

STATE OF NORTH CAROLINA DEPARTMENT OF REVENUE Tax Administration Division	INVITATION FOR BIDS 45-RQ274655
	Offers will be publicly opened: Wednesday, October 21, 2026 @2:00PM
	Issue Date: Wednesday, September 23, 2026
Refer <u>ALL</u> inquiries regarding this IFB to: Cynthia Leonard Cynthia.Leonard@ncodor.gov 919-814-1389	Commodity Number: 821215 - Printing
	Description: NC Sales and Use Coupon Books
	Using Agency: Department of Revenue
	Requisition No.: RQ274655

OFFER AND ACCEPTANCE

The State seeks offers for the goods and/or related services described in this solicitation. The State's acceptance of any offer must be demonstrated by execution of the acceptance found below and any subsequent Request for Best and Final Offer, if issued. Acceptance shall create a contract having an order of precedence as follows: In cases of conflict between documents comprising the contract, the order of precedence shall be (1) Best and Final Offers, if any, (2) special terms and conditions specific to this IFB, (3) specifications, (4) Department of Information Technology Terms and Conditions of this IFB, and (5) the agreed portions of the awarded Vendor's offer. **No contract shall be binding on the State until an encumbrance of funds has been made for payment of the sums due under the contract.**

EXECUTION

In compliance with this Invitation for Bid ("IFB"), and subject to all the conditions herein, the undersigned offers and agrees to furnish any or all Services or goods upon which prices are offered, at the price(s) offered herein, within the time specified herein. By executing this offer, I certify that this offer is submitted competitively and without collusion.

Failure to execute/sign offer prior to submittal shall render offer invalid. Late offers are not acceptable.

OFFEROR:		
STREET ADDRESS:	P.O. BOX:	ZIP:
CITY, STATE & ZIP:	TELEPHONE NUMBER:	TOLL FREE TEL. NO
PRINT NAME & TITLE OF PERSON SIGNING:	FAX NUMBER:	
AUTHORIZED SIGNATURE:	DATE:	E-MAIL:

Offer valid for sixty (60), days from date of offer opening unless otherwise stated here: ____ days

ACCEPTANCE OF OFFER

If any or all parts of this IFB are accepted, an authorized representative of Department of Revenue shall affix their signature hereto. A copy of this acceptance will be forwarded to the successful vendor(s).

<u>FOR STATE USE ONLY</u> Offer accepted and contract awarded this ____ day of _____, 20____, as indicated on attached certification, by _____ (Authorized representative of Department of Revenue).

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1.0 INTENT, USE, DURATION AND SCOPE

The purpose of this Invitation for Bid is to obtain pricing for and procure North Carolina Sales and Use Coupon Books for the North Carolina Department of Revenue ("NCDOR"). Coupon booklets provide preprinted forms for sales and use tax registrants to facilitate the filing and paying of sales and use tax in a timely and efficient manner. Each booklet provides sales and use tax preprinted forms for an entire year which serves as a reminder to each registrant to file and pay their sales and use tax liability. Quantities are estimates and the Goods and Services will be provided in accordance with the terms and conditions of this IFB.

2.0 GENERAL INFORMATION

2.1. VENDOR QUESTIONS

All inquiries regarding the solicitation specifications or requirements are to be addressed to the contact person listed on Page One of this solicitation. Vendor contact regarding this Solicitation with anyone other than the contact person listed on Page One of this Solicitation may be grounds for rejection of said Vendor's offer.

Written questions concerning this Solicitation will be received until **Wednesday, October 7, 2026,** at **5:00PM** Eastern Time. They must be submitted to the contact person listed on Page One of this Solicitation. Please enter "Questions Solicitation 45-RQ274655" as the subject for the message.

Questions should be submitted in the following format:

REFERENCE	VENDOR QUESTION
RFP Section, Page Number	

2.3. ADDENDA

The State may issue addenda if Vendor questions are permitted as described above, or if additional terms, specifications, or other changes are necessary for this procurement. It is important that all Vendors bidding on this IFB periodically check the NC eVP for any and all Addenda that may be issued prior to the offer opening date. All addenda shall become an Addendum to this IFB.

2.4. OFFER SUBMITTAL

Due Date: October 21, 2026
Time: 2:00PM Eastern Time

Microsoft Teams meeting

Join: <https://teams.microsoft.com/join/255909958466485?p=2hsP9cKez2rPSdqPMr>

Meeting ID: 255 909 958 466 485

Passcode: 5Qo3Z54X

[Need help?](#) | [System reference](#)

Dial in by phone

[+1 919-670-0492](tel:+19196700492), [92901755#](tel:+19196700492) United States, Raleigh

[Find a local number](#)

Phone conference ID: 929 017 55#

IMPORTANT NOTE: Vendor shall bear the risk for late submission due to unintended or unanticipated delay—whether submitted electronically, delivered by hand, U.S. Postal Service,

courier or other delivery service. **Vendor must include all the pages of this solicitation in their response.** It is the Vendor's sole responsibility to ensure its offer has been delivered to this Office by the specified time and date of opening. Any proposal-delivered after the proposal deadline will be rejected.

Offer Submission Details:

Sealed offers, subject to the conditions made a part hereof, will be received via the Ariba Sourcing Tool until 2:00pm Eastern Time on the day of opening and then opened, for furnishing and delivering the commodity as described herein. Offers must be submitted with the Execution page signed and dated by an official authorized to bind the Vendor's firm. Failure to return a signed offer shall result in disqualification.

Attempts to submit a proposal via facsimile (FAX) machine, telephone, or email in response to this IFB shall NOT be accepted.

a) All File names should start with the vendor's name first, in order to easily determine all the files to be included as part of the vendor's response. For example, files should be named as follows: Vendor Name-your file name.

b) File contents **SHALL NOT** be password protected, the file formats must be in .PDF, .jpeg, or png format, and shall be capable of being copied to other sources.

c) If the vendor's proposal contains any confidential information (as defined in Section 7.0, Paragraph #18), then the vendor must provide one (1) signed, original electronic offer and one (1) redacted electronic copy.

2.5. BASIS FOR REJECTION

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

2.6. LATE OFFERS

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

2.7. NON-RESPONSIVE OFFERS

Vendor offers will be deemed non-responsive by the State and will be rejected without further consideration or evaluation if statements such as the following are included:

- "This offer does not constitute a binding offer",
- "This offer will be valid only if this offer is selected as a finalist or in the competitive range",
- "Vendor does not commit or bind itself to any terms and conditions by this submission",
- "This document and all associated documents are non-binding and shall be used for discussion purposes only",

- “This offer will not be binding on either party until incorporated in a definitive agreement signed by authorized representatives of both parties”, or
- A statement of similar intent.

