

North Carolina Office of Recovery and Resiliency (NCORR)

Procurement Manual

Information Technology (IT)

February 27, 2023

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Introduction

The North Carolina Office of Recovery and Resiliency (NCORR) Procurement Office is responsible for the procurement of information technology (IT) goods and services, and non-IT goods and services associated with the NCORR's mission.

Procurement in the state of North Carolina is governed by the North Carolina General Statutes (statutes), North Carolina Administrative Codes (rules), and various policies and procedures which govern the state's procurement practices. The Department of Information Technology (DIT), Statewide Information Technology Procurement Office (SITP) serves as the authority over the procurement of all IT goods and services. The Department of Administration (DOA), Division of Purchase and Contract (P&C) is the central procurement authority for non-IT goods and services. The Department of Administration (DOA), State Construction Office (SCO) serves as the authority for procurement of all state-owned building construction. Since construction procurements performed by NCORR are for residential homes; accordingly, State Construction Office rules are not applicable. See Appendix A, Department of Administration letter dated December 12, 2022.

Statutory Authority

The procurement authority of information technology (IT) goods and services in the state is governed by Chapter 143B, Article 15 of the North Carolina General Statutes. The procurement of non-IT goods and services in the state is governed by Chapter 143, Article 3 of the North Carolina General Statutes. State agencies, institutions, community colleges, and the universities of the UNC system must adhere to these statutes. Entities that do not fall under this authority include public schools, charter schools, and local and county governments, which fall under the authority of Chapter 143, Article 8.

An additional source of authority is the North Carolina Administrative Code. The procurement of information technology (IT) goods and services is governed by Title 09 Chapter 06 of the code. The procurement of non-IT goods and services is governed by Title 01 Chapter 05 of the code, with most provisions set forth in Subchapters 05A and 05B.

NCORR has also received a special delegation which permits certain administrative flexibilities related to some procurement actions. This special delegation is described in Section 1.1.

HUD Certification of North Carolina Procurement Rules

The primary source of funds for NCORR are U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant – Disaster Recovery (CDBG-DR) and Mitigation (CDBG-MIT) funds. As a condition of receiving grant funds from HUD, NCORR has certified its procurement standards to HUD to follow the state of North Carolina Department of Information Technology, Statewide Information Technology Procurement Office (SITP) rules for the procurement of information technology (IT) goods and services; and the Department of Administration, Division of Purchase and Contract (P&C) rules for the procurement of non-IT goods and services. Accordingly, this manual is divided into Non-IT (Part 1) and IT (Part 2) to reflect the applicable rules unique to the respective procurement action.

The Federal Register Notices governing these CDBG-DR grant requires that “the effect of the grantee's procurement process/standards are equivalent to the effect of procurements under 2 CFR 200.318 through 200.327, meaning that the process/standards, while not identical, operate in a manner that provides for full and open competition.” HUD's P.L. 114-223 and 114-254 Certification Checklist further

explains that when conducting the equivalence analysis, HUD reviews the grantee's procurement processes and standards, "taken as a whole," to determine whether the effect for full and open competition is the same as that of 2 CFR part 200, subpart D.

Contracting in Violation of the Law

Pursuant to G.S. 143-58, any contracts that are not procured in accordance with state procurement laws or rules shall be void and of no effect. In addition, the executive officer or the secretary of any agency shall be personally liable for the costs of any such contract. Therefore, it is the responsibility of all agency employees to ensure that all procurement is carried out in accordance with all applicable laws, policies, and procedures.

Integrity and Ethics

Integrity and ethics are central to public procurement. While laws and rules coalesce to provide a mechanism for public procurement, only people can ensure that integrity and ethics are the standard. In procurement, as in all fields, professionals must exhibit the values of pride and worth in their conduct and performance. Impediments to these values must be detected early, and safeguards provided at all levels. This applies to both state personnel and the vendor community.

Ethics are the moral principles that govern behavior and conduct. Strong ethical principles are required for public procurement because they prevent breach of the public trust by any attempt to realize personal gain through conduct inconsistent with discharge of duties.

Therefore, it is imperative that all state personnel be entirely cognizant of the necessity for ethical behavior. It takes only the slightest hint of impropriety to cast doubt on the procurement process. To that end, G.S. 14-234 (a)(3) states, "No public officer or employee may solicit or receive any gift, reward or promise of reward in exchange for recommending, influencing, or attempting to influence the award of a contract by the public agency he or she serves."

G.S. 133-32 further prohibits the offer to, or acceptance by, any state employee of any gift from anyone with a contract with the state, or from any person seeking to do business with the state.

NCORR takes pride in leading the efforts on integrity and ethics for procurement. These efforts are based on common ethical principles derived from professional codes of conduct provided by organizations such as the National Institute of Governmental Purchasing (NIGP), the Universal Public Procurement Certification Council (UPPCC), and the American Bar Association (ABA).

Common ethical principles that NCORR strives to perfect include:

- **Impartiality** – Equal treatment of all suppliers/customers and objective evaluation of each transaction and contract based on value and merit
- **Honesty** – Truth in all dealings with everyone, including contractors and the public
- **Loyalty** – Faithfulness to the entity, free of conflicts of interest

This procurement manual is based on the above concepts and best business practices. The intent of the manual is to support NCORR in the administration of their efficient and effective procurement office.

IT Procurement

1. Overview

Under 9 NCAC 06B.1304, the information technology (IT) purchasing delegation is \$25,000 unless a special delegation is granted by the State Chief Information Officer (SCIO). This delegation is for all State Agencies. The general delegation establishes the maximum authorized dollar limits for IT purchases of goods or services by NCORR without Statewide IT Procurement Office (SITP) approval. The award of contracts under the general delegation is the responsibility of the North Carolina Office of Recovery and Resiliency (NCORR). NCORR is responsible for establishing written procurement policies and procedures under their delegated authority.

NCORR does not have an IT special delegation.

1.1. Delegation Authority

Delegation Authority is determined by several factors. First, procurement of IT goods and services above NCORR's delegation must be reviewed by Statewide IT Procurement prior to solicitation and again prior to awarding the contract. Per the North Carolina Administrative Code (NCAC) rules, an agency shall not divide requirements to keep a procurement under the general IT delegation. (9 NCAC 06B .0313) The contract terms (lengths) cannot exceed three (3) years including optional extensions and renewals, unless an exemption is obtained from the SCIO or his designee and it has been determined that an additional extension is advantageous to the State. (9 NCAC 06B .0301(d)(5)). Another key factor is that North Carolina's procurement program is based upon the principle of open competition. When competition is not sought, or obtained, the reason must be valid and must be documented (See 9 NCAC 06B .0902, 06B .1402). Solicitations for procurements with an estimated value to exceed NCORR's delegation must be advertised on the Interactive Purchasing System (IPS) web page and to the e-Procurement Sourcing Tool. NCORR may also use other means of advertisement in addition to IPS and Sourcing. Solicitations within NCORR's delegation may be advertised on IPS/Sourcing (9 NCAC 06B .0301, .314).

1.2. Removal or Reduction of Delegated Authority

Delegated authority is subject to review by the Statewide IT Procurement Office and may be reduced or rescinded for failure to comply with any of the above requirements or failure to correct noted deficiencies within a reasonable time. Delegated authority removal or reduction may also occur should an Agency's chief purchasing officer position be downgraded or become vacant.

Chapter 1 Resources	
North Carolina Administrative Code (NCAC) Rules	09 NCAC 06B .0313 DIVISION OF COMMODITIES AND SERVICE NEEDS
	09 NCAC 06B .0301 PROCUREMENT PROCEDURES (d)(5)
	09 NCAC 06B .0902 APPROVAL AND DOCUMENTATION
	09 NCAC 06B .1402 PROCUREMENT FILE RECORDS
	09 NCAC 06B .0314 ADVERTISEMENT AND NOTICE

2. Procurement Process

2.1. Overview

The procurement process is much more than simply buying something. It includes all activities from planning, preparation and processing of a requisition, solicitation, evaluation, award and contract, to receipt and acceptance of delivery, payment, inventory tracking of a goods and services disposition.

Regardless of whether the product or service required is processed by the Agency under delegated authority or sent to the Statewide IT Procurement Office, the workflow is essentially the same.



2.2. Types of Purchases (9 NCAC 06B .0701)

Procurements of IT-related goods and services are divided into the following major types of purchasing:

1. **Term Contracts:** A contract established and administered by the Statewide IT Procurement Office that consolidates certain goods and services requirements of all State Agencies. Agencies must use term contracts when products or services that meet their needs are available from the contract.

2. **Statewide Convenience Contracts:** A contract established and administered by the Statewide IT Procurement Office that consolidates certain goods and services requirements of all State agencies. Statewide Convenience Contracts are not mandatory-use contracts and may be used at NCORR’s discretion.
3. **Agency Specific Contracts:** Contracts for IT goods and services established on behalf of DPS/NCORR. These contracts may be for a specified term or may be a one-time purchase.
4. **Delegated Procurements:** Direct procurement by NCORR of IT goods and services that fall under NCORR’s general or special delegation or under established purchasing exemptions.
5. **Master IT Agreements:** An agreement made with a vendor when goods or services are typically obtained through a reseller(s) of a vendor (e.g. OEM, VAR), or when the goods or services are proprietary. A master agreement may be negotiated under 9 NCAC 06B.0316, and may in some cases, result in a Term or Convenience contract. [9 NCAC 06B .0701(d)-(g)].

<i>Chapter 2 Resources</i>	
North Carolina Administrative Code (NCAC) Rules	09 NCAC 06B .0701 CONTRACTS ESTABLISHED BY DIT
	09 NCAC 06B .0316 NEGOTIATION
Statewide IT Procurement Resources	Statewide Contracts

3. IT Procurement Process

The following is an overview of the IT procurement process and the information to provide.

3.1. IT Procurement Request

Business owner should provide procurement:

- What proposes to buy
- Detailed description or specifications of the goods or services required
- Estimated Cost
- Quantity
- Delivery requirements
- Any special requirements

Procurement will work with the business owner to determine:

- Evaluation and Award criteria
- Response/Offer submission instructions
- IT Procurement Terms and Conditions

- Other terms and conditions as applicable (must not conflict with IT Procurement Terms and Conditions)

Solicitations for services must include:

- Date(s) of service
- Detailed specifications or type and level of work required in the form of a Statement of Work (SOW)
- What the State will furnish
- What the vendor will furnish
- Method, schedule, and procedures for billing and payments

IT procurement templates and other forms are located on the Statewide IT Procurement Office's website at <http://it.nc.gov/it-procurement-forms-and-templates>.

The Statewide IT Procurement Office has a checklist, [Statewide IT Procurement Checklist for Agencies | NCDIT](#), that contains the items that must be completed before submitting a solicitation to the SITP for review. NCORR shall include a copy of the completed checklist when submitting solicitation documents to SITP. See Appendix A for Statewide IT Procurement Checklist.

3.1.1 Short Term Staffing Contracts

For request utilizing the Short Term Staffing Statewide Convenience Contract, see the instructions located at: <http://it.nc.gov/short-term-it-staffing-contract>

If the request asks for limitation or waiver of competition, a justification letter supporting the rationale for waiving or limited competition must accompany the request (See Section 15 for Waiver conditions). The justification must include information such as, but not limited to:

- background information about the request
- the specific condition(s) for limited or waived competition being supported
- why technically no other product or service can meet the business owner's requirements and how that determination was made
- the effect on NCORR if limitation or waiver is not approved, etc.

Please note the NCAC rules list the criteria that determines waivers; they cannot be based on cost, preference, or time constraints.

3.2. Process in Accordance with Statewide Term Contract

If the IT goods or services are covered by a Statewide Term Contract and do not exceed abnormal quantity

limits, process the request in accordance with the requirements of the Term Contract. NCORR must use a mandatory statewide term contract when products or services that meet NCORR's needs are covered by the contract. NCORR may use Statewide Convenience Contracts at its discretion.

A list of IT term contracts is located on the Statewide IT Procurement Office page at <http://it.nc.gov/resources/it-strategic-sourcing/statewide-it-contracts>.

3.3. Small Purchase (9 NCAC 6B .0301(c))

A small purchase is \$25,000 or less, including the amount of any extensions or renewals, and is not covered by a statewide mandatory or convenience term contract established by SITP. For small purchases competitive quotes or bids are not required. Small purchases are subject to the following:

- Statewide Term Contracts (STC) shall be used for small purchases if applicable and mandatory. STCs that are deemed for use as "convenience" may be used for any purchase, including small purchases. All goods and services covered by STCs shall be purchased in accordance with the instructions in those contracts.
- NCORR may post small purchase solicitations on the Interactive Purchasing System (IPS) and the e-Procurement Sourcing Tool and may use solicitation templates provided by SITP. However, IPS/Sourcing is not required for small purchases.
- NCORR business owners should monitor small purchases to protect against system abuse and to ensure that the value received by the agency is commensurate with the amount spent.

Generally, Small Purchases are similar to the "Micro-Purchase" method described at 2 CFR § 200.320(a)(1). Small Purchases may be awarded without soliciting competitive price or rate quotes if the price is found to be reasonable based on the business owner's research, experience, past purchase history for similar items, or other information to support the reasonableness of the cost.

NCORR encourages and promotes the use of HUB vendors.

3.4. Cooperative Purchasing (9 NCAC 06B .1006)

A cooperative agreement is an agreement between a vendor and one or more states or state agencies that allows the parties to collaboratively or collectively purchase information technology goods and services in order to increase economics of scale and reduce costs. N.C.G.S. §143B-1320 (4), -1350(4); 9 NCAC 06B-1006. Examples of cooperative agreements include GSA Schedule 70 and certain contracts available through the National Association of State Procurement Officials (NASPO)). Procedures for using such agreements are available on the Statewide IT Procurement website <https://it.nc.gov/media/1497/open>.

3.5. Competitive Procurement

This procedure is used when the total amount of the IT procurement is greater than the NCORR IT delegation amount of \$25,000. These procurements must be solicited competitively. Solicitation documents must be issued and contain standard terms and conditions issued by the Statewide IT Procurement Office. See Sections 10, 11 and 12 below for guidelines in processing competitive solicitations.

3.6. Purchasing Through Statewide IT Procurement

This procedure is used when the total amount of the IT procurement is greater than the NCORR delegation (\$25,000). (09 NCAC 06B .1304) The procedures for processing a request in this category are included within this manual. See Section 4, Statewide IT Procurement Office Process for detailed instructions. This procedure also applies to the establishment, or modification, of existing contracts, Term contracts and Convenience contracts.

