inspects or discloses any return or return information with respect to a taxpayer in violation of any provision of section 6103, such taxpayer may bring a civil action for damages against the United States in a district court of the United States.

(2) INSPECTION OR DISCLOSURE BY A PERSON WHO IS NOT AN EMPLOYEE OF UNITED STATES. If any person who is not an officer or employee of the United States knowingly, or by reason of negligence, inspects or discloses any return or return information with respect to a taxpayer in violation of any provision of section 6103, such taxpayer may bring a civil action for damages against such person in a district court of the United States.

**(b) EXCEPTIONS.**

No liability shall arise under this section with respect to any inspection or disclosure

(1) which results from good faith, but erroneous, interpretation of section 6103, or

(2) which is requested by the taxpayer.

**(c) DAMAGES.**

In any action brought under subsection (a), upon a finding of liability on the part of the defendant, the defendant shall be liable to the plaintiff in an amount equal to the sum of

(1) the greater of

(A) \$1,000 for each act of unauthorized inspection or disclosure of a return or return information with respect to which such defendant is found liable, or

(B) the sum of

(i) the actual damages sustained by the plaintiff as a result of such unauthorized inspection or disclosure, plus



(ii) in the case of a willful inspection or disclosure or an inspection or disclosure which is the result of gross negligence, punitive damages, plus (2) the cost of the action.

**(d) PERIOD FOR BRINGING ACTION.**

Notwithstanding any other provision of law, an action to enforce any liability created under this section may be brought, without regard to the amount in controversy, at any time within 2 years after the date of discovery by the plaintiff of the unauthorized inspection or disclosure.

**(e) NOTIFICATION OF UNLAWFUL INSPECTION AND DISCLOSURE.**

If any person is criminally charged by indictment or information with inspection or disclosure of a taxpayer's return or return information in violation of (1) paragraph (1) or (2) of section 7213(a), (2) section 7213A(a), or (3) subparagraph (B) of section 1030(a)(2) of title 18, United States Code, the Secretary shall notify such taxpayer as soon as practicable of such inspection or disclosure.

**(f) DEFINITIONS.**

For purposes of this section, the terms "inspect", "inspection", "return" and "return information" have the respective meanings given such terms by section 6103(b).

**(g) EXTENSION TO INFORMATION OBTAINED UNDER SECTION 3406.**

For purposes of this section (1) any information obtained under section 3406 (including information with respect to any payee certification failure under subsection (d) thereof) shall be treated as return information, and (2) any inspection or use of such information other than for purposes of meeting any requirement under section 3406 or (subject to the safeguards set forth in 6103) for purposes permitted under section 6103 shall be treated as a violation of section 6103. For purposes of subsection (b), the reference to section 6103 shall be treated as including a reference to section 3406.

I have read the NC Department of Revenue Statutory Provisions posted on the Security section of the intranet under Regulations (<http://revenue/employee/security/regulations.html>) that include:

- North Carolina General Statute 105259  
<http://revenue/employee/security/regulations/generalstatutes.html>
- Internal Revenue Service Statutory Provisions: Code Sections 6103, 7213 and 7431  
<http://revenue/employee/security/regulations/irs.html>

with respect to the confidentiality of tax information. I understand that there are penalties provided under both State and Federal tax statutes. By signing this document, I acknowledge the applicability of these laws and agree to be bound by them. I also understand that if I view, observe or come into possession of tax information, by any means whatsoever, during the course of my employment at the North Carolina Department of Revenue, that I shall not remove such information from the premises of the Department of Revenue nor shall I disclose information to any individual who is not an employee of the North Carolina Department of Revenue. I understand that I am forbidden to show or tell people outside the Department of Revenue any information from tax returns. I may not obtain information for any friends, neighbors, or relatives. I may not talk about confidential tax matters at home or outside my work group, during coffee or lunch breaks.

---

Signature

---

Printed Name

---

Date