2.8. NOTICE TO VENDORS

The State objects to and will not be required to evaluate or consider any additional terms and conditions not previously agreed to by the State and submitted with an Offeror’s response. This applies to any language appearing in or attached to the document as part of the Offeror’s response. By execution and delivery of this Invitation for Bids and response(s), the Offeror agrees that any additional terms and conditions, whether submitted purposely or inadvertently, shall have no force or effect.

2.9. E-PROCUREMENT SOLICITATION

This is an E-Procurement solicitation. See Paragraph #47 of the attached Department of Information Technology Terms and Conditions.

The Terms and Conditions made part of this solicitation contain language necessary for the implementation of North Carolina’s statewide E-Procurement initiative. It is the Vendor’s responsibility to read these terms and conditions carefully and to consider them in preparing the offer. By signature vendor acknowledges acceptance of all terms and conditions including those related to E-Procurement.

- a) General information on the E-Procurement service can be found at <http://eprocurement.nc.gov/>
- b) Within two days after notification of award of a contract, vendor must register in NC E-Procurement @ Your Service at the following web site: <https://vendor.ncgov.com/vendor/login>
- c) As of the IFB submittal date, the Vendor must be current on all e-Procurement fees. If the Vendor is not current on all E-Procurement fees, the State may disqualify the Vendor from participation in this IFB.

2.10. POSSESSION AND REVIEW

During the evaluation period and prior to award, possession of the bids and accompanying information is limited to personnel of the issuing agency, and to the committee responsible for participating in the evaluation. Vendors who attempt to gain this privileged information, or to influence the evaluation process (i.e. assist in evaluation) will be in violation of purchasing rules and their offer will not be further evaluated or considered.

After award of contract the complete bid file will be available to any interested persons with the exception of trade secrets, test information or similar proprietary information as provided by statute and rule. Any proprietary or confidential information, which conforms to exclusions from public records as provided by N.C.G.S. §132-1.2 **must be clearly marked as such in the offer when submitted.**

2.12. BEST AND FINAL OFFERS (BAFO)

The State may establish a competitive range based upon evaluations of offers, and request BAFOs from the Vendor(s) within this range; e.g. “Finalist Vendor(s)”. If negotiations or subsequent offers are solicited, the Vendor(s) shall provide BAFO(s) in response. Failure to deliver a BAFO when requested shall disqualify the non-responsive Vendor from further consideration. The State will evaluate BAFO(s), oral presentations, and product demonstrations as part of the Vendors’ respective offers to determine the final rankings.

2.13. AWARD

It is the general intent to award this contract to one Vendor. As provided by statute, award will be based on Best Value Analysis, Lowest Price Technically Acceptable Source Selection Method in accordance with N.C.G.S. §143B-1350(h), which provides that the offer must be in substantial conformity with the specifications herein, and 09 NCAC 06B.0302.

A link to the NC Electronic Vendor Portal (eVP) allows the public to retrieve contract award information electronically from the web site: <https://evp.nc.gov/> Results may be found by searching by IFB number or agency name. This information may not be available for several weeks dependent upon the complexity of the acquisition and the length of time to complete the evaluation process.

2.14. POINTS OF CONTACT

Contact by the Offeror with the persons shown below for contractual and technical matters related to this IFB is only permitted if expressly agreed to by the purchasing lead named on page 1, or upon award of contract:

Vendor Contractual Point of Contact	Vendor Customer Service Point of Contact (if different than Contractual Point of Contact)
Name:	Name:
Street:	Street:
City, State, Zip:	City, State, Zip:
Assigned Contract Manager:	Assigned Contract Manager:
Email:	Email:
Phone (office):	Phone (office):
Phone (cell):	Phone (cell):

3.0 SPECIFICATIONS**3.1. VENDOR STANDARD AGREEMENT(S)**

The terms and conditions of Vendor's standard services, license, maintenance or other agreement(s) applicable to Services, Goods, Software and other Products acquired under this Agreement may apply to the extent such terms and conditions do not materially change the terms and conditions of this Agreement. In the event of any conflict between the terms and conditions of this Agreement and the Vendor's standard agreement(s), the terms and conditions of this Agreement relating to audit and records, jurisdiction, choice of law, the State's electronic procurement application of law or administrative rules, the remedy for intellectual property infringement and the exclusive remedies and limitation of liability in the DIT Terms and Conditions herein shall apply in all cases and supersede any provisions contained in Vendor's relevant standard agreement or any other agreement. The State shall not be obligated under any standard license and/or maintenance or other Vendor agreement(s) to indemnify or hold harmless the Vendor, its licensors, successors or assigns; nor arbitrate any dispute, nor pay late fees, legal fees or other similar costs.

3.2. VENDOR UTILIZATION OF WORKERS OUTSIDE U.S. – DISCLOSURE STATEMENT

In accordance with the Statewide Information Security Manual (SISM), the State restricts the location of information systems that receive, process, store, or transmit State and Federal data to the United States which includes the following areas: US States, US Territories, US Embassies, and US Military installations (stateside or overseas). This restriction applies to the Vendor and to any subcontractors engaged to provide Services under this Agreement or with access to State Data. The Vendor must ensure that its subcontractor agreements contain the same restrictions and will be responsible for monitoring and enforcing subcontractor compliance at all times.

Pursuant to N.C.G.S. §143B-1361(b), the Vendor must complete and return this Disclosure Statement Attachment F with its solicitation response. The Vendor may attach additional pages to its response if needed. The State of North Carolina will evaluate Disclosure Statement Attachments for additional risks, costs, and other factors associated with its service prior to making an award for any such Vendor's offer. The Vendor must provide the following information in its bid response:

Vendor to complete:

- a. The location of work performed under a state contract by the Vendor, any subcontractors, employees, or other persons performing the contract and whether any of this work will be performed outside the United States.

Click here to enter text.

- b. The corporate structure and location of corporate employees and activities of the Vendor, its affiliates or any other subcontractors.

Click here to enter text.

- c. Vendor agrees to provide notice of the relocation of the Vendor, employees of the Vendor, subcontractors of the Vendor, or other persons performing Services under a state contract outside of the United States in the event such relocation occurs during the contract term.

Click here to enter text.