3.7. Requests Designated as Projects

All State Agency information technology projects subject to N.C.G.S. §§143B-1340 to 1344, whether the project is undertaken in a single phase or component or in multiple phases or components, are subject to review by the DIT Enterprise Project Management Office (EPMO). All Project requests must be in the Planning & Design decision point milestone of the project workflow before a procurement request can be submitted to the Statewide IT Procurement Office.

Chapter 3 Resources	
North Carolina Administrative Code (NCAC) Rules	09 NCAC 06B .0316 NEGOTIATION
	09 NCAC 06B .1006 COOPERATIVE PURCHASING
	09 NCAC 06B .0301 PROCUREMENT PROCEDURES
	09 NCAC 06B .1304 GENERAL DELEGATIONS
North Carolina General Statute	N.C.G.S. §§143B Procurement of Information Technology
Statewide IT Procurement Resources	Statewide Contracts
	Statewide IT Forms and Templates
	Short Term Contracts
	Term Contracts
	Statewide IT Procurement Checklist for Agencies
Enterprise Project Management Office (EMPO) Resources	EPMO Overview

4. Statewide IT Procurement Office Process

Following are the Statewide IT Procurement Office process.

4.1. Procurement Requests

The Statewide IT Procurement Office receives procurement requests four ways:

- **Exceptions sent to DIT.** Exceptions Manager assigns to Team Lead and Team Lead assigns to Team Member.
- **Requests submitted to Manager.** Manager assigns to Team Lead and Team Lead assigns to Team Member.
- **Requests submitted through eProcurement.** Manager assigns to Team Lead and Team Lead assigns to Team Member.
- **Requests sent directly to Team Member.**

If the solicitation requires an exception approval follow Statewide IT Procurement exception process, [Exception Resources | NCDIT](#). There are three SITP Exception forms:

- Exception Form A (Procurement)
- Exception Form B (Standards)
- Exception Form C (Security)

See Appendix C for the DIT Exception forms.

Upon receipt, SITP will assign a control number to each procurement request and log it in the Statewide IT Procurement Office Tracking System. This number will be used to track the request through the procurement process.

Statewide will review the request to ensure that all the necessary information has been included. If the request is missing required information Statewide will contact NCORR to obtain the additional information.

4.2. Routing

Statewide will route all NCORR requests to the Assistant or Chief Procurement Officer to ensure that Project Approval was received when appropriate.

4.3. Assignment

After approval by the Statewide IT Procurement Office Assistant or Chief Procurement Officer, the request will be assigned to a Contract Specialist.

4.4. Contract Specialist

When a request is assigned, the SITP Contract Specialist (per SITP policy) is supposed to notify the end user within a day of receipt, that they are handling the request. At that time, any issues of concern may be addressed. The Contract Specialist will process the request in accordance with the type of procurement required.

Chapter 4 Resources

Statewide IT Procurement Resources

[Exception Process](#)

[Overview of the Exception Process](#)

5. Solicitation Guidelines and Procedures

This section provides the guidelines and procedures for developing and processing a solicitation document for an IT competitive procurement. There are three (3) types of solicitation documents/methods:

- Request for Quotes (RFQ);
- One-step and two-step Invitation for Bids (IFB); and
- One-step and two-step Request for Proposal (RFP)

The dollar amount and complexity of the procurement will determine the best solicitation and evaluation method to use. A complex procurement may also start with a Request for Information (RFI). The response to an RFI may indicate what type of solicitation should be used and help provide evaluation criteria for the solicitation.

The following sections provide a high-level overview of the major solicitation guidelines and procedures related to IT procurement.

5.1. Communications with Potential Vendors Prior to Solicitations

The purpose of exchanging information with potential vendors is to improve the understanding of NCORR's requirements and industry capabilities. Pre-solicitation communications with potential vendors enhances the ability of the vendor to judge whether or how they can satisfy the Agency's requirements. Such information can also enhance the NCORR's ability to obtain quality supplies and services at reasonable prices by increasing the efficiency in proposal evaluation, negotiation, and contract award.

NCORR encourages early pre-solicitation exchanges of information about future acquisitions. An early exchange of information among industry and NCORR in the acquisition process can identify and resolve concerns regarding:

- Acquisition strategy, including proposed contract type, terms and conditions, and acquisition planning schedules
- Feasibility of the requirement, including performance requirements, statements of work, and data requirement
- Suitability of the proposal instructions and evaluation criteria, including the approach for assessing past performance information
- Availability of reference documents.

5.2. Requests for Information (RFI) – Preliminary Communication

Requests for Information (RFI) are one technique of communicating with potential offerors prior to solicitations. RFIs may be used when the NCORR does not intend to award a contract, but wants to obtain a general price estimate, other market information, or capabilities for planning purposes.

Responses to these notices are not offers and cannot be accepted by NCORR to form a binding contract. Responses to the RFI may result in a solicitation or it may indicate that the procurement is too risky, too expensive, not feasible, etc., at the current time and no further action will take place. Responses to an RFI may also provide criteria that may be used in developing a solicitation.

5.3. Types of Solicitations

5.3.1. Request for Quotes (RFQ)

This type of solicitation is a written solicitation document which is generally used for seeking quotes from a single vendor or very limited group of vendors. This is normally used for purchases of specific goods and services or easily defined goods (i.e., for purchase of a small number of boxes of computer diskettes or for certain approved waiver of competition procurements). RFQs normally require that a waiver of competition has been justified.

Refer to section 10 for more details on RFQs.

5.3.2. Invitation for Bids (IFB)

This document is a formal, written solicitation document normally used for seeking competition and obtaining offers for larger quantities or many types of easily defined goods. The IFB normally contains a standard pricing form. The responses to the IFB are sealed bids that include unit prices for each line item on the pricing form. The technical and cost offers may be submitted and opened at the same time in a one-step process or separately in a two-step process. In the two-step process, the technical offers are submitted, opened, and evaluated. Then, only the price offers from Vendors that submitted technically acceptable offers or Vendors in the competitive range will be opened or solicited. The price offer will

be opened at the time and location specified in the solicitation. The price offers are then evaluated.

Refer to section 11 for more details on IFBs.

5.3.3. Request for Proposals (RFP)

This solicitation is a formal, written solicitation document usually used for seeking competition and obtaining offers for services or a combination of goods and services. The response to the one-step RFP is a sealed offer that includes the price proposal and the technical solution.

The two-step RFP is usually used for seeking competition and obtaining offers for complex services or a complex combination of goods and services.

If the RFP is for a solution, the document should allow for the vendor to propose their solution based on NCORR's specifications. This approach will provide NCORR with solutions that can be meaningfully evaluated against each other by the evaluation committee. If the RFP is for services, it should include a scope of work statement in addition to a response to the specifications. The two-step RFP requires the Vendor to submit two sealed packages; one contains the technical proposal, and the other contains the cost proposal. NCORR may elect to have the cost proposal submitted at the same time as the technical proposal or following the technical evaluation. The RFP will provide detailed instructions regarding the timing of the submissions for the two proposals.

- No two RFPs are alike and preparing one can be a difficult task. However, a well-written RFP can alleviate many problems. NCORR is encouraged to involve the Statewide IT Procurement Office early in the development of the RFP for assistance and valuable advice.
- RFPs take a significant amount of time to prepare and review before they are issued. On the average, an RFP will take at least **90 days from receipt of the RFP at Statewide IT Procurement Office to contract award**. When the business owner is planning, allow adequate time for possible rewriting of specifications, questions from vendors, pre-proposal conferences, for vendors to prepare their proposals, committee evaluations, end of year and other deadlines, legal review and contract award.
- It is important to identify and state in the RFP all evaluation factors. These factors let the vendor know the factors that are important to NCORR and will be the only way for NCORR to properly evaluate the proposals and assure that the awarded proposal meets all the requirements. Factors not specified in the RFP cannot be used for evaluating the proposals.

- Evaluation factors should be developed early or concurrently with the specifications in the formulation of the RFP. Make a detailed list of the most important aspects of the service or goods required, including cost, and develop the evaluation factors from it. Specifications that are vital to the solution and must be done should be designated as mandatory in the RFP.
- RFPs must be written to allow vendors the opportunity to use their expertise to offer the best solution or service based on NCORR's needs. Overuse of mandatory specifications may not allow vendors the leeway to provide their best response.

Refer to section 11 for more details on RFPs.

5.4. Specifications

New or standard IT specifications should be reasonable to satisfy the need, but not unduly restrictive. The specifications should encourage competition in the open market and result in the best possible contract for the goods or services needed. Specifications may be specified as "Brand X or functional equivalent" in order to establish the level of specification desired.

In addition to those needed for the procurement, solicitations for IT goods and services must also include standard specifications or requirements to align with the Statewide Technical Architecture as developed by the SCIO. ([Vendor Engagement Resources | NCDIT](#))

Contingent upon the subject area, agency-developed IT specifications may be submitted to DIT for consideration as a standard IT specification.

Refer to section 6 for more details regarding specifications.

5.5. Pre-Proposal Conference or Site Visit

Consider whether a pre-proposal conference or site visit for potential offerors is needed to further explain, clarify, or identify areas of concern in the RFP. These should always be held prior to submission of the vendor's initial proposals. If using a pre-proposal conference or site visit, follow these guidelines:

The pre-proposal conference or site visit should be scheduled at a time and date identified in the RFP. Indicate how many representatives from each company will be allowed to attend (usually a maximum of three if an in-person meeting). If an in-person meeting, keep in mind that some vendors may have to travel a distance to attend, so sufficient time should be allowed for vendors to receive the RFP, formulate questions, and make necessary travel plans. Indicate in the RFP NCORR's policy regarding late or non-attendance.

Any questions regarding the RFP can be submitted in writing prior to the pre-proposal conference and be answered by NCORR at the meeting. Additional questions may be entertained; however, Official answers to all questions will be published in writing and supplied to all attendees (posted to IPS/Sourcing) in the

form of an addendum. Any oral answers given by NCORR is not binding until reduced in writing in the form of an addendum.

5.6. Evaluation/Ranking Methods and Criteria

The evaluation/ranking methods and criteria to be used in the evaluation process must be clearly stated in the solicitation document. Evaluation criteria must conform to “best value” as defined (N.C.G.S. 143-135.9) and applied in the solicitation document. A written evaluation methodology should be prepared prior to receiving offers from vendors.

Refer to section 12 for more details on the evaluation process.

5.7. Payment Terms

Invoices shall be paid on time as agreed, typically no later than 30 calendar days after receipt of a correct invoice or acceptance of goods and services, whichever is later.

NCORR and DPS are responsible for all payments to the contracted vendor. Solicitation payment terms shall comply with policies established by the Office of State Controller and DPS Finance.

Chapter 5 Resources

North Carolina General Statute

[N.C.G.S. 143-135.9 Best Value Procurements](#)

Statewide IT Procurement Resources

[Statewide Technical Architecture](#)

[Statewide IT Forms and Templates](#)

6. Specifications

Specifications are one of the most important elements of the purchasing process. The preparation of good specifications is probably the most difficult function in the process. Inadequate or poorly written specifications are the cause of many bidder challenges and can considerably delay the purchasing process. This information is designed to define specifications and assist NCORR by providing guidelines to good specification writing.

6.1. Definition of Specification

The term “Specifications” refers to a description of the characteristics of a good or service. Specifications set forth the characteristics of the goods and services to be purchased to enable the vendor to determine

and understand what is to be supplied. This information may be in the form of a description of the physical, functional, or performance characteristics, a reference brand name or both. Specifications may be incorporated by reference and/or through attachment to the solicitation. Specifications must be prepared to invite maximum competition.

Solicitations for IT goods and services must include standard specifications or requirements to align with the Statewide Technical Architecture and other standards established by the State CIO. Refer to Appendix D for more details on Statewide Technical Architecture.

N.C.G.S. §143B-1350(h) requires that evaluation shall include determining substantial conformity of the vendor's offer with NCORR's specifications.

6.1.1. **Substantial Conformity**

Overview of Substantial Conformity

General Statute 143B-1350(h) establishes certain criteria for evaluating offers to contract. One of those criteria is identified as "substantial conformity with specifications", which means that NCORR must evaluate a Vendor's offer and determine whether the solution "substantially conforms" with NCORR's specifications in the solicitation. A Vendor's solution substantially conforms if it satisfies the purpose or objective of the business need, even without adhering to ALL of the specifications.

How Substantial Conformity relates to Specifications and Requirements

Specifications

In the past, the terms "specifications" and "requirements" have been used interchangeably. Using "requirement" or "required" means that no alternative exists and, in that manner, lists of "requirements" are inconsistent with evaluating whether a solution substantially conforms with specifications. Now, NCORR's technical "requirements" should be expressed in the solicitation document as specifications. These specifications should not establish hard requirements (do not use verbs such as "shall," "must," or "should"), but instead should ask for descriptions. For example, if NCORR requires a training plan, instead of writing, "The Vendor shall provide NCORR a training plan," the specification would read "Please describe the strategy for performing training to include a detailed training plan."

Requirements

"Requirements" now identify items considered nonnegotiable. Examples of requirements include features mandated by State legislation; regulation of certain subject matter or jurisdiction such as IRS Pub. 1075, HIPAA, or FERPA; statewide policies and procedures, such

as Architecture and Security; and certain technical specifications defined by the NCORR business owner.

The NCORR business owner must recognize what it considers unchangeable and convey its importance to the Statewide IT Procurement Office. Standards may include codes (e.g., National Electrical Code) or industry standards (e.g., NENA in the 911 world.) However, any such standards must be specifically identified in the solicitation and made available to vendors.

Bid Evaluation

Offers that do not substantially conform with specifications of the procurement document may be deemed deficient, and result in rejection or a negative evaluation of the offer. NCORR evaluation committees should focus on comparing and contrasting the strengths and weaknesses of the offers. The evaluation committee should also determine whether each vendor complies with state standards and policies.

Substantial conformity evaluations allow for more freedom to compare vendors and avoid argument regarding how numerical scores are established. A narrative summary is preferred. Recording “meets,” “does not meet,” or “exceeds against a list of specifications provides little rationale to support a conclusion of whether the solution substantially conforms with the specifications.

Substantial conformity review also dovetails well with best value principles, wherein trade-off between cost and non-cost factors is expected.

6.2. Effective Specification Writing

The degree to which specifications are open and unrestrictive directly affects the type and extent of the competition desired. Specifications provide for quality control, that is, they assure that the quality of an item is suited to its intended use and eliminates unnecessary features or frills.

Specifications are public records; they serve to keep the purchasing open by allowing the public to see exactly what is being purchased. Specifications are used during the evaluation of bids to determine whether bids are responsive.

Some of the difficulty in preparing specifications stems from the fact that the State can seldom dictate the exact characteristics of the products it wants. The requirements of NCORR are usually not sufficient to justify a special or name brand product. Consequently, specifications are developed around a manufacturer’s product specifications. If the specification did not have to satisfy State statutes requiring competitive bidding, the task would be much easier. The immense variety of items purchased by the State further complicates specification writing. Products are improved, new products are introduced, some products are discontinued, and the needs of the Agencies change. Consequently, the function of preparing and updating specifications must be an ongoing one.

To provide a common basis for bidding, specifications should set out the essential characteristics of the item being purchased, so that all bidders know exactly what is wanted. If an essential requirement is left out of the specification, an award may be made for a product or solution that does not meet the needs of NCORR. The lack of suitability of the product or solution may not become apparent until much later. Situations such as these are seldom resolved to anyone's satisfaction and can be a waste of taxpayers' money. If such an omission is discovered in time, the offer should be canceled, specifications corrected, and new bids solicited, or an addendum may be posted to correct the omission.

Avoid over or under specifying. Items should be able to perform as necessary without unessential frills. Requiring unnecessary features can result in specifications so restrictive that they defeat competition and increase the cost of the item.

Remember that all purchasing activities are subject to public and vendor scrutiny.

6.3. How to Develop Specifications

The function of specifications is to provide a basis for obtaining a commodity or service that will satisfy a need at an economical cost. Use the checklist below when preparing specifications:

- First, clearly determine what your procurement goal is and what you seek to buy. Specifications should be clear and accurate, yet simple. They should NOT be so specific that competition is eliminated.
- Specifications should be understandable to both the offeror and the purchaser.
- Specifications should be as general as possible. Specific specifications defeat the competitive bidding process.
- Specifications should be legible and concise.
- Specifications should be capable of being checked. Specifications that are written in such a way that a product or service offered cannot be checked as meeting specifications is of little value and results in confusion.
- Specifications should be reasonable in tolerances. Unnecessary precision is expensive and may be unduly restrictive.
- Specifications should be as fair to the offeror as possible and allow for competitive bidding by several offerors.

6.4. Specification Sources

There are many available sources of assistance when developing specifications. Here are suggestions for gathering specification information:

- Collect as much information as possible as to the function and performance of the requested product. The business owner has the expertise and knowledge and should clearly convey all specifications, requirements, performance metrics, etc.
- Collect product information from the industry (brochures, catalogs, specs, etc.). Many manufacturers list their catalogs and product specifications on the internet.
- Look for standards and test information from professional societies where available.
- Look for specification information from other government entities. Check to see if standard specifications already exist. Use the Internet and libraries for research. Many states have standard specifications listed on the internet.
- Call on other “experts” in the purchasing or technical community for help.
- NIGP: The National Institute of Governmental Purchasing maintains a library of over 10,000 specifications developed by federal, state, and local government purchasing entities in the U.S., and Federal, Provincial, and local entities in Canada.
- Research cooperative agreements. (See N.C.G.S. §143B-1320 (4),-1350(4); 9 NCAC 06B-1006)

6.5. Brand Name or Functionally Equivalent

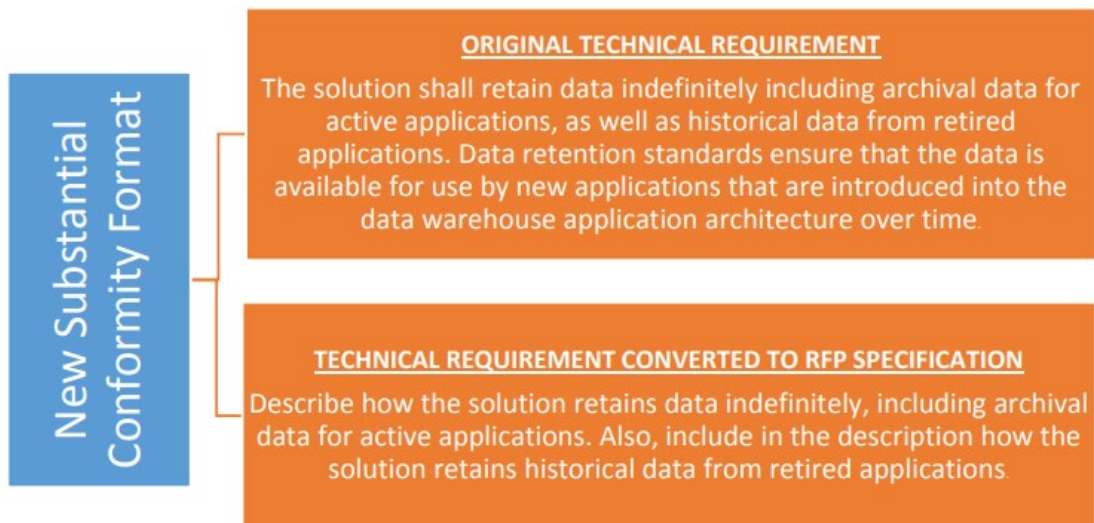
In the absence of standard specifications, the State often uses manufacturers' brand or model designations as a standard. Brand names are used to indicate general performance and quality levels. It should be clearly stated that other brands or models will be accepted on a “functionally equivalent” “or equal” basis.

To aid in communicating the desired quality level to bidders, an effort should be made to use brand name designations that are known throughout the industry or have specifications that are readily available. If a bidder does not know which of his products is comparable to the designated brand names, he cannot bid intelligently and may not bid at all. Bidders customarily know their competition and can usually tell without too much difficulty which of their brands or models will be considered equal. Still, the bidder cannot be sure which features of the item will be considered crucial in making the award. In addition to the brand name, the specifications should name the minimum requirements to be used in comparing brands and making the award.

6.6. Basic Contents of Specifications

The following information is presented as a basic outline for specifications.

- Scope, Classification, or Description - The first words or lines of a specification should be a general description, classification, or scope of the product desired and the intended or desired use of the item or service.
- Precede with directives such describe, explain, or address. See example below:



- Do not use “ability to” or similar phrases, in that such a specification may result in a vendor response that requires an unspecified optional or accessory item to have such “ability.” Example: a car may have the “ability” to tow a trailer, but not without the installation of an added towing package that may cost several hundred dollars more. Use of the verb “can” is a good substitute where applicable.
- Figures and Tables - Figures, illustrations, graphs, etc. can often describe the item more clearly and accurately than text.

6.7. Basic Contents of Requirements

The following information is presented as a basic outline for establishing requirements.

- List of Requirements - These requirements should identify measurable physical, functional, and quality characteristics that meet the requirements. This may include a detailed list of characteristics, such as: physical dimensions, processor speeds, storage capability, operating systems, standard of workmanship, or basic design. The text should be clear, simple language,

free of vague terms or those subject to variation in interpretation. The use of abbreviations should be restricted to those in common usage and not subject to possible misunderstanding.

- Use “shall” or “must” to express a requirement binding on the vendor or NCORR.
- Please see information in section 6.1.1.

Chapter 6 Resources

North Carolina Administrative Code
(NCAC) Rules

[09 NCAC 06B .1006 COOPERATIVE PURCHASING](#)

North Carolina General Statute

[N.C.G.S. 143B-1320 \(4\)-1350\(h\)](#)

7. Terms and Conditions

Following are terms and conditions applicable to IT procurements.

7.1. General Terms and Conditions

Statewide IT Procurement (SITP) includes various types of terms and conditions with solicitation templates (e.g. RFQ, IFB, RFP). These terms and conditions vary depending on the procurement: different terms are more appropriate for services, software, Software as a Service (SaaS) and goods. NCORR should consider business, technical and risk issues while preparing a solicitation and part of this preparation will include choosing the appropriate terms and business and technical needs may require some modifications. NCORR’s legal counsel shall review all solicitations prior to advertising and/or submissions to SITP. NCORR’s legal counsel are encouraged to consult with Attorney General’s counsel at DIT to avoid legal issues arising in the late stages of a procurement.

7.2. Specific Issues, Terms, and Conditions to Consider

There is a balance between protecting the State and conducting business with vendors that requires consideration of risks, liabilities, performance, and remedies. NCORR should consider the following:

- Risks may include simple risk of contract breach (i.e. having to contract with another vendor to complete the work), failure to perform a legal requirement (under state or federal law), or a myriad of others. NCORR should review business and technical issues to identify all risks and then work with IT procurement to modify appropriate terms and conditions.

- The standard limitation of liability for contract damages is “2X”, or twice the value of the contract. Vendors typically seek adjustment to this value, and it is a frequent issue in negotiations.
- The general terms and conditions provide rights of termination and for default. Agencies are often concerned with enforceable rights to ensure performance without having to declare a vendor in breach of a contract. NCORR should consider these matters when drafting the solicitation. This is a frequent issue in negotiation, and especially in IT projects conducted in an iterative manner.

7.3. Debarment

DIT may debar vendors as authorized by 9 NCAC 06B.1206. See, 9 NCAC 06B.0602. Agencies’ experience and documented reports to DIT regarding vendor performance, default or other such issues is important to the proper exercise of debarment authority. DIT provides a “vendor complaint form” on its website [IT Procurement Forms & Templates | NCDIT](#).

Chapter 7 Resources

North Carolina Administrative Code (NCAC) Rules

[09 NCAC 06B .1206 DFFAULT PROCFDINGS; DISQUALIFICATION; AND DEBARMENT](#)

[09 NCAC 06B .0602 REPORT TO ITS](#)

8. Debriefing Vendors

A debriefing is a meeting with NCORR procurement staff at a vendor’s request to discuss its offer, usually to help the vendor understand why it was not awarded a contract.

8.1. Debriefing is Optional

NCORR may prepare a solicitation document allowing vendors to request a debriefing by including a statement to the effect that debriefings may be requested. Debriefings may be conducted prior to award or after an award is made. (9 NCAC 06B.0405) Modifications to the solicitation must conform to the scope, notice and other provisions of the Rule. Debriefing language must be in the solicitation to conduct debriefing activities.

8.2. Scope of Debriefing

When the evaluation of two or more competitive solicitation responses results in a tie, the awarded vendor Pre-award debriefings may not disclose information from competing offers; only public information may be disclosed. Debriefing is not a “point-by-point” comparison between bidders or their offers. Weaknesses, deficiencies, and risks found in an offer may be disclosed during debriefing, together with cost and technical merit. (9 NCAC 06B.0405(c)(5)) Post-award debriefings may include rankings and evaluation information of other competing vendors. In light of the provision for a protest and the possibility of statements being taken out of context, avoid making unnecessary comments to the offeror being debriefed.

Chapter 8 Resources

North Carolina Administrative Code
(NCAC) Rules

[09 NCAC 06B .0405\(c\)\(5\) DEBRIEFING OFFERORS](#)

9. Request for Information (RFI)

The RFI is an informal request for information and will not result in an award to a vendor. Information gathered may be used to determine if a formal solicitation is needed at a later time.

9.1. Developing an RFI

There is no specified format for an RFI. Since the RFI is not a formal solicitation for a procurement, terms and conditions shall not be included. The RFI should provide as much information as possible to define the type of information that is being sought. The RFI should state clearly that it is not a request for offer and that no award will result.

9.2. Issuing an RFI

The RFI may be sent directly to interested vendors or it may be electronically posted to the Interactive Purchasing System (IPS) web page at www.ips.state.nc.us and to the e-Procurement Sourcing Tool. Statewide IT Procurement is not required to be involved in the RFI process; SITP does not have to review any documents or attend any meetings or conferences associated with the RFI. If the RFI indicates that conferences or meetings will be included in the RFI process, NCORR will coordinate and conduct any such conferences or meetings. The RFI must indicate whom the responses should be sent to and a deadline for submission of responses. The information gathered will be analyzed by NCORR.

9.3. Review of RFI Responses

After the information has been analyzed, NCORR will decide if further procurement action is desired. The information gathered should provide enough detail to determine the best type of solicitation process to initiate next.

Chapter 9 Resources

Statewide IT Procurement Resources

[Statewide IT Forms and Templates](#)

IPS Website

www.ips.state.nc.us

10. Request for Quote (RFQ)

RFQs are normally used in non-advertised and sole source solicitations in order to ensure that the vendor agrees to the DIT Terms and Conditions.

10.1. Issuing an RFQ

When an RFQ is advertised, it may be sent to the vendors using any method desired by NCORR, including the IPS web page at www.ips.state.nc.us and e-Procurement Sourcing Tool. In order for solicitations to be posted to IPS they must be posted first in the e-Procurement Sourcing Tool. Offers do not have to be sealed.

10.2. Receiving Quote Responses

Public openings for RFQs are not required. An offeror may recall their quotes prior to the opening by submitting a written request, signed by an authorized agent, to NCORR Procurement.

10.3. Quote Evaluation and Acceptance

NCORR business owner will evaluate the offer(s) utilizing the “best value” evaluation and award criteria specified in the RFQ and identify the best offer.

Once the best offer has been selected, NCORR Procurement will notify the successful vendor of the award decision. If the DIT RFQ form is used, the authorized representative of NCORR Procurement will complete

the Acceptance of Quote section of the accepted offer and send a copy of the acceptance to the successful vendor.

10.4. RFQ used for Waiver of Competition

The RFQ document may also be used for a waiver of competition, where one or more of the conditions of 09 NCAC 06B.0901 are met. Waiver requests over NCORR's delegation must be approved by the Statewide IT Procurement Office in accordance with Waiver of Competition guideline. Negotiations may also be conducted when conditions merit waiver of competition. 09 NCAC 06B.0316(c).

Chapter 10 Resources	
Statewide IT Procurement Resources	Statewide IT Forms and Templates
IPS Website	www.ips.state.nc.us
North Carolina Administrative Code (NCAC) Rules	09 NCAC 06B .0316 NEGOTIATION 09 NCAC 06B .0901 CONDITIONS FOR LIMITED OR WAIVED COMPETITION

11. Invitation for Bid (IFB) and Request for Proposal (RFP)

The Invitation for Bid (IFB) is normally used for procurements of goods or simple, common services. The Request for Proposal (RFP) is generally used in more complex procurement for services, goods or for a combination of services and goods.

11.1. Issuing a Bid

Statewide IT Procurement must review any solicitation that exceeds NCORR's delegation amount. (9 NCAC 06B.0301, 06B.1304). Statewide will review the solicitation and consult with NCORR on any issues. If the solicitation is a project, there will be additional reviews required outside the Statewide IT Procurement Office process. Statewide may return the solicitation to NCORR for further revisions or request additional documentation. For bids under NCORR's delegation, NCORR Procurement will work with the business owner if any further revisions or additional documentation is needed. Bids must be advertised on the IPS web page at <https://www.ips.state.nc.us/IPS> and the e-Procurement Sourcing Tool. Bids must be posted for a minimum of (10) calendar days prior to the opening date.

11.2. Receiving Offers

NCORR Procurement must receive sealed offers no later than the date and time of the bid opening. Any offers received after such time will not be considered.