- d. Vendor agrees that any Vendor or subcontractor providing call or contact center Services to the State of North Carolina shall disclose to inbound callers the location from which the call or contact center Services are being provided.

- e. Will any work under this contract be performed outside the United States?

☐

YES

☐

NO

The use of resources or workers located outside the United States is a critical security exception that must be escalated to the State Chief Information Officer for review pursuant to N.C.G.S. §143B-1376(c) and §143B-1320(c). These critical security exceptions are approved only in rare and

Click here to enter text.

extenuating circumstances. Vendor should account for this when preparing its response.

3.3. E-VERIFY

Pursuant to N.C.G.S. § 143B-1350(k), the State shall not enter into a contract unless the awarded Vendor and each of its subcontractors comply with the E-Verify requirements of N.C.G.S. Chapter 64, Article 2. Vendors are directed to review the foregoing laws. Any awarded Vendor must submit a certification of compliance with E-Verify to the awarding agency, and on a periodic basis thereafter as may be required by the State.

3.4. SECURITY SPECIFICATIONS

3.4.1 SOLUTIONS HOSTED ON STATE INFRASTRUCTURE (RESERVED)

3.4.2 SOLUTIONS NOT HOSTED ON STATE INFRASTRUCTURE – (RESERVED)

3.5. ENTERPRISE ARCHITECTURE SPECIFICATIONS

3.5.1 ARCHITECTURE DIAGRAMS – Reserved

3.5.2 SOLUTION ROADMAP – Reserved

3.5.3 IDENTITY AND ACCESS MANAGEMENT - Reserved

3.5.4 INTEGRATION APPROACH – Reserved

3.5.5 DISASTER RECOVERY AND BUSINESS CONTINUITY – Reserved

3.5.6 DATA MIGRATION – Reserved

3.5.7 APPLICATION MANAGEMENT – Reserved

3.5.8 ACCESSIBILITY – Reserved

3.6. ENTERPRISE, SERVICES, AND STANDARDS

Agencies and vendors should refer to the Vendor Resources Page for information on North Carolina Department of Information Technology regarding architecture, security, strategy, data, digital, identity and access management and other general information on doing business with state IT process.

The Vendor Resources Page found at the following link: <https://it.nc.gov/vendor-engagement-resources>. This site provides vendors with statewide information and links referenced throughout the Solicitation document. Agencies may request additional information.

3.7. PRODUCT RECALL – Reserved

3.8. CONTRACT TERM

A contract awarded pursuant to this IFB shall have an effective date as provided in the Notice of Award. The term shall be three (3) years, invoiced annually, and will expire upon the anniversary date of the effective date unless otherwise stated in the Notice of Award, or unless terminated earlier. The State retains the option to extend this contract for two (2) additional one (1) year periods at its sole discretion.

3.9. DELIVERY

Successful Vendor will start the scope of work within thirty (30) consecutive calendar dates after receipt of purchase order to the following locations: 501 N. Wilmington Street, Raleigh, NC 27604

Delivery of coupon books will be according to the schedule outlined in Paragraph 1.3 of the Statement of Work, attached as Attachment A.

If circumstances beyond the control of the contractor result in a late delivery, it is the responsibility and obligation of the contractor to notify the Purchasing Agent listed on the purchase order, in writing, immediately upon determining delay of shipment. The written notification should indicate the anticipated delivery dated.

3.10. INVOICES

Invoices shall be submitted via email to dorbilling@ncdor.gov and include detailed line item information to allow Buyer to verify pricing at point of receipt matches the correct price from the original date of order. At a minimum, the following fields shall be included on all invoices:

Vendor's Billing Address, Customer Account Number, NC Contract Number, Order Date, Buyer's Order Number, Vendor Part Numbers, Item Descriptions, Price, Quantity, and Unit of Measure.

3.11. REFERENCES

Vendor shall provide at least three (3) references for which it has provided goods and services of substantially the same features and quantity as those solicited herein. The State may contact one or more of these references to determine whether the goods provided are substantially similar to those bid herein and Vendor's performance has been satisfactory. Information obtained may be considered in evaluation of the bids.

COMPANY NAME	CONTACT NAME	EMAIL ADDRESS	TELEPHONE NUMBER

3.12. SPECIFICATIONS

Vendor shall provide the printing services outlined in Attachment A: Statement of Work.

4.0. FURNISH AND DELIVER

Vendor shall provide the Unit and Extended Costs on the tables below.

NC TAX COUPON BOOK PRICING – INITIAL 3-YEAR TERM (invoiced annually)

Bid price shall constitute the total cost to the State for coupon book delivery and ready for use, including all applicable charges for shipping, delivery, handling, administrative and other similar fees.

ITEM #	ANNUAL ESTIMATED QTY.*	UOM	DESCRIPTION	UNIT COST	EXTENDED COST YR1	EXTENDED COST YR2	EXTENDED COST YR3
1	152,950	Each	NC Tax Coupon Books (as per requirements and coupon book specifications provided in Attachment A: Statement of Work)	\$	\$	\$	\$
2	12,000	Each	NC Tax Coupon Books for Monthly Updates (as per requirements and coupon book specifications provided in Attachment A: Statement of Work)	\$	\$	\$	\$
Total Annual Extended Cost of Items 1-2 above.					\$	\$	\$
TOTAL OFFER COST FOR INITIAL TERM:						\$	

**Quantities listed in the IFB are estimates based on the State's historical use and anticipated needs and are not guaranteed. Quantity increases or decreases may occur prior to print time. NCDOR shall not be obligated to purchase the amount represented by the estimated quantities contained herein. Vendor shall only invoice NCDOR for the quantities ordered and accepted.*

4.1. CONTRACT RENEWAL COSTS – Subject to renewal under 3.8 Contract Term**TABLE 1: NC TAX COUPON BOOK PRICING – RENEWAL 1 & 2 (Contract Years 4 & 5)**

ITEM #	ANNUAL ESTIMATED QTY.*	UOM	DESCRIPTION	UNIT COST	EXTENDED COST YR 4	EXTENDED COST YR 5
3	152,950	Each	NC Tax Coupon Books (as per requirements and coupon book specifications provided in Attachment A: Statement of Work)	\$	\$	

4	12,000	Each	NC Tax Coupon Books for Monthly Updates (as per requirements and coupon book specifications provided in Attachment A: Statement of Work)	\$	\$	
Total Annual Extended Cost of Items 3-4 above						
TOTAL EXTENDED ANNUAL COST:					\$	

TOTAL OFFER COSTS – YEARS 1-5 \$ _____**

***If the State exercises all available renewal options under 3.8 Contract Term*

4.2. ADDITIONAL PRINTING COSTS – May or may not be purchased by the State

As referenced in Attachment A Statement of Work, the NC General Assembly may make legislative changes that may require additional sales and use tax booklets during the Contract Term. If required additional prints are required, those prints will be produced in accordance with the tables below and may require a contract amendment.