11.2.1. **One-Step Bids**

On the opening date for the bid, the bids will be publicly opened and only the vendor's name will be made public record. Price offers are made public record after an award is made.

11.2.2. **Two-Step Solicitations**

On the opening date for the bid, the technical portion of the bid will be publicly opened and only the vendor's name will be made public record. The price portion of the offer will be opened after finalists have been determined at a later point. Price offers are made public record after an award is made.

The Two-Step solicitation may state two different submission dates, one for the technical proposal and a second submission date for the price proposal. If the price proposals are to be submitted after the technical evaluation, only the vendors with an accepted technical proposal and that are a part of the competitive range will be invited to submit a price proposal. The invitation to submit a price proposal will specify the price proposal opening date, time, and location. At least two (2) business days' notice will be given for the price proposal opening.

11.3. Offer Evaluation and Acceptance

Bids shall be evaluated utilizing the "best value" evaluation and award criteria specified in a solicitation document to identify the best offer.

11.3.1. **Under NCORR Delegation**

Once the best offer has been selected, NCORR Procurement will notify the successful vendor of the award decision. NCORR Procurement will complete the Acceptance section of the accepted offer and send a copy of the acceptance to the successful vendor.

11.3.2. **Over NCORR Delegation**

All award recommendations for goods or services procurements originally approved by the Statewide IT Procurement Office must be reviewed by Statewide prior to award.

11.3.3. **Award Recommendation**

Once the best or lowest technically acceptable offer (based on the award method stated in the solicitation) has been selected by the NCORR business owner, NCORR Procurement will send Statewide IT Procurement Office a recommendation for award. If Statewide approves the award recommendation, a Certification of Award will be sent to NCORR Procurement. NCORR will then issue a purchase order (if applicable). If Statewide or SCIO does not agree with the vendor selection, Statewide will work with NCORR to revise and resubmit recommendation.

Chapter 11 Resources	
Statewide IT Procurement Resources	Statewide IT Forms and Templates
IPS Website	www.ips.state.nc.us
North Carolina Administrative Code (NCAC) Rules	09 NCAC 06B .0301 PROCUREMENT PROCEDURES 09 NCAC 06B .1304 GENERAL DELEGATIONS

12. Evaluation of Offers

All evaluation factors and criteria and their relative importance must be stated clearly in the solicitation document. Relative strengths, deficiencies, weaknesses, and risks supporting the evaluation must be documented in the contract file. The evaluation team (should consist of a minimum of two members) shall determine the final ranking of all offers under consideration using only the criteria set forth in the solicitation document. All vendors are ranked from most advantageous to least advantageous to NCORR.

12.1. Lack of Competition

If no responses were received, it may be possible to rewrite the solicitation to make the solicitation more attractive to vendors. If there is no way to rewrite the solicitation that would result in offers, NCORR may elect to negotiate with known sources of supply.

12.2. Error/Clarification

Clarification is defined in 9 NCAC 06A.0102. Vendors may be given the opportunity to clarify certain aspects of proposals or to resolve minor clerical errors. Clarifications cannot be used to cure material

deficiencies (e.g. proposal deficiencies or omissions, materially alter the technical elements of the proposal), or to negotiate. Vendors may recall offers prior to acceptance of an offer by the State. 9 NCAC 06B.0304.

12.3. Negotiation

Negotiation is defined in 9 NCAC 06A.0102. If NCORR expects to use negotiations in the procurement, the solicitation document may be used to establish subject matter areas for negotiation. Negotiations are communications in a waived, limited, or open competitive procurement between NCORR and vendors that are undertaken with the intent of allowing the vendors to revise their offer. Revisions may apply to price, schedule, technical requirements, or other terms of the proposed contract. Negotiations are specific to each offer and shall be conducted to maximize NCORR's ability to obtain best value based on the evaluation factors set forth in the solicitation. NCORR may also give evaluation credit for technical solutions exceeding the specifications or to negotiate with vendors for increased performance beyond the specifications. If specified in the solicitation and following the negotiations, the vendors may submit final price adjustments or Best and Final Offers (BAFO) to be used in the final phase of the evaluation process. All negotiations must be finalized in a BAFO document.

Negotiations are advantageous to achieve "best value" by lowering costs through pricing as well as incorporating specific changes based on business and technical needs, NCORR expertise, risk assessments and other factors. Negotiations are especially encouraged for IT projects.

12.4. Best and Final Offer (BAFO)

A time and date for submission of best and final offers must be set if negotiations are conducted. Best and final offers should be requested only once if possible, however, it may be necessary for subsequent rounds of best and final offers. If it is in NCORR's interest, additional discussions may be conducted. Otherwise, no discussion of, or changes in, the best and final offers shall be allowed prior to award.

12.5. Extension of Offer Acceptance Time

When NCORR determines that it is in the public interest, NCORR may request that the bidders extend the time given in the proposal for acceptance of the offers prior to the bid expiring. A written request to extend shall be sent to the vendor for signature agreeing to the extension.

12.6. Basis for Rejection

NCORR may reject any offer in whole or part. Any rejections will be made a matter of record. Basis for rejection includes, but is not limited to, the following reasons:

- Offer is deemed unsatisfactory in terms of quantity, quality, delivery date, price, or service offered.
- Offer does not comply with conditions of the solicitation document or with the intent of the proposed contract.
- Lack of competitiveness.
- Errors in specifications or indications that a revision of the solicitation would be advantageous to NCORR.
- Cancellation or changes in the circumstances surrounding the solicitation eliminate the need of the solicitation.
- Limited or lack of funding available.
- Circumstances prevent the determination of the lowest responsible or most advantageous offer.
- Any other basis that rejection would be in the best interest of NCORR.

12.7. Source Selection Methods (“Best Value”)

12.7.1. **Tradeoff Method**

The tradeoff method is used when other than the lowest price or highest technically qualified offer may be considered for selection. Following are some of the factors, which are to be considered when contemplating the use of the tradeoff method.

- Solicitation must include all evaluation criteria.
- The evaluation criteria must have consistent methodology and should be listed in order of importance.
- Price must always be included as an evaluation criterion.
- Requirements must be met by the bidder.
- Requirements are “Yes” or “No;” and cannot be evaluated.
- Other criteria factors may include, but are not limited to:
 - Quality factors
 - Delivery and implementation schedule
 - Maximum facilitation of data exchange and systems integration
 - Consistency of the proposed solution with NCORR’s strategic direction
 - Effectiveness of business solution and approach
 - Industry and program experience
 - Prior vendor performance

- Vendor’s financial stability
- Proven development methodologies and tools
- Innovative use of technologies
- Evaluation criteria must allow overall ranking to be adjusted when considered against other non-price factors.

12.7.2. **Evaluation Methodology**

The evaluation methodology must be determined prior to advertising the solicitation. Qualified bids will be evaluated, and acceptance may be made in accordance with Best Value procurement practices as defined by G.S. §143-135.9, 9 NCAC 6A and 9 NCAC 6B.0302. A tradeoff methodology will be used to evaluate bids based on the criteria set forth in the solicitation.

Identify the major criteria that are critical to the success of the RFP. Some commonly used criteria are: qualifications, relevant experience, quality of work, references, service, physical facilities, human resources, cost (direct and indirect), technical capabilities, and proposed timelines. RFPs can only be evaluated on stated criteria, so include everything to be measured and ensure that the criteria are measurable. Avoid subjective, arbitrary, or general terms.

Begin the evaluation by seeing if the bidder met all the requirements criteria as stated in the bid. Requirements are “Yes” or “No”, they are not graded, measured, or evaluated; they are pass/fail for the bid.

Generally, there are two methods for RFP evaluations:

Method One:

Narrative – If the offer meets all the mandatory criteria, then the evaluation committee begins looking at the criteria as defined in the bid. Each criterion is determined to be either a strength or a weakness for each bidder. Then, based on those strengths and weaknesses, the evaluation committee determines which offer is the best proposal by stating why vendor #A was better than vendor #B, which was better than vendor #C, etc. The award recommendation would be written in this manner.

Method Two:

Ordinal or Ranking – When using the ordinal or ranking method, the criteria are stated in relative order of importance in the bid. If the offer meets all the specifications, then the evaluation committee begins looking at the criteria in order of importance, but without weighting them. So, in a list of criteria, in your order of importance, criteria #1 is more important than criteria #2, which is more important than #3, etc. The evaluation methodology must be determined prior to advertising the solicitation. The best proposal will be determined by which offer best meets the criteria given in the bid document.

12.7.3. Communications with Vendors

Discussion with vendors following receipt of offers must be conducted in accordance with the provisions of the solicitation. The solicitation must specify the types of discussions; clarifications, communications, or negotiations to establish competitive range that will be permitted.

If negotiations are conducted, the vendors may be permitted to submit revised offers to include changes that resulted from the negotiations in the form of a BAFO. Award must be made to the vendor whose proposal is determined to be most advantageous to NCORR, using the evaluation criteria set forth in the solicitation.

12.8. Lowest-Price Method

Used when the lowest price of a technically acceptable offer is expected to result in a best value selection. The following lists some areas to be considered when contemplating the use of the lowest-price method. The solicitation must state that the award will be based upon the lowest price among offers meeting or exceeding the non-price requirements of the solicitation.

- Tradeoffs are not permitted in this method.
- Offers are evaluated for technical acceptability, not technical ranking.
- Only clarifications are allowed of the vendors (no negotiating unless the purchase is over NCORR's delegation and is approved by the Statewide IT Procurement Office prior to negotiation).
- Award must be made to the lowest price, technically acceptable offeror.

12.9. No Acceptable Offers and Negotiation

If all offers that were submitted were rejected, but NCORR determines that a new solicitation would not be in the State's best interest, negotiations may be conducted with all sources that are capable of meeting the requirements. The negotiations must be in writing and must include the appropriate IT terms and conditions. If negotiations are conducted with only one vendor, the NCORR must determine why and the reason will be documented for public record. The solicitation should state that negotiations may be used if no acceptable offers are received.

12.10. Procurements That Are Designated As Projects

NCORR must obtain review and written approval from the DIT Enterprise Architecture Office, EPMO, and DIT Enterprise Security of the selected proposal if the procurement has been designated as an IT project prior to submitting award recommendation to the Statewide IT Procurement Office. NCORR will work

directly with each of these offices for approvals before submitting its award recommendation to the Statewide IT Procurement Office. Statewide cannot accept an award recommendation for a project designated procurement without these reviews and approvals.

Chapter 12 Resources	
Statewide IT Procurement Resources	Statewide IT Forms and Templates Statewide Technical Architecture
IPS Website	www.ips.state.nc.us
North Carolina Administrative Code (NCAC) Rules	09 NCAC 06B .0304 RECALL OF OFFERS 9 NCAC 6A 09 NCAC 06B .0302 METHODS OF SOURCE SELECTION
North Carolina General Statute	N.C.G.S 143-135.9. Best Value procurements
Enterprise Project Management Office (EMPO) Resources	EPMO Overview

13. Canceling a Procurement

A procurement may be cancelled at any time prior to award. Reasons for cancellation may include, but not limited to, if the requirements stated in solicitation no longer exists, funds are lacking, etc. When the dollar amount of the contract exceeds NCORR’s delegation, NCORR must seek approval from Statewide IT Procurement to cancel the procurement. Justification and documentation regarding the cancellation must be included in the procurement file.

14. Amending a Solicitation

NCORR may decide that it is in the state’s best interest to amend a solicitation. In such cases an addendum is prepared. The addendum must be advertised using the same media/method as the original solicitation. If the original was posted on the IPS web page and to the e-Procurement Sourcing Tool, the addendum must also be posted there. The addendum can be used to: change an opening date; respond to questions submitted by vendors; or to make any changes or additions to original solicitation. An addendum should also be used to cancel a solicitation when it is deemed in the state’s best interest to do so.

Chapter 14 Resources	
IPS Website	www.ips.state.nc.us
Sourcing Tool	www.eprocurement.nc.gov

15. Waiver of Competition (Sole Source)

Competition may be waived pursuant to 9 NCAC 06B.0901. When a waiver is contemplated, and the estimated total amount exceeds NCORR's delegation, the procurement request, along with the justification, must be sent to Statewide IT Procurement for review and approval prior to NCORR taking any further action. NCORR business owner must prepare a written justification identifying all relevant facts supporting one or more of the conditions identified in the Rule.

Following are conditions when competition may be waived:

- Competition is not available;
- A needed product or service is available from only one source of supply;
- Competition has been solicited but no responsive offers have been received;
- Standardization or compatibility is the overriding consideration;
- A donation stipulates the source of supply;
- Personal or professional services are required;
- A product or service is needed for a person with disabilities and there are overriding considerations for its use;
- Additional products or services are needed to complete an ongoing job or task;
- A particular product or service is desired for educational, training, experimental, developmental or research work;
- Equipment is already installed, connected and in service, and it is determined advantageous to purchase it;
- Items are subject to rapid price fluctuation or immediate acceptance;
- There is evidence of resale price maintenance or other control of prices or collusion on the part of persons or entities that thwarts normal competitive procedures unless otherwise prohibited by law;
- A purchase is being made and a price is available from a previous contract;
- The requirement is for an authorized cooperative project with another governmental unit(s) or a charitable non-profit organization(s); or
- A used item is available on short notice and subject to prior sale.

Competition must be sought whenever practicable and possible. In cases where competition is waived, justification for waiver must be made a part of the procurement file.

Chapter 15 Resources

North Carolina Administrative
Code (NCAC) Rules

[09 NCAC 06B .0901 CONDITIONS FOR LIMITED OR WAIVED
COMPETITION](#)

16. Award Recommendation

After NCORR has completed their evaluation a written award recommendation, on NCORR letterhead, must be sent to Statewide IT Procurement. This award recommendation letter should contain the following information at a minimum:

- The Vendor(s) NCORR is recommending for award.
- The amount of the award.
- The contract term of the award.
- Reasons why the Vendor(s) was chosen; this can be their strengths and weaknesses, etc. It is determined by your evaluation criteria.
- Reasons why the other Vendor(s) were not chosen.

If the procurement has been designated a Project, then DIT Enterprise Architecture Office review of the award recommendation must occur before submittal to the Statewide IT Procurement Office. NCORR should get written approval from the DIT Enterprise Architecture Office and provide that with their award recommendation letter.

Chapter 16 Resources

Statewide IT Procurement Resources

[Template for Award Recommendation Letter](#)

17. Contract Management

17.1. Post Award Conference

The post award conference is an orientation meeting designed to get the contract off to a good start. It is an opportunity for those responsible for administering the contract to meet with those who negotiated and executed the contract and to ensure that all parties have a clear understanding of all contract terms and requirements.

The NCORR Business Owner/Project Manager, with support from NCORR Procurement, and NCORR Legal, is responsible for:

- Determining the necessity for the conference
- Setting up the conference (time, date, and place)
- Designating attendees
- Establishing the agenda
- Preparing documentation after the conference
- Monitoring Performance

17.2. Receiving, Inspecting, and Testing

The NCORR business owner will inspect all materials, supplies, and equipment upon delivery to ensure compliance with the contract requirements and specifications.

17.3. Wrong/Defective/Missing Items

When goods or services fail to meet the requirements of the contract, the Agency that issued the award (NCORR or Statewide IT Procurement) is responsible for resolving the discrepancy. (9 NCAC 06B.0501 - .0502, 06B.0601 - .0603). If the wrong or defective items are delivered and the vendor requires that the items be returned, they will be returned at the vendor's expense. The vendor may not charge additional transportation fees when shipping the corrected items.

17.4. Modifying a Contract

NCORR or Statewide IT Procurement may modify a contract by written Amendment if it is determined to be advantageous to the State. If a modification to a contract causes an increase to the total amount of the contract and the revised total amount exceeds NCORR's delegation, NCORR must submit all proposed changes to Statewide IT Procurement for written approval. One type of modification may be a request by the NCORR to extend the termination dates on the contract. (See 9 NCAC 06B.0504 Modification of Contract Specifications, 06B.0703 Extension of Contract Termination Dates).

17.5. Contract Administration

A primary purpose of contract administration is to ensure that the vendor performs to the best degree possible. Satisfactory performance occurs when a vendor is providing the State timely delivery of the services or goods specified in the contract, and the vendor is complying with all terms and conditions of the contract. The ultimate goal is to get maximum performance from the vendor. The relationship between the vendor and NCORR should be a cooperative one.

The most critical factor in monitoring performance is achieving full understanding of the Contract terms of the Statement of Work. The NCOR Business Owner/Contract Administrator must be in agreement at the outset as to what constitutes acceptable performance. To do this the Business Owner/Contract Administrator should:

- Thoroughly understand the contract and/or statement of work as well as the intent of the contract.
- Conduct a thorough team review of the Contract Administration Plan.
- Obtain the concurrence of the vendor when he/she starts to perform work on the contract.
- Monitor the deliveries and/or services delivered under the contract and compare it against the contract baseline.

17.5.1. **Quality Assurance**

Quality Assurance involves determining the quality of a vendor's performance as measured by its contractual obligations. The primary functions under quality assurance are inspection and acceptance. These functions are performed by the NCORR Business Owner/Contract Administrator/Project Manager who then provides NCORR Procurement/Legal with documentation to support any follow-up action (such as sending a letter informing the vendor of nonconforming services).

Quality assurance, vendor performance and acceptance are particularly critical in IT projects and should be carefully considered when preparing solicitation documents, negotiating, and drafting contract terms.

17.5.2. **Vendor Performance**

NCORR has the primary responsibility of administering the contract. However, when assistance is required or it becomes apparent that completion of any identified milestone is going to be late, NCORR should notify Statewide in writing.

When a problem arises with a vendor, whether it is late delivery, incorrect items shipped, etc., the first step should be to contact the vendor directly to resolve the problem. If the problem is not resolved satisfactorily within a reasonable time or it becomes a recurring problem, the problem should be reported to Statewide IT Procurement via the Vendor Complaint Form. When a complaint is received, Statewide will work with NCORR and the vendor to resolve the complaint. Statewide will maintain a record of all written complaints to determine whether a vendor is performing responsibly. When it is determined that a vendor is not performing responsibly, the vendor complaint forms, and all associated written information may be used to debar the vendor from participating in IT procurement transactions with all State Agencies for a period that is determined to be suitable. The vendor will be notified in writing of any action taken by NCORR or DIT against the vendor regarding default performance or debarment. Vendor performance information will also be available to Agencies making their own IT procurements. Only vendor complaint information received in writing by Statewide will be used for these purposes.

When a contract awarded by Statewide provides for liquidated damages or other late penalties, final authority to impose or waive such penalties rests with Statewide. When penalties appear to be indicated, a thoroughly documented recommendation must be prepared by NCORR and submitted to Statewide.

17.5.3. **Contract Closeout**

Contract closeout occurs when:

- All goods and/or services are received and accepted.

- Final invoice for accepted goods and services is received and paid.
- All contract options, if any, have expired.
- Lease/rental contract period has expired.

Chapter 17 Resources

North Carolina Administrative Code (NCAC) Rules

[09 NCAC 06B .0501 RESPONSIBILITY](#)

[09 NCAC 06B .0502 INSPECTION](#)

[09 NCAC 06B .0601 ENFORCEMENT](#)

[09 NCAC 06B .0603 RESPONSIBILITY OF PURCHASING AGENCY](#)

[09 NCAC 06B .0504 MODIFICATIONS TO CONTRACT SPECIFICATIONS](#)

[9 NCAC 06B.0703 Extension of Contract Termination Dates](#)

Statewide IT Procurement Resources

[Vendor Complaint Form](#)

18. Miscellaneous Procedures

18.1. Rental/Leases/Installment Purchases

Contracts for the rental or lease of commodities shall be handled under the same rules applicable to all other IT purchases.

18.1.1. **Rental/Lease Contract**

Under the rental or lease contract, there cannot be any obligation to purchase the item.

18.1.2. **Lease Purchase Contract**

This is a procurement option that is available when the intent of the NCORR in obtaining ownership is uncertain or when it is in the best interest of the state to delay the ownership.

The contract must provide an option or obligation to purchase. Third party financing is not used.

Final ownership transfers only when the option to purchase is exercised or when the time for the obligation to purchase is reached.

The contract may also include options to upgrade the item during the lease period, which may be exercised without re-bidding the contract.

18.1.3. **Installment Purchase Contract (Third Party Financing)**

This section should not be applicable to NCORR; however, it has been included in the event state funding becomes available in the future.

This type of procurement is used when ownership of the item at time of possession is intended, and financing is arranged through a third party. The property purchased may provide a security interest to secure payment from the third party. If the goods are on a term contract and third-party financing is being used, the item is purchased from that contract. If the item is on a term contract, but financing is not through a third party (i.e. term vendor has offered financing), the item would not be considered on the contract. The purchase of the item would be processed as an open market item purchase that would allow vendors to bid on just the commodities, just the financing, or on both commodities and financing. Term and non-term vendors could submit offers under the open market procurement.

When the goods are not on a term contract and third-party financing is involved, the contract for the item is handled first to determine the price. The item solicitation must include a provision that award of contract is contingent upon obtaining satisfactory financing. NCORR shall handle the financing part of the procurement in the same manner as a contractual service contract is handled as stated in this manual.

The financing contract should also include an option for early payment without penalty.

18.2. Records Maintenance

During the procurement process, all paper and electronic records should be labeled individually to allow easy retrieval; see (9 NCAC 06B .1402). Procurement File records include:

- Requisition (e-Procurement System) or business owner request (email)
- Required approvals to proceed with purchase
- All offers - original offers if in writing, or written documentation of verbal offers
- Vendor-selection justification or reason for cancellation
- Evaluation worksheets or other evaluation documentation
- Distribution list, if used
- Written justification for waiver or emergency purchase
- Tabulation of offers received
- Copy of purchase order (s) or certification to Agency authorizing the issuance of the order(s).
- Related correspondence
- Reason(s) for receiving only one offer in response to a solicitation
- Negotiated contracts
- Reasons for not accepting technical proposals
- Contract certification documents issued by Statewide IT Procurement
- Summary of vendor debriefing, if any
- Protest documents, if applicable

NCORR must maintain all purchasing records for a minimum of five years following the expiration/completion date of the contract. Except where excluded by state law (i.e. trade secrets, confidentiality), these documents are public record.

18.3. Compliance Reviews

See IT Procurement rule 09 NCAC 06B.1305 for an overview of the compliance reviews process.

Chapter 18 Resources

North Carolina Administrative Code
(NCAC) Rules

[09 NCAC 06B .1402 PROCUREMENT FILE RECORDS](#)

[09 NCAC 06B .1305 COMPLIANCE REVIEWS](#)

19. Emergency/Pressing Need Purchases

19.1. Definitions

Emergency

"Emergency situations" are defined as circumstances that endanger lives, property, or the continuation of a vital program, as determined by the NCORR Executive Director, in consultation with NCORR Procurement, and that can be rectified only by immediate purchases or rental of goods or services. The existence of such condition must create an immediate and serious need for supplies, goods and/or services that cannot be met through normal procurement methods.

Pressing Need

"Pressing need" is defined as a need arising from unforeseen causes including delay by vendors, delay in transportation, breakdown in machinery, or unanticipated volume of work, and which can be satisfied only by immediate purchase (or rental) of equipment, supplies, materials, or contractual services. Pressing need does not include failure to plan a purchase in advance of a need.

19.2. Methods

NCORR may negotiate with a potential vendor (s) to acquire the quality of goods or services needed at the best possible price, delivery, terms and conditions.

A solicitation document (RFQ, IFB) must be issued, with Standard terms and conditions unless circumstance prohibit.

When an emergency or pressing need procurement is necessary and the expenditure is over NCORR's delegation, prior written approval must be obtained from Statewide IT Procurement Office unless the purchase must be made outside normal business hours or when State offices are otherwise closed. If prior written approval was not possible, and the expenditure is over NCORR's delegation, an explanation of the emergency or pressing need procurement must be reported in writing to Statewide IT Procurement.

20. Emergency/Pressing Need Purchases

20.1. Definitions

Definitions are set forth in 9 NCAC 06A .0102, and certain frequently used defined terms are presented here for ease of reference.

Agency: Defined as an entity enumerated in N.C.G.S. §143B-1320(a)(17).

Best Value Procurement: Defined as a procurement process with the fundamental objective reducing the total cost of ownership. The particular procurement methods used are selected so as to result in the best value for the State in terms of the function to be performed or delivered. 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.

Clarification: Defined as communications between the State and an offeror that may occur after receipt of an offer for the purpose of eliminating irregularities, or apparent clerical mistakes in an offer. A clarification may also be used to allow the State's reasonable interpretation of an offer or offers or to facilitate the State's evaluation of all offers. Clarification shall not be used to cure material deficiencies or to negotiate. [9 NCAC 06A .0102 (3)]

Commodities: Defined as any equipment, material, or supplies. Also referred to as Goods and Items.

Competition: Competition in purchasing exists when the available market for the goods or services to be acquired consists of more than one supplier who is technically qualified and willing to submit an offer. [9 NCAC 06A .0102 (5)]

Competitive Range: Defined as a range of all of the most highly ranked offers as established in the solicitation and as determined by the purchasing Agency during evaluation of offers. [9 NCAC 06A .0102 (6)]

Deficiency: Defined as either a failure to meet a stated requirement or a combination of weaknesses in an offer that increases the risk of unsuccessful contract performance. [9 NCAC 06A .0102 (7)]

Delegation: The authority granted by the SCIO to an Agency to handle purchases made under a certain dollar amount.

Emergency Need: A situation which endangers lives, property or the continuation of a vital program as determined by the purchasing Agency head and that can be rectified only by immediate purchases or rental of goods or services. [9 NCAC 06A .0102 (8); See, 9 NCAC 06B .1302]

General Delegation: The authority delegated to the purchasing agency for the procurement of information technology goods and services. The State CIO may issue general delegations and special delegations as provided in Rules 06B .1303 and 06B .1304. Information technology is defined in G.S. 147-33.81(2).

Goods: Defined as information technology commodities including equipment, materials, or supplies.

HUB: As a result of Executive Order #150 and N.C.G.S. §143-48, the Minority, Women and Disabled Business Enterprise Program was established to encourage increased participation in the state's procurement process. Effective April 20, 1999, the program name was changed to the Historically Underutilized Business (HUB) Program to better reflect the intent of this statewide program. The following types of businesses are classified as HUBs: minority-owned business (MBE); woman owned business (WBE); disabled owned business; disabled business enterprise, non-profit workshop for the blind or severely disabled (MBE). (<http://ncadmin.nc.gov/businesses/hub>).

Information Technology (IT): Electronic data processing goods and services and telecommunications goods and services, microprocessors, software, information processing, office systems, and any services related to information technology support. (N.C.G.S. §143B-1320(11))

Negotiation: Defined as oral or written communications in either a waived, limited, or open competitive procurement between the State and offerors undertaken with the intent of allowing offerors to revise their offers. Revisions may apply to price, schedule, technical requirements, or other terms of the proposed contract. Negotiations are specific to each offer and shall be conducted to maximize the State's ability to obtain best value based on the evaluation factors set forth in the solicitation. The State may reward technical solutions exceeding mandatory minimums with higher evaluations or negotiate with offerors for increased performance beyond mandatory minimums. (9 NCAC 06A .0102 (11); See, 9 NCAC 06B.0316)

Offer: Bid or proposal submitted in response to any solicitation document utilizing "Best Value" procurement methodology including Invitation for Bids (IFB), Request for Proposals (RFP), Request for Quotations (RFQ), negotiation, or other acquisition processes, as well as responses to solution-based solicitations and government-vendor partnerships.

Open Market Procurement: A procurement for a good or service that is not covered by a state term contract or Agency specific contract.

Packaged Software or Commercial off the Shelf Software (COTS): An information technology commodity and is defined as software used regularly for other than government purposes and is sold, licensed, or leased to the general public or commercial enterprises at a vendor's catalog prices.

Pressing Need: A need arising from unforeseen causes including, but not limited to, delay by contractors, delay in transportation, breakdown of machinery, or unanticipated volume of work, and which can be rectified only by an immediate on-the-spot purchase (or rental of equipment, supplies, materials or services). This is not the same as an Emergency Need. (9 NCAC 06A.0102(14); 09 NCAC 06B.1302)

Price: Amount paid by the State to a vendor for a good or service.

Procurement: Process of acquiring goods or services.

Progressive Award: An award of portions of a definite quantity requirement to more than one contractor. Each portion is for a definite quantity and the sum of the portions is the total quantity procured. A progressive award may be in the purchasing agency's best interest when the awards to more than one offeror for different amounts of the same item are needed to obtain the total quantity or the time or times of delivery required.

Purchasing Agency: Agency that issues the purchase order and thereby awards a contract.

Responsible Offeror: Offeror who demonstrates in its offer that it has the capability to perform fully the requirements of the solicitation.

Responsive Offer: An offer that conforms to the solicitation in all material respects.

Requirement: Features mandated by State Legislation; regulatory attributes that must adhere to a type of governance, such as HIPAA or FERPA; statewide policies and procedures, such as Architecture and Security; and certain technical specifications defined by the procuring Agency. Considered nonnegotiable.