TABLE 3: NORTH CAROLINA GENERAL ASSEMBLY TAX STATUTE AMENDMENTS – INITIAL CONTRACT TERM (invoiced annually)

ITEM #	ANNUAL ESTIMATED QTY.*	UOM	DESCRIPTION	UNIT COST	EXTENDED COST YR1	EXTENDED COST YR2	EXTENDED COST YR3
5	164,450	Each	One (1) Page Sheet (8½" x 4") Printed on Front and Back, and inserted in 164,450 NC Tax Coupon Books	\$	\$		
6	164,450	Each	One (1) Page Sheet Printed on Front and Back, Folded, and inserted in 164,450 NC Tax Coupon Books	\$	\$		
7	164,450	Each	Two (2) Page Sheet Printed on Front and Back, Folded, and inserted in 164,450 NC Tax Coupon Books (May substitute 11" x 17" for two, 8½" x 11" sheets)	\$	\$		
8	164,450	Each	Three (3) Page Sheet Printed on Front and Back, Folded, and inserted in 164,450 NC Tax Coupon Books	\$	\$		
TOTAL EXTENDED COST (ITEMS 5-8)					\$		

TABLE 4: E505 – ELECTRONIC FILERS – INITIAL CONTRACT TERM (invoiced annually)

ITEM #	ANNUAL ESTIMATED QTY.*	UOM	DESCRIPTION	UNIT COST	EXTENDED COST YR1	EXTENDED COST YR2	EXTENDED COST YR3
9	155,500	Thousand	One (1) Page Sheet Printed on Front and Back, Folded, and inserted in 155,500 Envelopes	\$	\$		
10	155,500	Thousand	Two (2) Page Sheet Printed on Front and Back, Folded, and inserted in 155,500 Envelopes (May substitute 11" x 17" for two, 8½" x 11" sheets)	\$	\$		
11	155,500	Thousand	Three (3) Page Sheet Printed on Front and Back, Folded, and inserted in 155,500 Envelopes	\$	\$		
TOTAL EXTENDED COST (ITEMS 9-11)					\$		

TABLE 5: NORTH CAROLINA GENERAL ASSEMBLY TAX STATUTE AMENDMENTS – CONTRACT YEARS 4 AND 5 (invoiced annually and subject to renewal under 3.8 Contract Term)

ITEM #	ANNUAL ESTIMATED QTY.*	UOM	DESCRIPTION	UNIT COST	EXTENDED COST YR4	EXTENDED COST YR5
5	164,450	Thousand	One (1) Page Sheet (8½" x 4") Printed on Front and Back, and inserted in 164,450 NC Tax Coupon Books	\$	\$	
6	164,450	Thousand	One (1) Page Sheet Printed on Front and Back, Folded, and inserted in 164,450 NC Tax Coupon Books	\$	\$	
7	164,450	Thousand	Two (2) Page Sheet Printed on Front and Back, Folded, and inserted in 164,450 NC Tax Coupon Books (May substitute 11" x 17" for two, 8½" x 11" sheets)	\$	\$	
8	164,450	Thousand	Three (3) Page Sheet Printed on Front and Back, Folded,	\$	\$	

			and inserted in 164,450 NC Tax Coupon Books			
TOTAL EXTENDED COST (ITEMS 5-8)					\$	

TABLE 6: E505 – ELECTRONIC FILERS – CONTRACT YEARS 4 AND 5 (invoiced annually and subject to renewal under 3.8 Contract Term)

ITEM #	ANNUAL ESTIMATED QTY.*	UOM	DESCRIPTION	UNIT COST	EXTENDED COST YR4	EXTENDED COST YR5
9	155,500	Thousand	One (1) Page Sheet Printed on Front and Back, Folded, and inserted in 155,500 Envelopes	\$	\$	
10	155,500	Thousand	Two (2) Page Sheet Printed on Front and Back, Folded, and inserted in 155,500 Envelopes (May substitute 11" x 17" for two, 8½" x 11" sheets)	\$	\$	
11	155,500	Thousand	Three (3) Page Sheet Printed on Front and Back, Folded, and inserted in 155,500 Envelopes	\$	\$	
TOTAL EXTENDED COST (ITEMS 9-11)					\$	

5.0. ADDITIONAL INFORMATION

5.1. RECYCLED CONTENT

In an effort to support the sustainability efforts of the State of [North Carolina Executive Order Number 156](#), we solicit your cooperation.

Does the packaging of the items offered in response to this IFB contain recycled content?

☐ YES ☐ NO

If Vendor answered "YES" above, indicate the following:

Percentage of recycled content: _____ Can the packaging be recycled? ☐ YES ☐ NO

Do items offered in response to this solicitation contain recycled content? ☐ YES ☐ NO

If Vendor answered "YES" above, indicate the material and content percentage of applicable items.

Material: _____ Percentage of recycled content: _____

State how items may be disposed of or recycled at the end of use?

5.2. ENERGY STAR PRODUCTS — Reserved.

6.0 DEPARTMENT OF INFORMATION TECHNOLOGY INSTRUCTIONS TO VENDORS

- 1) **READ, REVIEW AND COMPLY:** It shall be the Vendor's responsibility to read this entire document, review all enclosures and attachments, and comply with all requirements specified herein.
- 2) **DEFINITIONS:**
 - **NCDIT:** The North Carolina Department of Information Technology, formerly Office of Information Technology Services
 - **NCDIT CONVENIENCE CONTRACT:** A contract that is used for the procurement of IT goods or Services. These contracts are in place for the convenience of the state and use of them is optional.
 - **OPEN MARKET CONTRACT:** A contract for the purchase of goods or Services not covered by a term, technical, or convenience contract.
 - **TERM CONTRACT:** A contract in which a source of supply is established for a specified period for specified Services or supplies; usually characterized by an estimated or definite minimum quantity, with the possibility of additional requirements beyond the minimum, all at a predetermined unit price
 - **THE STATE:** The state of North Carolina and its agencies.
 - **VENDOR:** Company, firm, corporation, partnership, individual, etc., submitting a response to a solicitation.
- 3) **PROMPT PAYMENT DISCOUNTS:** Vendors are urged to compute all discounts into the price offered. If a prompt payment discount is offered, it will not be considered in the award of the contract except as a factor to aid in resolving cases of identical prices.
- 4) **INFORMATION AND DESCRIPTIVE LITERATURE:** Vendor is to furnish all information requested and in the spaces provided in this document. Further, if required elsewhere in this IFB, each Vendor must submit with their offer sketches, descriptive literature and/or complete specifications covering the products offered. **Only information that is received in response to this IFB will be evaluated.** Reference to information previously submitted or Internet Website Addresses (URLs) will not satisfy this provision. Offers which do not comply with these requirements will be subject to rejection.
- 5) **RECYCLING AND SOURCE REDUCTION:** It is the policy of this State to encourage and promote the purchase of products with recycled content to the extent economically practicable, and to purchase items which are reusable, refillable, repairable, more durable, and less toxic to the extent that the purchase or use is practicable and cost-effective. We also encourage and promote using minimal packaging and the use of recycled/recyclable products in the packaging of commodities purchased. However, no sacrifice in quality of packaging will be acceptable. The company remains responsible for providing packaging that will protect the commodity and contain it for its intended use. Companies are strongly urged to bring to the attention of the relevant purchasers in the State those products or packaging they offer which have recycled content and that are recyclable.
- 6) **CLARIFICATIONS/INTERPRETATIONS:** Any and all questions regarding this document must be addressed to the purchaser named on the cover sheet of this document. Do not contact the user directly. Any and all revisions to this document shall be made only by written addendum from NCDOR. The Vendor is cautioned that the requirements of this IFB can be altered only by written addendum and that verbal communications from whatever source are of no effect.
- 7) **ACCEPTANCE AND REJECTION:** The State reserves the right to reject any and all offers, to waive any informality in offers and, unless otherwise specified by the Vendor, to accept any item in the offer. If either a unit price or an extended price is obviously in error and the other is obviously correct, the incorrect price will be disregarded.
- 8) **AWARD OF CONTRACT:** Responsive offers will be evaluated and acceptance may be made in accordance with Best Value procurement practices as defined by N.C.G.S. §143-135.9, and in accordance with N.C.G.S. §143B-1350(h), which provides that the offer must be in substantial conformity with the specifications herein, and 09 NCAC 06B.0302. Unless otherwise specified by the

State or the Vendor, the State reserves the right to accept any item or group of items on a multi-item offer. In addition, on agency specific or term contracts, NCDOR reserves the right to make partial, progressive or multiple awards: where it is advantageous to award separately by items; or where more than one supplier is needed to provide the contemplated requirements as to quantity, quality, delivery, service, geographical areas; other factors deemed by NCDOR to be pertinent or peculiar to the purchase in question.

- 9) **SAMPLES**: Sample of items, when required, must be furnished as stipulated herein, free of expense, and if not destroyed will, upon request, be returned at the Vendor's expense. Written request for the return of samples must be made within 10 days following date of request for sample. Otherwise, the samples will become the property of the State. Each individual sample must be labeled with the Vendor's name, offer number, and item number. A sample on which an award is made will be retained until the contract is completed, and then returned, if requested, as specified above.
- 10) **MISCELLANEOUS**: Masculine pronouns shall be read to include feminine pronouns and the singular of any word or phrase shall be read to include the plural and vice versa.
- 11) **PROTEST PROCEDURES**: When an offeror wants to protest a contract awarded pursuant to this solicitation that is over \$25,000, they must submit a written request to the issuing agency at the address given in this document. This request must be received in this office within fifteen (15) calendar days from the date of the contract award and must contain specific sound reasons and any supporting documentation for the protest. **Note**: Contract award notices are sent **only** to those actually awarded contracts, and not to every person or firm responding to this solicitation. IFB status and Award notices are posted on at <https://evp.nc.gov/>. **All protests will be governed by NCAC Title 9, Department of Information Technology (formerly Office of Information Technology Services), Subchapter 06B Sections .1101 - .1121**
- 12) **VENDOR REGISTRATION AND SOLICITATION NOTIFICATION SYSTEM**: Vendor Link NC allows Vendors to electronically register with the State to receive electronic notification of current procurement opportunities for goods and services available on the NC Electronic Vendor Portal (eVP) at the following web site: <https://evp.nc.gov/>
- 13) **DIGITAL IMAGING**: Reserved.

7.0 DEPARTMENT OF INFORMATION TECHNOLOGY TERMS AND CONDITIONS

Section 1: Terms and Conditions applicable to IT Goods and Services

- 1) **DEFINITIONS:** As used herein;
 - a) **Deliverable/Product Warranties** shall mean and include the warranties provided for products or deliverables licensed to the State in Paragraphs 7 and 8, and included in Paragraph 29 c) of these Terms and Conditions unless superseded by a Vendor's Warranties pursuant to Vendor's License or Support Agreements.
 - b) **Purchasing State Agency or Agency** shall mean the Agency purchasing the goods or Services.
 - c) **Services** shall mean the duties and obligations accepted by the Vendor to carry out the requirements, and meet the specifications, of this procurement.
 - d) **State** shall mean the State of North Carolina, the Department of Information Technology as an Agency or in its capacity as the Award Authority.
- 2) **STANDARDS:** Manufactured items and/or fabricated assemblies comprising Deliverables shall meet all requirements of the Occupational Safety and Health Act (OSHA), and State and federal requirements relating to clean air and water pollution, if applicable. Vendor will provide and maintain a quality assurance system or program that includes any Deliverables and will tender to the State only those Deliverables that have been inspected and found to conform to the requirements of this Contract. All manufactured items and/or fabricated assemblies comprising Deliverables are subject to operation, certification or inspection, and accessibility requirements as required:
 - by State or federal Regulation,
 - by the Chief Information Officer's (CIO) policy or regulation, or
 - acceptance with appropriate standards of operations or uses of said Deliverables as may be shown by identification markings or other means of the appropriate certifying standards organization.
 - a) **Site Preparation:** Reserved.
 - b) **Goods Return:** Deliverables and any other goods or materials furnished by the Vendor to fulfill technical requirements shall be in good working order and be maintained in good working order by Vendor for the duration of the Contract; unless otherwise provided in a separate maintenance agreement or in the Solicitation Documents. Deliverables failing to meet the State's technical requirements shall be considered non-conforming goods and subject to return to the Vendor for replacement at the State's option, and at the Vendor's expense. The State is responsible for the return costs related to the termination of a Contract, including deinstallation, and freight to destinations within the Continental United States; except in the case of default by the Vendor or delivery of non-conforming goods by Vendor. Shipping or freight charges, if any, paid by the State for non-conforming goods will be reimbursed to the State.
 - c) **Specifications:** The apparent silence of the specifications as to any detail, or the apparent omission of detailed description concerning any point, shall be regarded as meaning that only the best commercial practice is to prevail and only material and workmanship of the first quality may be used. Upon any notice of noncompliance provided by the State, Vendor shall supply proof of compliance with the specifications. Vendor must provide written notice of its intent to deliver alternate or substitute products, goods or Deliverables. Alternate or substitute products, goods or Deliverables may be accepted or rejected in the sole discretion of the State; and any such alternates or substitutes must be accompanied by Vendor's certification and evidence satisfactory to the State that the function, characteristics, performance and endurance will be equal or superior to the original Deliverables specified.
- 3) **WARRANTIES:** Reserved.
- 4) **PERSONNEL:** Reserved.
- 5) **SUBCONTRACTING:** The Vendor may subcontract the performance of required Services with other Vendors or third parties, or change subcontractors, only with the prior written consent of the contracting authority. Vendor shall provide the State with complete copies of any agreements made by and between Vendor and all subcontractors. The selected Vendor remains solely responsible for