Short Term Staffing Contract: A task related contract used to provide short term augmentation on an hourly basis. Normally engagements are for six months or less.

Specification: The procuring Agency's identified technical requirements.

Statewide Term Contract (STC): Contracts for goods or services established and administered by the Statewide IT Procurement Office on behalf of all Agencies. The contract document will identify the condition(s) under which usage by Agencies is required.

Substantial Conformity: When a Vendor's solution satisfies the purpose or objective of the business need even without adhering to ALL of the specifications; mitigates the use of "must" and "shall" in RFP Specifications.

Sealed Offer: An offer that remains unopened until the public opening time stated in the solicitation. Offers are typically submitted sealed to meet this requirement, but electronic submission is permitted if the purchasing agency has the capability to maintain the confidentiality of the offer until the scheduled public opening time.

Service: Any work performed to meet any demand or need for information technology requiring specialized knowledge, experience, expertise, professional qualifications, or similar capabilities for any aspect of information technology. This includes performance, review, analysis, development, integration, installation, or advice in formulating or implementing improvements in programs or services.

Small Purchase is defined as the purchase of goods and services where the expenditure of public funds is within the purchasing agency's delegated authority.

Solicitation Document: Written or electronic Invitation for Bid (IFB), Request for Quote (RFQ), Request for Proposal (RFP) or Request for Information (RFI) document or other such documents approved under Rule 06B .0201 expressly used to solicit, invite offers, or request information regarding the acquisition of goods and services.

State Chief Information Officer (State CIO): The person appointed to manage and administer the Office of Information Technology Services (ITS), and as used herein shall include the State CIO or the State CIO's designee.

State CIO approval, limitation or determination: The judgment applied to the particular factual basis for the procurement decision under the rule or rules, utilizing the knowledge and qualifications of the office, the needs of the State, and information provided by the agencies involved.

Tabulation: A list of offeror(s) submitting offer(s) in response to a particular solicitation.

Total Cost of Ownership: Summation of all purchase, operating, and related costs for the projected lifetime of a good or a service.

Vendor: Company, firm, corporation, partnership, individual, etc. submitting a response to a solicitation document or in response to a negotiation; (also referred to as bidder or offeror).

Waiver of Competition (Sole Source): Under conditions listed in 9 NCAC 06B .0901 where it is deemed in the public interest to procure with a specific vendor and/or for a specific brand.

20.2. Acronyms

BAFO	Best and Final Offer
CPO	Chief Procurement Officer
DIT	Department of Information Technology
EPMO	DIT Enterprise Project Management Office
HUB	Historically Underutilized Business
IFB	Invitation for Bid
IPS	Interactive Purchasing System
NASPO	National Association of State Procurement Officers
NCAC	North Carolina Administrative Code
NCORR	North Carolina Office of Recovery and Resiliency
RFI	Request for Information RFP Request for Proposal
RFQ	Request for Quote
SCIO	State Chief Information Officer

SOW	Statement of Work Statewide
Statewide	IT Procurement Office
STC	State Term Contract

21. State Procurement Methods Similar to 2 CFR Part 200

The procurement methods described herein are similar, but not identical to, the procurement methods described in 2 CFR § 200.320 “Methods of procurement to be followed.” The naming conventions and general description may differ from the federal counterpart.

Generally, Small Purchases are similar to the “Micro-Purchase” method described at 2 CFR § 200.320(a)(1). Small Purchases may be awarded without soliciting competitive price or rate quotes if the price is found to be reasonable based on the business owner’s research, experience, past purchase history for similar items, or other information to support the reasonableness of the cost.

Informal Purchases are similar, but not identical to, the “Small Purchase” method described at 2 CFR § 200.320(a)(2).

2 CFR § 200.320(e) “Noncompetitive Procurements” allows for non-competition in specific instances which are similar to the conditions allowable in 09 NCAC 06B.0901.

NCORR ensures that the provisions of 2 CFR § 200.327 and Appendix II to 2 CFR 200 are included in applicable contracts associated with federal funds.

North Carolina debarred vendor list, North Carolina Secretary of State, and SAM are checked prior to award.

Independent cost estimates (ICE) are not required by state procurement law; however, NCORR performs an ICE on contracts anticipated to cost \$250,000 or more prior to the bid opening date/time (2 CFR § 200.323).

Cost principles analysis are not required for grantee procurements as part of 2 CFR 200 or state procurement law. Instead, this cost analysis is a recommended practice by the United States Department of Housing and Urban Development (HUD) and consistent with the policies of the North Carolina Department of Public Safety, Office of Recovery and Resiliency (NCORR). The cost analysis reviews three cost elements of the proposals:

- Allowability (2 CFR 200.403)
- Reasonableness (2 CFR 200.404)
- Allocability (2 CFR 200.405)

Sub-recipients:

There are many factors that determine whether an entity is a subrecipient or a vendor. 2 CFR § 200.331 provides several examples related to how a subrecipient and vendor may differ. All subrecipient spending and procurement actions under NCORR's Community Development Block Grant programs must comply with the federal procurement standards described in 2 CFR § 200.317 through § 200.3271. The federal procurement standards can be broken down into the categories below:

- General procurement standards (2 C.F.R. § 200.318).
- Competition (2 C.F.R. § 200.319).
- Methods of procurement to be followed (2 C.F.R. § 200.320).
- Contracting with small and minority businesses, women's business enterprises, and labor surplus area firms (2 C.F.R. § 200.321).
- Procurement of recovered materials (2 C.F.R. § 200.322).
- Contract cost and price (2 C.F.R. § 200.323).
- Federal awarding agency or pass-through entity review (2 C.F.R. § 200.324).
- Bonding requirements (2 C.F.R. § 200.325).
- Contract provisions (2 C.F.R. § 200.327).

Sub-recipients must follow their own documented procurement procedures which reflect applicable state, local, and tribal laws, and regulations, provided that the procurements conform to applicable federal law and the standards defined in 2 CFR § 200.317 through 326.

Following federal requirements does not exempt a subrecipient from state or local requirements. In some instances, state and/or local procurement requirements may be more stringent than the federal procurement regulations. Subrecipients must ensure any actions taken satisfy both federal and state/local requirements.

Non-compliance with the applicable procurement regulations can result in costs being deemed unallowable, reimbursement requests being denied, or an order that previously awarded grant funds be returned.

If an applicant does not have documented procurement procedures, NCORR may not provide a contract until the applicant documents its procurement procedures. If a subrecipient's procurement procedures are inadequate, NCORR may not provide a contract until appropriate revisions have been made to assure all procedures will be made in compliance with the applicable federal, state, local, and tribal procurement requirements, and standards.

	<p>Per the DIT Enterprise Security and Risk Management Office (ESRMO) all procurement requests must be reviewed and approved by ESRMO before the Statewide IT Procurement Office can start processing. Has your request been reviewed and approved by ESRMO?</p> <p style="text-align: center;"><input type="checkbox"/> No <input type="checkbox"/> Yes</p> <p>If Yes, please provide the written approval from DIT ESRMO. Then go to Step 5.</p> <p>If No, please send your request to: ESRMO.Security.Reviews@nc.gov for review and approval. Then go to Step 5.</p>	
5	<p>SUMMARY OF INFORMATION AND DOCUMENTS TO BE PROVIDED TO THE STATEWIDE IT PROCUREMENT OFFICE</p> <ul style="list-style-type: none"> • Name and Short Description of the Procurement Request • Agency Approved Solicitation/Amendment (See Bid Checklists below) • Agency Documentation (internal approvals, quotes, etc.) • Original Statewide IT Procurement file/tracking number, if applicable • Agency Legal Approvals or Reviews • If a Procurement Exception, provide a completed Form A • If a Project, provide DIT EPMO and DIT EA written approvals • If there is a Hosting Exception, provide the Exception number received from the DIT Exceptions mailbox • Security Approvals (plus any applicable security documentation) <p>Does your procurement request package include all of the above?</p> <p>If Yes, please see the appropriate checklist below that corresponds to your bid document request.</p> <p>If No, please contact the appropriate DIT Division for your documentation.</p>	<input type="checkbox"/>

Checklist for RFP and IFB Submissions		Answer	
		Yes	No
1	Is your request being submitted <u>at least 120 days</u> prior to the current contract expiration date <u>or</u> the desired effective date for the new contract (e.g., fiscal year, end of the calendar year)?	<input type="checkbox"/>	<input type="checkbox"/>
2	Have you provided Statewide IT Procurement with the Agency's Purchasing Department Point of Contact with your submission? If the Agency's Purchasing Department is NOT the main point of contact, please provide a POC, such as a business owner, end-user, or Agency Sponsor.	<input type="checkbox"/>	<input type="checkbox"/>
3	Did you use the most current solicitation document version? Please see the Statewide IT Procurement solicitation templates at https://it.nc.gov/it-procurement-forms-and-templates).	<input type="checkbox"/>	<input type="checkbox"/>
4	Is your request for a specific brand or a specific vendor? If Yes, then you must complete and submit a Procurement Exception Form A and submit it with your documentation. On Form A, you will include your limited or waiver of competition justification of why the vendor or brand is the only qualifying provider/service/product (please refer to 9 NCAC 6B.0901 or contact Statewide IT Procurement if you need more guidance regarding this rationale). If No, then go to Step 5.	<input type="checkbox"/>	<input type="checkbox"/>
5	Is your request for a contract over a total of three (3) years? This includes any renewal options. If Yes, then you must complete and submit a Procurement Exception Form A and submit it with your documentation. On Form A, you will include your justification of why your contract needs to be greater than three (3) years cumulatively. Then submit your request through eProcurement and your documentation to the requisition. You will need to add Statewide IT Procurement to the Approval Flow. If you are not using eProcurement, submit your request and documentation via email to Submit2.StatewideIT@its.nc.gov If No, then submit your request through eProcurement and your documentation to the requisition. You will need to add Statewide IT Procurement to the Approval Flow. If you are not using eProcurement, submit your request and documentation via email to Submit2.StatewideIT@its.nc.gov	<input type="checkbox"/>	<input type="checkbox"/>

Checklist for RFQ Submissions		Answer	
		Yes	No
1	<p>Did you use the most current solicitation document version? Please see the Statewide IT Procurement solicitation templates at https://it.nc.gov/it-procurement-forms-and-templates).</p>	<input type="checkbox"/>	<input type="checkbox"/>
2	<p>Did you complete and submit a Procurement Exception Form A and submit it with your documentation? On Form A, you will include your limited or waiver of competition justification of why the vendor or brand is the only qualifying provider/service/product (please refer to 9 NCAC 6B.0901 or contact Statewide IT Procurement if you need more guidance regarding this rationale.)</p>	<input type="checkbox"/>	<input type="checkbox"/>
3	<p>Is your request for a contract over a total of three (3) years? This includes any renewal options.</p> <p>If Yes, then you must complete and submit a Procurement Exception Form A and submit it with your documentation. On Form A, you will include your justification of why your contract needs to be greater than three (3) years cumulatively. Then go to Step 4.</p> <p>If No, go to Step 4.</p>	<input type="checkbox"/>	<input type="checkbox"/>
4	<p>Does the vendor have an End User License Agreement(s) or Service Level Agreement(s) that may apply to your RFQ?</p> <p>If Yes, then you must provide the vendor's most current version with your submittal. Then submit your request through eProcurement and your documentation to the requisition. You will need to add Statewide IT Procurement to the Approval Flow. If you are not using eProcurement, submit your request and documentation via email to Submit2.StatewideIT@its.nc.gov</p> <p>If No, then submit your request through eProcurement and your documentation to the requisition. You will need to add Statewide IT Procurement to the Approval Flow. If you are not using eProcurement, submit your request and documentation via email to Submit2.StatewideIT@its.nc.gov</p>	<input type="checkbox"/>	<input type="checkbox"/>

Checklist for Contract Amendment Submissions		Answer	
		Yes	No
1	<p>Is the contract that you are amending still active (i.e. within its contract term)?</p> <p>If Yes, then go to Step 2.</p> <p>If No, please contact the Statewide IT Procurement Office to discuss your options.</p>	<input type="checkbox"/>	<input type="checkbox"/>
2	<p>Did you draft an amendment and include the following minimum information:</p> <ul style="list-style-type: none"> • Reference to the original contract in the amendment • Reference to any previous amendments and what they changed or added • Include any changes or additions to the original contract, i.e. what the amendment is for • Include signature blocks <p>If Yes, then go to Step 3.</p> <p>If No, then look over the original contract and include that information. Then go to Step 3.</p>	<input type="checkbox"/>	<input type="checkbox"/>
3	<p>Does your amendment increase the contract term over a total of three (3) years? This includes any renewal options.</p> <p>If Yes, then you must complete and submit a Procurement Exception Form A and submit it with your documentation. On Form A, you will include your justification of why your contract needs to be greater than three (3) years cumulatively. Then go to Step 4.</p> <p>If No, go to Step 4.</p>	<input type="checkbox"/>	<input type="checkbox"/>
4	<p>Does the vendor have an End User License Agreement(s) or Service Level Agreement(s) that may apply to your RFQ?</p> <p>If Yes, then you must provide the vendor's most current version with your submittal. Then submit your request through eProcurement and your documentation to the requisition. You will need to add Statewide IT Procurement to the Approval Flow.</p> <p>If you are not using eProcurement, submit your request and documentation via email to Submit2.StatewideIT@its.nc.gov</p> <p>If No, then submit your request through eProcurement and your documentation to the requisition. You will need to add Statewide IT Procurement to the Approval Flow.</p> <p>If you are not using eProcurement, submit your request and documentation via email to Submit2.StatewideIT@its.nc.gov</p>	<input type="checkbox"/>	<input type="checkbox"/>

Appendix B: Statewide IT Procurement Procedures for Using Cooperative Agreement

[Microsoft Word - GSA-Ordering-Procedures \(nc.gov\)](#)

GSA Contract Purchasing Procedures for North Carolina

Important Information Regarding the GSA Contract Purchasing Procedures:

Per G.S. 143B-1350(c)(4), and 9 NCAC 06B.1006 (Cooperative Purchasing) these procedures apply to purchases under U.S. General Services Administration (GSA) Schedule, also known as Federal Supply Schedule, and the Multiple Award Schedule (MAS).

State Agencies must use established State Term Contracts (9 NCAC 06B.0701) or Master Agreements established for Enterprise use. Not all items under MAS Schedule are available for Agencies to purchase. For example, State Agencies may not use the MAS to purchase Telecommunication Goods and Services as per 09 NCAC 06B.0301. If the MAS is limited and not representative of a competitive marketplace, then the Agency must follow other applicable procurement Rules, policies and procedures.

IT Schedule 70 is for IT Products, Services and Solutions:

- Mobile device and mobile application management (MDM/MAM) tools,
- Automated data processing equipment (firmware),
- Software,
- Cloud computing services,
- Hardware,
- Support equipment, and
- Professional IT services.