the performance of its subcontractors. Subcontractors, if any, shall adhere to the same standards required of the selected Vendor. Any contracts made by the Vendor with a subcontractor shall include an affirmative statement that the State is an intended third-party beneficiary of the contract; that the subcontractor has no agreement with the State; and that the State shall be indemnified by the Vendor for any claim presented by the subcontractor. Notwithstanding any other term herein, Vendor shall timely exercise its contractual remedies against any non-performing subcontractor and, when appropriate, substitute another subcontractor.

- 6) **VENDOR'S REPRESENTATION:** Reserved.
 - a) **Warranty as to Equipment; Hardware.** Reserved.
- 7) **SOFTWARE LICENSE** (*for internal embedded software, firmware and unless otherwise provided in the State's solicitation document, or in an attachment hereto*): Reserved.
- 8) **MAINTENANCE/SUPPORT SERVICES:** Reserved.
- 9) **TRAVEL EXPENSES:** **All travel expenses should be included in the Vendor's proposed costs. Separately stated travel expenses will not be reimbursed.** In the event that the Vendor may be eligible to be reimbursed for travel expenses arising under the performance of this Contract, reimbursement will be at the out-of-state rates set forth in N.C.G.S. §138-6; as amended from time to time. Vendor agrees to use the lowest available airfare not requiring a weekend stay and to use the lowest available rate for rental vehicles. All Vendor incurred travel expenses shall be billed on a monthly basis, shall be supported by receipt and shall be paid by the State within thirty (30) days after invoice approval. Travel expenses exceeding the foregoing rates shall not be paid by the State. The State will reimburse travel allowances only for days on which the Vendor is required to be in North Carolina performing Services under this Contract.
- 10) **GOVERNMENTAL RESTRICTIONS:** In the event any restrictions are imposed by governmental requirements that necessitate alteration of the material, quality, workmanship, or performance of the Deliverables offered prior to delivery thereof, the Vendor shall provide written notification of the necessary alteration(s) to the Agency Contract Administrator. The State reserves the right to accept any such alterations, including any price adjustments occasioned thereby, or to cancel the Contract. The State may advise Vendor of any restrictions or changes in specifications required by North Carolina legislation, rule, or regulatory authority that require compliance by the State. In such event, Vendor shall use its best efforts to comply with the required restrictions or changes. If compliance cannot be achieved by the date specified by the State, the State may terminate this Contract and compensate Vendor for sums due under the Contract.
- 11) **PROHIBITION AGAINST CONTINGENT FEES AND GRATUITIES:** Vendor warrants that it has not paid, and agrees not to pay, any bonus, commission, fee, or gratuity to any employee or official of the State for the purpose of obtaining any contract or award issued by the State. Vendor further warrants that no commission or other payment has been or will be received from or paid to any third party contingent on the award of any contract by the State, except as shall have been expressly communicated to the State Purchasing Agent in writing prior to acceptance of the Contract or award in question. Each individual signing below warrants that he or she is duly authorized by their respective Party to sign this Contract and bind the Party to the terms and conditions of this Contract. Vendor and their authorized signatory further warrant that no officer or employee of the State has any direct or indirect financial or personal beneficial interest, in the subject matter of this Contract; obligation or contract for future award of compensation as an inducement or consideration for making this Contract. Subsequent discovery by the State of non-compliance with these provisions shall constitute sufficient cause for immediate termination of all outstanding contracts. Violations of this provision may result in debarment of the Vendor(s) as permitted by 09 NCAC 06B.1206, or other provision of law.
- 12) **AVAILABILITY OF FUNDS:** Any and all payments to Vendor are expressly contingent upon and subject to the appropriation, allocation and availability of funds to the Agency for the purposes set forth in this Contract. If this Contract or any Purchase Order issued hereunder is funded in whole or in part by federal funds, the Agency's performance and payment shall be subject to and contingent upon the continuing availability of said federal funds for the purposes of the Contract or Purchase

Order. If the term of this Contract extends into fiscal years subsequent to that in which it is approved such continuation of the Contract is expressly contingent upon the appropriation, allocation, and availability of funds by the N.C. Legislature for the purposes set forth in the Contract. If funds to effect payment are not available, the Agency will provide written notification to Vendor. If the Contract is terminated under this paragraph, Vendor agrees to take back any affected Deliverables and software not yet delivered under this Contract, terminate any Services supplied to the Agency under this Contract, and relieve the Agency of any further obligation thereof. The State shall remit payment for Deliverables and Services accepted prior to the date of the aforesaid notice in conformance with the payment terms.