Agencies utilizing MAS shall not utilize a “low cost meeting specification” bidding process. MAS pricing is set at a maximum, therefore Agencies must negotiate pricing with the responding Vendors, as well as terms and conditions, to obtain the best value. Please note that MAS Vendors may accept or reject orders placed by the Agencies at their discretion.

Agencies on the e-Procurement System must issue a Purchase Order (PO) to the MAS Vendor through the e-Procurement System. Purchase Orders for issued for goods are subject to the e-Procurement fee which is paid by the Vendor. GSA purchases are also subject to an Industrial Funding Fee (IFF) which Vendors pay to the federal government. However, MAS pricing already includes the IFF.

GSA Contract Purchasing Procedures:

- I. Agencies will first determine if the necessary goods or services are available under a State Term Contract. If the goods or services are not available under a State Term Contract, the Agency shall:
 - A. Notify the Statewide IT Procurement Office of its desire to utilize MAS under the GSA, and
 - B. Identify qualified Vendors under the MAS category, subcategory and Special Item Number (SIN), and

- C. Conduct and document marketplace research to determine whether the identified MAS Vendors represent the general competitive market.
- II. Upon receipt of the Agency's request, the Statewide IT Procurement Office shall review.
- III. If the Agency's GSA request is approved, the Statewide IT Procurement Office will send approval to the Agency via email.
- IV. The Agency must follow the MAS Ordering Procedures for GSA. The web link to the instructions are located at: <https://www.gsa.gov/buying-selling/new-to-gsa-acquisitions/how-to-buy-through-us>
- V. The Agency must order through eBuy (<https://www.ebuy.gsa.gov/ebuy/>) or GSA Advantage! (https://www.gsaadvantage.gov/advantage/ws/main/start_page). Please note that for GSA terminology, schedule equals contract. In order to determine which tool to use, the Agency will need to perform a requirements analysis. The ordering process may vary based on whether or not a Statement of Work (SOW) is required.
 - A. Procedures to use eBuy
 1. The eBuy webpage is: <https://www.ebuy.gsa.gov/ebuy/>
 2. The Agency will need to create a login to use.
 3. The Agency will have to develop/create a Request for Quote (RFQ) that will be posted on eBuy, the GSA online tool.
 4. The Agency must review the contract's specific Terms and Conditions (T&Cs) and decide if they will agree to them. In general, when state or local governments place orders, all terms and conditions of the contractor's Schedule flow down to the order level, except the following: • Disputes Clause, • Patent Indemnity Clause, • Prompt Payment Clause, and • Certain Commercial Item Contract Terms and Conditions
 5. The Agency will need to follow the eBuy template, which will guide you through issuing the RFQ, and help you submit it to vendors.
 6. The Agency may add additional terms and conditions or enhancements to Schedule terms and conditions as long as they do not conflict with the base-level Schedule terms and conditions.
 7. The Agency will need to negotiate and make risk determinations and business decisions regarding some of the State's T&Cs as noted in 4 above.
 8. MAS pricing is a contract maximum and Agencies must negotiate final pricing.

B. Procedures to use GSA Advantage:

1. The GSA Advantage! webpage is:
https://www.gsaadvantage.gov/advantage/ws/main/start_page
2. The Agency will need to create a login to use.
3. The Agency will need search the category lists and choose items

4. The Agency must review the items contract's specific Terms and Conditions (T&Cs) and decide if they will agree to them. In general, when state or local governments place orders, all terms and conditions of the contractor's Schedule flow down to the order level, except the following:
 - Disputes Clause,
 - Patent Indemnity Clause,
 - Prompt Payment Clause, and
 - Certain Commercial Item Contract Terms and Conditions
 5. The Agency may add additional terms and conditions or enhancements to Schedule terms and conditions as long as they do not conflict with the base-level Schedule terms and conditions.
 6. The Agency will need to negotiate and make risk determinations and business decisions regarding some of the State's T&Cs as noted in 4 above.
 7. MAS pricing is a contract maximum and Agencies must negotiate final pricing.
- VI. The Agency will evaluate the responses they receive, following their normal procurement procedures for review and evaluation. The Agency should use the GSA eLibrary to investigate the industry partners and research their detailed contract information. The Agency may consult with the Statewide IT Procurement Office during negotiations.
- VII. The Agency will then send their award recommendation to the Statewide IT Procurement Office. The Agency's award recommendation must include: A. The Agency negotiated pricing versus the MAS contract pricing. B. A copy of the MAS applicable contract T&Cs C. The additional State terms and conditions that the Agency negotiated.
- VIII. After review, the Statewide IT Procurement Office will send their approval to the Agency.
- A. Make the award and issue a PO through eProcurement
 - B. Schedule contractors have the option of accepting orders placed by state and local government buyers. They may decline an order, for any reason, within a five-day period after receipt of the order.
 - C. State and local governments are responsible for ensuring that only authorized representatives place orders against these Schedules.
- IX. The Statewide IT Procurement Office will then review the Agency award recommendation for approval or disapproval.
- A. If approved, the Agency will issue a Purchase Order (PO) to the awarded vendor. Per the MAS, the Vendor has five (5) days to decide if they will accept or decline the Agency's PO.
 - B. If the Vendor does not accept the PO, then the Agency may select another qualified and responsive Vendor after notifying the Statewide IT Procurement Office.
 - C. Schedule contractors have the option of accepting orders placed by state and local government buyers. They may decline an order, for any reason, within a five-day period after receipt of the order.

- X. If the Agency is unable to reach agreement with a Vendor using the MAS process, the Agency may elect to proceed pursuant to applicable IT Procurement Rules and procedures.

Appendix C: Statewide IT Procurement Exception Forms

[Exception Resources](#) | [NCDIT](#)

Procurement Exception Request (Form A)

Basic Information		
Date:	Click or tap here to enter text.	
Agency:	Click or tap here to enter text.	
Division:	Click or tap here to enter text.	
Contacts		
	Name	Email Address
Business Owner:	Click or tap here to enter text.	Click or tap here to enter text.
Procurement:	Click or tap here to enter text.	Click or tap here to enter text.
Summary		
Description:	Click or tap here to enter text.	
Procurement Exception Category:	<input type="checkbox"/> Contract Beyond Three (3) Years <input type="checkbox"/> Brand Specific Waiver of Competition <input type="checkbox"/> Sole Source Waiver of Competition <input type="checkbox"/> Cooperative Agreement / Use of Another Agency Contract	
Is this an IT Project?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
If Yes, enter IT Project Number from Touchdown:	Click or tap here to enter text.	
Contract		
Renewal:	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Expired:	<input type="checkbox"/> Yes <input type="checkbox"/> No	
If expired, enter Expiration Date:	Click or tap here to enter text.	
Original Date:	Click or tap here to enter text.	
Current Term Start Date:	Click or tap here to enter text.	
Current Term End Date:	Click or tap here to enter text.	
Requested Term Start Date:	Click or tap here to enter text.	
Requested Term End Date:	Click or tap here to enter text.	
Estimated Cost:	\$Click or tap here to enter text. <input type="checkbox"/> Purchase <input type="checkbox"/> Lease	
Ariba Buyer Purchase Requisition Number:	Click or tap here to enter text.	
Statewide IT Procurement Office Tracking # (if Amendment):	Click or tap here to enter text.	
Attachments		
Attachment Type:	<input type="checkbox"/> Draft* Solicitation <input type="checkbox"/> IFB <input type="checkbox"/> RFQ <input type="checkbox"/> RFP <input type="checkbox"/> Vendor Statement that they are the Sole Source <input type="checkbox"/> Draft* Amendment <input type="checkbox"/> Waiver Justification Documentation and Documents <input type="checkbox"/> Click or tap here to enter text. <input type="checkbox"/> Click or tap here to enter text. *Draft = Editable MS Word Electronic Versions	

Exception Category:	Contract Beyond Three (3) Years
Authority:	09 NCAC 06B.0301(d)(5)
Justification	
Your justification must explain why the contract term must be longer than three (3) years and what benefits the State would receive or gain.	
Our Agency has reviewed the applicable authority and demonstrates the following in support of this request.	
Click or tap here to enter text.	

Attachments

- [Click or tap here to enter text.](#)
- [Click or tap here to enter text.](#)

Exception Category	Waiver of Competition – Brand Specific or Sole Source
Authority:	09 NCAC 06B.0901
Condition: Note: This is only a partial list. Please see 09 NCAC .06B.901 for the complete list.	<input type="checkbox"/> a needed product or service is available from only one source of supply <input type="checkbox"/> standardization or compatibility is the overriding consideration <input type="checkbox"/> additional products or services are needed to complete an ongoing job or task <input type="checkbox"/> a particular product or service is desired for educational, training, experimental, developmental or research work <input type="checkbox"/> personal or particular professional services are required Other Applicable Waiver Condition (enter below): <input type="checkbox"/> Click or tap here to enter text. <input type="checkbox"/> Click or tap here to enter text.

Justification	
Your justification must explain why the product or service is the only one able to meet the requirements of the user and must conclusively support the determination that no other product or service can fulfill the user needs.	
Our Agency has reviewed the applicable authority and demonstrates the following in support of this request.	
Click or tap here to enter text.	

Attachments

- [Click or tap here to enter text.](#)
- [Click or tap here to enter text.](#)

Exception Category:	Cooperative Agreement / Use of Another Agency Contract
Authority:	09 NCAC 06B.1006
Cooperative Agreement Information or Contract Information	
Name of Agency that "owns" this Agreement or Contract:	Click or tap here to enter text.
Name of Agreement or Contract:	Click or tap here to enter text.
Current Term Start Date:	Click or tap here to enter text.
Current Term End Date:	Click or tap here to enter text.
Statewide IT Procurement Office Tracking # (if applicable):	Click or tap here to enter text.

Justification	
Your justification must explain why you want to use this contract and provide documentation that the State contract holder AND the contract Vendor both agree to let you use this contract.	
Our Agency has reviewed the applicable authority and demonstrates the following in support of this request.	
Click or tap here to enter text.	

Standards Exception Request (Form B)

Instructions: State Agencies requesting a Standards Exception should complete this form and submit it to NCDIT for approval through the NC eProcurement Sourcing Tool. If this Standards Exception Request is not related to an active IT procurement in the Sourcing Tool, State Agencies may email the completed form and supporting documentation to dit.exceptions@nc.gov. NCDIT will enter the request into the Sourcing Tool on the State Agency's behalf. More detailed information about the Standards Exception Request process can be found at the end of this Form.

Summary	
Description:	Click or tap here to enter text.
Standards Exception Category:	<input type="checkbox"/> Hosting <input type="checkbox"/> Other: Click or tap here to enter text.
Hosting Location:	<input type="checkbox"/> Vendor <input type="checkbox"/> Agency <input type="checkbox"/> Other: Click or tap here to enter text.
Is this an IT Project?	<input type="checkbox"/> Yes <input type="checkbox"/> No
If Yes, enter IT Project Number from Touchdown:	Click or tap here to enter text.
Estimated Cost:	\$Click or tap here to enter text.
Privacy Threshold Analysis (PTA) Number:	Click or tap here to enter text.
Attachments	
Attachment Type:	<input type="checkbox"/> Click or tap here to enter text. <input type="checkbox"/> Click or tap here to enter text. <input type="checkbox"/> Click or tap here to enter text. <input type="checkbox"/> Click or tap here to enter text.

Business Case
Please provide context for your request by summarizing your related business need.
Click or tap here to enter text.

Check Here is Business Case is Attached

Exception Category	Hosting
Authority:	NCGS § 143B-1365; Session Law 2016-94, Section 7.9(b)
Condition:	<input type="checkbox"/> Using an outside contractor would be more cost effective for the State. <input type="checkbox"/> The Department [NCDIT] does not have the technical capabilities required to host the application. <input type="checkbox"/> Valid security requirements preclude the use of the State infrastructure, and a vendor can provide a more secure environment. <input type="checkbox"/> The application is natively or commercially sold and delivered as a cloud-based solution.

Justification
Our agency has reviewed the applicable authority, identified 1 and only 1 condition applicable to our agency, and demonstrates the following in support of this request.
Click or tap here to enter text.

Check Here is Justification is Attached

Exception Category	Other:
	Click or tap here to enter text.
Authority:	Click or tap here to enter text.

Justification
Our agency has reviewed the applicable authority and demonstrates the following in support of this request.
Click or tap here to enter text.

Check Here is Justification is Attached

Listed below is more information around the Standards Exception Request process.

Instructions
<p data-bbox="227 273 535 304">Form Submission Information</p> <ul data-bbox="259 304 1396 1197" style="list-style-type: none"><li data-bbox="259 304 1396 462">• The Standards Exception Request Form B and any supporting documentation should be submitted through the NC eProcurement Sourcing Tool to NCDIT. The Sourcing Tool will first route the Standards Exception Request Form to the State Agency's IT Security Liaison for approval. Once the State Agency's IT Security Liaison has approved the Request in the Sourcing Tool, the Sourcing Tool will automatically route the Standards Exception Request Form to NCDIT.<li data-bbox="259 462 1396 588">• For Standards Exception Requests that are <u>not</u> associated with an active IT procurement in the Sourcing Tool, State Agencies may email the completed Standards Exception Request form and supporting documentation to dit.exceptions@nc.gov. NCDIT will enter the Standards Exception Request into the Sourcing Tool on the State Agency's behalf for processing.<li data-bbox="259 588 1396 997">• State agencies that wish to use the Sourcing Tool to submit a Standards Exception Request that is <u>not</u> associated with an active IT procurement in the Sourcing Tool can follow the steps below:<ol data-bbox="308 651 1396 997" style="list-style-type: none"><li data-bbox="308 651 1396 714">1. Agency user that wants to submit a Standards Exception Request downloads the latest Standards Request Form from the NCDIT Exceptions website<li data-bbox="308 714 1396 777">2. Agency user completes the Standards Exception Request Form and provides the completed form and any required supporting documentation to Agency Procurement<li data-bbox="308 777 1396 840">3. Agency Procurement creates a Sourcing Project (not a Sourcing Request) in the Sourcing Tool, and selects Solicitation Vehicle to be IT: Exception Request Only<li data-bbox="308 840 1396 934">4. Agency Procurement attaches the completed Standards Exception Request Form and supporting documentation to the applicable approval task in the Sourcing Project and submits it to NCDIT for approval (it will be sent first to Agency IT Security Liaison for their approval)<li data-bbox="308 934 1396 997">5. NCDIT Reviewers review and provide approval decision to submitted Standards Exception Request in Sourcing Tool<li data-bbox="259 997 1396 1092">• If State Agencies require any assistance in the Standards Exception Request submission process, they can contact the NC eProcurement Help Desk at 888-211-7440, option 1 or send email to ephelpdesk@its.nc.gov.<li data-bbox="259 1092 1396 1197">• The State Chief Information Officer (SCIO) has statutory authority in planning and managing a framework that collaboratively develops and publishes, information technology standards that guide architecture, design, engineering, procurement, and operational activities. <p data-bbox="227 1228 308 1260">Hosting</p> <ul data-bbox="259 1260 1396 1323" style="list-style-type: none"><li data-bbox="259 1260 1396 1323">• NCGS § 143B-1365¹ requires State agencies to use the State infrastructure to host their projects, services, data, and applications pursuant to current guiding authorities/laws.