- 13) PAYMENT TERMS:** Payment terms are Net 30 days after receipt of correct invoice or acceptance of the Deliverables, whichever is later; unless a period of more than 30 days is required by the Agency. The Purchasing State Agency is responsible for all payments under the Contract. No additional charges to the Agency will be permitted based upon, or arising from, the Agency's use of a Business Procurement Card. The State may exercise any and all rights of Set Off as permitted in Chapter 105A-1 et. seq. of the N.C. General Statutes and applicable Administrative Rules. Upon Vendor's written request of not less than 30 days and approval by the State or Agency, the Agency may:
 - a) Forward the Vendor's payment check(s) directly to any person or entity designated by the Vendor, or
 - b) Include any person or entity designated in writing by Vendor as a joint payee on the Vendor's payment check(s), however
 - c) In no event shall such approval and action obligate the State to anyone other than the Vendor and the Vendor shall remain responsible for fulfillment of all Contract obligations.
- 14) ACCEPTANCE CRITERIA:** In the event acceptance of Deliverables is not described in additional Contract documents, the State shall have the obligation to notify Vendor, in writing ten calendar days following the supply of any Deliverable described in the Contract if it is not acceptable. The notice shall specify in reasonable detail the reason(s) a deliverable is unacceptable. Acceptance by the State shall not be unreasonably withheld; but may be conditioned or delayed as required for installation and/or testing of Deliverables. Final acceptance is expressly conditioned upon completion of all applicable inspection and testing procedures. Should the Deliverables fail to meet any specifications or acceptance criteria the State may exercise any and all rights hereunder, including such rights provided by the Uniform Commercial Code as adopted in North Carolina. Deliverables discovered to be defective or failing to conform to the specifications may be rejected upon initial inspection or at any later time if the defects contained in the Deliverables or non-compliance with the specifications was not reasonably ascertainable upon initial inspection. If the Vendor fails to promptly cure the defect or replace the Deliverables, the State reserves the right to cancel the Purchase Order, contract with a different Vendor, and to invoice the original Vendor for any differential in price over the original Contract price. When Deliverables are rejected, the Vendor must remove the rejected Deliverables from the premises of the State Agency within seven (7) calendar days of notification, unless otherwise agreed by the State Agency. Rejected items may be regarded as abandoned if not removed by Vendor as provided herein.
- 15) EQUAL EMPLOYMENT OPPORTUNITY:** Vendor shall comply with all Federal and State requirements concerning fair employment and employment of the disabled, and concerning the treatment of all employees without regard to discrimination by reason of race, color, religion, sex, national origin or physical disability.
- 16) INSPECTION AT VENDOR'S SITE:** The State reserves the right to inspect, during Vendor's regular business hours at a reasonable time, upon notice of not less than two (2) weeks, and at its own expense, the prospective Deliverables comprising equipment or other tangible goods, or the plant or other physical facilities of a prospective Vendor prior to Contract award, and during the Contract term as necessary or proper to ensure conformance with the specifications/requirements and their adequacy and suitability for the proper and effective performance of the Contract.
- 17) ADVERTISING/PRESS RELEASE:** The Vendor absolutely shall not publicly disseminate any information concerning the Contract without prior written approval from the State or its Agent. For

the purpose of this provision of the Contract, the Agent is the Purchasing Agency Contract Administrator unless otherwise named in the solicitation documents.

18) CONFIDENTIALITY: In accordance with N.C.G.S. §§143B-1350(e), 143B-1375 and 09 NCAC 06B.0103 and 06B.1001 and to promote maximum competition in the State competitive bidding process, the State may maintain the confidentiality of certain types of information described in N.C.G.S. §132-1 et seq. Such information may include trade secrets defined by N.C.G.S. §66-152 and other information exempted from the Public Records Act pursuant to N.C.G.S. §132-1.2. Vendor may designate appropriate portions of its response as confidential, consistent with and to the extent permitted under the Statutes and Rules set forth above, by marking the top and bottom of pages containing confidential information with a legend in boldface type “**CONFIDENTIAL**”. By so marking any page, the Vendor warrants that it has formed a good faith opinion, having received such necessary or proper review by counsel and other knowledgeable advisors that the portions marked confidential meet the requirements of the Rules and Statutes set forth above. ***However, under no circumstances shall price information be designated as confidential.*** The State may serve as custodian of Vendor’s confidential information and not as an arbiter of claims against Vendor’s assertion of confidentiality. If an action is brought pursuant to N.C.G.S. §132-9 to compel the State to disclose information marked confidential, the Vendor agrees that it will intervene in the action through its counsel and participate in defending the State, including any public official(s) or public employee(s). The Vendor agrees that it shall hold the State and any official(s) and individual(s) harmless from any and all damages, costs, and attorneys’ fees awarded against the State in the action. The State agrees to promptly notify the Vendor in writing of any action seeking to compel the disclosure of Vendor’s confidential information. The State shall have the right, at its option and expense, to participate in the defense of the action through its counsel. The State shall have no liability to Vendor with respect to the disclosure of Vendor’s confidential information ordered by a court of competent jurisdiction pursuant to N.C.G.S. §132-9 or other applicable law.

- a) Care of Information: Vendor agrees to use commercial best efforts to safeguard and protect any data, documents, files, and other materials received from the State or the Agency during performance of any contractual obligation from loss, destruction or erasure.
- b) Vendor warrants that all its employees and any approved third-party Vendors or subcontractors are subject to a non-disclosure and confidentiality agreement enforceable in North Carolina. Vendor will, upon request of the State, verify and produce true copies of any such agreements. Production of such agreements by Vendor may be made subject to applicable confidentiality, non-disclosure or privacy laws; provided that Vendor produces satisfactory evidence supporting exclusion of such agreements from disclosure under the N.C. Public Records laws in N.C.G.S. §132-1 et seq. The State may, in its sole discretion, provide a non-disclosure and confidentiality agreement satisfactory to the State for Vendor’s execution. The State may exercise its rights under this subparagraph as necessary or proper, in its discretion, to comply with applicable security regulations or statutes including, but not limited to 26 USC 6103 and IRS Publication 1075, (Tax Information Security Guidelines for Federal, State, and Local Agencies), HIPAA, 42 USC 1320(d) (Health Insurance Portability and Accountability Act), any implementing regulations in the Code of Federal Regulations, and any future regulations imposed upon the Department of Information Technology or the N.C. Department of Revenue pursuant to future statutory or regulatory requirements.
- c) Nondisclosure: Vendor agrees and specifically warrants that it, its officers, directors, principals and employees, and any subcontractors, shall hold all information received during performance of this Contract in the strictest confidence and shall not disclose the same to any third party without the express written approval of the State.