¹ [NCGS § 143B-1365](#). Data Centers.

(a) The State CIO shall create an inventory of data center operations in the executive branch and shall develop and implement a detailed, written plan for consolidation of agency data centers in the most efficient manner possible. By May 1, 2016, the State CIO shall present a report on the data center consolidation plan to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division. (b) State agencies shall use the State infrastructure to host their projects, services, data, and applications. The State Chief Information Officer may grant an exception if the State agency can demonstrate any of the following: (1) Using an outside contractor would be more cost-effective for the State. (2) The Department does not have the technical capabilities required to host the application. (3) Valid security requirements preclude the use of State infrastructure, and a vendor can provide a more secure environment. (2015-241, s. 7A.2(b).)

Security Exception Request (Form C)

Instructions: State Agencies requesting a Security Exception should complete this form and submit it to NCDIT for approval through the NC eProcurement Sourcing Tool. If this Security Exception Request is not related to an active IT procurement in the Sourcing Tool, State Agencies may email the completed form and supporting documentation to dit.exceptions@nc.gov. NCDIT will enter the request into the Sourcing Tool on the State Agency's behalf. More detailed information about the Security Exception Request process can be found at the end of this Form.

Basic Information		
Request Title:	Click or tap here to enter text.	
Date:	Click or tap here to enter text.	
Agency:	Click or tap here to enter text.	
Division:	Click or tap here to enter text.	
Contacts		
	Name	Email Address
Business Owner:	Click or tap here to enter text.	Click or tap here to enter text.
CISO/Security:	Click or tap here to enter text.	Click or tap here to enter text.
Project Manager:	Click or tap here to enter text.	Click or tap here to enter text.
Director:	Click or tap here to enter text.	Click or tap here to enter text.
Agency CIO:	Click or tap here to enter text.	Click or tap here to enter text.
Summary		
Is this an IT Project?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
If Yes, enter IT Project Number from Touchdown:	Click or tap here to enter text.	
Privacy Threshold Analysis (PTA) Number:	Click or tap here to enter text.	
Reason for Request		
Reason:	<input type="checkbox"/> Patch Management – (SI-2: Flaw Remediation) <input type="checkbox"/> Software – (SA-3: System Development Life Cycle / SA-8: Security Engineering Principles) <input type="checkbox"/> Hardware – (SA-3: System Development Life Cycle / SA-8: Security Engineering Principles) <input type="checkbox"/> Password – (IA-5: Authenticator Management) <input type="checkbox"/> Service/Group Account – (AC-2: Account Management) <input type="checkbox"/> Other: Click or tap here to enter text.	
Attachments		
Attachment Type:	<input type="checkbox"/> Click or tap here to enter text. <input type="checkbox"/> Click or tap here to enter text.	

Business Case
Please explain why the waiver is needed (details of the deficiency). Please include the following if applicable: Operation System Details, Version Information, and/or Length of Waiver Requested.
Click or tap here to enter text.

Check Here is Business Case is Attached

Mitigation Approach
Please explain how you are mitigating the risk. Please include the following items, if applicable:
<ul style="list-style-type: none"> • Network Controls (e.g., vlans, non-routable IPs) • Other access control measures in place • Current compliance state (e.g., based on recent scan) • System Hardening • Monitoring ability (how do you ensure the controls in place remain unchanged)
Click or tap here to enter text.

Check Here is Mitigation Approach is Attached

Listed below is more information around the Security Exception Request process.

Information

Form Submission Instructions

- The Security Exception Request Form C and any supporting documentation should be submitted through the NC eProcurement Sourcing Tool to NCDIT. The Sourcing Tool will first route the Security Exception Request Form to the State Agency's IT Security Liaison for approval. Once the State Agency's IT Security Liaison has approved the Request in the Sourcing Tool, the Sourcing Tool will automatically route the Security Exception Request Form to NCDIT.
- For Security Exception Requests that are not associated with an active IT procurement in the Sourcing Tool, State Agencies may email the completed Security Exception Request form and supporting documentation to dit.exceptions@nc.gov. NCDIT will enter the Security Exception Request into the Sourcing Tool on the State Agency's behalf for processing.
- State agencies that wish to use the Sourcing Tool to submit a Security Exception Request that is not associated with an active IT procurement in the Sourcing Tool can follow the steps below:
 1. Agency user that wants to submit a Security Exception Request downloads the latest Security Exception Request Form from the [NCDIT Exceptions website](#)
 2. Agency user completes the Security Exception Request Form and provides the completed form and any required supporting documentation to Agency Procurement
 3. Agency Procurement creates a Sourcing Project (not a Sourcing Request) in the Sourcing Tool, and selects Solicitation Vehicle to be IT: Exception Request Only
 4. Agency Procurement attaches the completed Security Exception Request Form and supporting documentation to the applicable approval task in the Sourcing Project and submits it to NCDIT for approval (it will be sent first to Agency IT Security Liaison for their approval)
 5. NCDIT Reviewers review and provide approval decision to submitted Security Exception Request in Sourcing Tool
- If State Agencies require any assistance in the Security Exception Request submission process, they can contact the NC eProcurement Help Desk at 888-211-7440, option 1 or send email to ephelpdesk@its.nc.gov.
- Agencies should review and ensure that all required security policies are in place to protect sensitive data; refer to the [Statewide Information Security Manual](#).
- Pursuant to [NCGS § 143B-1377](#), agencies must complete the necessary security, risk, and/or data classification assessment for each request. Agencies should use the [Privacy Threshold Analysis](#) form to assist with this effort.
- Your agency may have a procurement for a business solution that includes services handling sensitive or confidential data (e.g., PII, HIPAA, FERPA). Use the [Privacy Threshold Analysis \(PTA\)](#) form to assess the types of data and potential risks involved. PTAs are not required for Security Exception Requests (Form C).
- The agency Chief Information Security Officer (CISO) or their designee should include a statement of review and/or compliance consistent with agency and state standards with each exception submitted.
- **Information Security Incidents** (e.g., intrusion, hacking, information disclosure, denial of service, exploitation, cyber-attack) are not exceptions and should be reported at: <https://it.nc.gov/cybersecurity-situation-report>.

Privacy Threshold Analysis (PTA)

- The [Privacy Threshold Analysis](#) form is available to assist agencies in assessing system and application privacy implications.

Industry Certification Report

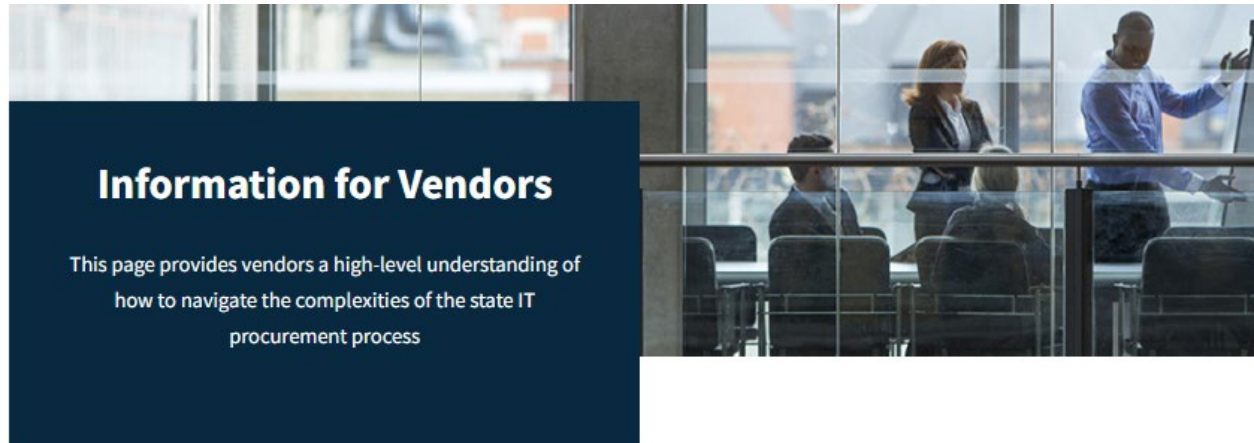
- In some cases, pursuant to [NCGS § 143B-1378](#), agencies will need to provide an industry certification report and in particular, for cloud-based hosting or application solutions.
- Agencies will need to contact their vendor, obtain, and provide a copy of its most recent third party audit. Examples include SOC 2 Type 2, SSAE 18, ISO 27001, or FedRAMP certification reports.

Questions

- DIT Enterprise Security and Risk Management Office (ESRMO): security@its.nc.gov.

Appendix D: Statewide Technical Architecture

[Vendor Engagement Resources | NCDIT](#)



Information for Vendors

This page provides vendors a high-level understanding of how to navigate the complexities of the state IT procurement process

Architecture

Strategy

Security

Data

Digital

NCDIT Services

Identity & Access Management

Required Architecture Diagrams

The following are templates for architectural diagrams required upon RFP submission:

- [Network Architecture Diagram Template](#)
- [Technology Stack Diagram Template](#)

Appendix E: IT Procurement Forms & Templates

[IT Procurement Forms & Templates | NCDIT](#)

Form or Template	Description
IT Procurement Intake Form	<p>The purpose of this form is to help Agency Business collect and present initial information about an IT business need. This information will help Agency Procurement and NCDIT collaboratively determine the appropriate approach, resources and timing needed to deliver the best-value solution to meet the agency's business need.</p>
Statewide IT Procurement Checklist for Agencies	<p>This checklist contains the items that should be completed before submitting a solicitation to the Statewide IT Procurement Office. Agencies must include a copy of the completed checklist when submitting solicitation documents.</p>
Request for Information (RFI) Form	<p>This document is used to request information from vendors about products or services when an agency does not have enough information readily available to write an adequate solicitation document. While information gathered from vendors' responses to the RFI may be used to enhance the agency's future IT procurement, the RFI should state that it is not a request for offer and that no award will result. Since the RFI is not a solicitation for procurement, the state's terms and conditions should not be included in the document.</p>
Invitation for Bids (IFB)/Request for Quote (RFQ) Form for IT Goods and Services	<p>This template represents the state's model solicitation document used to procure information technology (IT) goods, embedded software and/or associated services, as applicable. This document may be used as either an IFB or RFQ, as appropriate.</p>

<p><u>Invitation for Bids (IFB)/Request for Quote (RFQ) Form for Software Maintenance (for existing software)</u></p>	<p>This template represents the state’s model solicitation document to be used to procure software maintenance for software that is already licensed to the state. This document may be used as either an IFB or RFQ, as appropriate.</p>
<p><u>Invitation for Bids (IFB)/Request for Quote (RFQ) Form for Software and Software Support</u></p>	<p>This template represents the state’s model solicitation document used to procure software, or software and software support, as applicable. This document may be used as either an IFB or RFQ, as appropriate.</p>
<p><u>Vendor Readiness Assessment Report</u></p>	<p>This form should be used when engaging vendors for solutions that are either hosted on state infrastructure or are NOT hosted on state infrastructure, such as cloud services, (e.g. Infrastructure as a Service (IaaS), Platform as a Service (PaaS) and Software as a Service (SaaS)), to capture “baseline” security requirements that MUST be addressed by vendors to ensure the security of the state’s data.</p>
<p><u>Instructions and Optional Terms for the RFP</u></p>	<p>This document provides additional instructions for the RFP below and terms that may be used therein.</p>
<p><u>Request for Proposal (RFP) Form</u></p>	<p>The RFP is a formal, written solicitation document typically used for seeking competition and obtaining offers for more complex services or a combination of goods and services. The RFP is used when the value is more than \$10,000. This document contains specifications of the RFP, instructions to bidders and the standard IT terms and conditions for goods and related services. User should add supplemental terms and conditions for software and services, when applicable.</p>

<p>Request for Proposal (RFP) Online Services Form</p>	<p>The RFP is a formal, written solicitation document typically used for seeking competition and obtaining offers for online services. The RFP is used when the value is more than \$10,000. This document contains specifications of the RFP, instructions to bidders and the standard IT terms and conditions for goods and related Services. User should add supplemental terms and conditions for software and services, when applicable.</p>
<p>Online Services Terms and Conditions</p>	<p>The online terms and conditions are intended as a replacement for the N.C. Department of Information Technology Terms and Conditions contained within the appropriate RFP, IFB and RFQ forms provided by NCDIT. These should be used with online services procurements, such as accessible online databases, online business research services and other services that provide information to the user through online means, except for SaaS services.</p>
<p>Software as a Service (SaaS) Terms and Conditions</p>	<p>The Software as a Service (SaaS) Terms and Conditions are intended as a replacement for the N.C. Department of Information Technology terms and conditions contained within the appropriate RFP, IFB and RFQ forms provided by NCDIT. These should be used with Software as a Service (SaaS) procurements.</p>
<p>Exception Request Forms</p>	<p>Forms necessary to request an exception for use.</p>
<p>Bid Addendum Template</p>	<p>This form is used to make changes or corrections to a bid/solicitation document or answer vendor questions submitted. This form must be issued prior to the due date of the offer.</p>

<u>Clarification of Confidential Information Template</u>	<p>This document is issued to a vendor to confirm which pages of the vendor's offer meet the requirements of the solicitation's Confidentiality section and/or to remove restrictions on pages that do not meet the requirements of the section.</p>
<u>Clarification Request Template</u>	<p>This document is issued to a vendor to gain information to improve the agency's understanding of the vendor's offer.</p>
<u>Best and Final Offer (BAFO) Template</u>	<p>This template is used to document vendor negotiations.</p>
<u>Award Recommendation Letter Template</u>	<p>This template contains the important information that agencies need to document in the award recommendation for a solicitation. This document may be used to recommend an award for an IFB, an RFQ or an RFP, as appropriate.</p>
<u>Short-Term Staffing Hiring Addendum</u>	<p>This form is used to provide additional information regarding short-term staffing requests.</p>
<u>Vendor Complaint Form</u>	<p>This form is used by agencies to formally document complaints regarding a vendor's performance in fulfilling a contract. This agency must complete the form and send copies to the vendor and IT Strategic Sourcing Office.</p>