19) DELIVERABLES: Deliverables, as used herein, shall comprise all Services, project materials, including goods, software licenses, data, and documentation created during the performance or provision of Services hereunder. Deliverables are the property of the State of North Carolina, except where licensed or leased to the State. Proprietary Vendor materials licensed to the State shall be identified to the State by Vendor prior to use or provision of Services hereunder and shall remain the property of the Vendor. Embedded software or firmware shall not be a severable Deliverable.

Deliverables include "Work Product" and means any expression of Licensor's findings, analyses, conclusions, opinions, recommendations, ideas, techniques, know-how, designs, programs, enhancements, and other technical information; but not source and object code or software. All Software source and object code is the property of Licensor and is licensed nonexclusively to the State, at no additional license fee, pursuant to the terms of the software license contained herein, and in the Supplemental Terms and Conditions for Software and Services or the License Agreement if incorporated in the Solicitation Documents.

20) LATE DELIVERY, BACK ORDER: Vendor shall advise the Agency contact person or office immediately upon determining that any Deliverable will not, or may not, be delivered at the time or place specified. Together with such notice, Vendor shall state the projected delivery time and date. In the event the delay projected by Vendor is unsatisfactory, the Agency shall so advise Vendor and may proceed to procure substitute Deliverables or Services.

21) PATENT, COPYRIGHT, AND TRADE SECRET PROTECTION:

- a) Vendor has created, acquired or otherwise has rights in, and may, in connection with the performance of Services for the State, employ, provide, create, acquire or otherwise obtain rights in various concepts, ideas, methods, methodologies, procedures, processes, know-how, techniques, models, templates and general purpose consulting and software tools, utilities and routines (collectively, the "Vendor Technology"). To the extent that any Vendor Technology is contained in any of the Deliverables including any derivative works, the Vendor hereby grants the State a royalty-free, fully paid, worldwide, perpetual, non-exclusive license to use such Vendor Technology in connection with the Deliverables for the State's purposes.
- b) Vendor shall not acquire any right, title, and interest in and to the copyrights for goods, any and all software, technical information, specifications, drawings, records, documentation, data or derivative works thereof, or other work products provided by the State to Vendor. The State hereby grants Vendor a royalty-free, fully paid, worldwide, perpetual, non-exclusive license for Vendor's internal use to non-confidential Deliverables first originated and prepared by the Vendor for delivery to the State.
- c) The Vendor, at its own expense, shall defend any action brought against the State to the extent that such action is based upon a claim that the Services or Deliverables supplied by the Vendor, or the operation of such Deliverables pursuant to a current version of Vendor-supplied software, infringes a patent, or copyright or violates a trade secret in the United States. The Vendor shall pay those costs and damages finally awarded against the State in any such action; damages shall be limited as provided in N.C.G.S. 143B-1350(h1). Such defense and payment shall be conditioned on the following:
 - i) That the Vendor shall be notified within a reasonable time in writing by the State of any such claim; and,
 - ii) That the Vendor shall have the sole control of the defense of any action on such claim and all negotiations for its settlement or compromise provided, however, that the State shall have the option to participate in such action at its own expense.
- d) Should any Services or software supplied by Vendor, or the operation thereof become, or in the Vendor's opinion are likely to become, the subject of a claim of infringement of a patent, copyright, or a trade secret in the United States, the State shall permit the Vendor, at its option and expense, either to procure for the State the right to continue using the goods/hardware or software, or to replace or modify the same to become noninfringing and continue to meet procurement specifications in all material respects. If neither of these options can reasonably be taken, or if the use of such goods/hardware or software by the State shall be prevented by injunction, the Vendor agrees to take back such goods/hardware or software, and refund any sums the State has paid Vendor less any reasonable amount for use or damage and make every reasonable effort to assist the State in procuring substitute Deliverables. If, in the sole opinion of the State, the return of such infringing Deliverables makes the retention of other items of Deliverables acquired from the Vendor under this Contract impractical, the State shall then have the option of terminating the Contract, or applicable portions thereof, without penalty or termination charge.

The Vendor agrees to take back such Deliverables and refund any sums the State has paid Vendor less any reasonable amount for use or damage.

- e) Vendor will not be required to defend or indemnify the State if any claim by a third party against the State for infringement or misappropriation (i) results from the State's alteration of any Vendor-branded product or Deliverable, or (ii) results from the continued use of the good(s) or Services and Deliverables after receiving notice they infringe a trade secret of a third party.
- f) Nothing stated herein, however, shall affect Vendor's ownership in or rights to its preexisting intellectual property and proprietary rights.

22) ACCESS TO PERSONS AND RECORDS: Pursuant to N.C.G.S. §147-64.7, the Agency, the State Auditor, appropriate federal officials, and their respective authorized employees or agents are authorized to examine all books, records, and accounts of the Vendor insofar as they relate to transactions with any department, board, officer, commission, institution, or other agency of the State of North Carolina pursuant to the performance of this Contract or to costs charged to this Contract. The Vendor shall retain any such books, records, and accounts for a minimum of three (3) years after the completion of this Contract. Additional audit or reporting requirements may be required by any Agency, if in the Agency's opinion, such requirement is imposed by federal or state law or regulation. The Joint Legislative Commission on Governmental Operations and the legislative employees whose primary responsibility is to provide professional or administrative services to the Commission may audit the records of the Vendor during and after the term of this Agreement to verify accounts and data affecting fees or performance in accordance with Chapter 120, Article 13.

23) ASSIGNMENT: Vendor may not assign this Contract or its obligations hereunder except as permitted by 09 NCAC 06B.1003 and this Paragraph. Vendor shall provide reasonable notice of not less than thirty (30) days prior to any consolidation, acquisition, or merger. Any assignee shall affirm this Contract attorning to the terms and conditions agreed, and that Vendor shall affirm that the assignee is fully capable of performing all obligations of Vendor under this Contract. An assignment may be made, if at all, in writing by the Vendor, Assignee and the State setting forth the foregoing obligation of Vendor and Assignee.

24) INSURANCE COVERAGE: During the term of the Contract, the Vendor at its sole cost and expense shall provide commercial insurance of such type and with such terms and limits as may be reasonably associated with the Contract. As a minimum, the Vendor shall provide and maintain the following coverage and limits:

- a) **Worker's Compensation** - The Vendor shall provide and maintain Worker's Compensation Insurance, as required by the laws of North Carolina, as well as employer's liability coverage with minimum limits of \$100,000.00, covering all of Vendor's employees who are engaged in any work under the Contract. If any work is sublet, the Vendor shall require the subcontractor to provide the same coverage for any of his employees engaged in any work under the Contract; and
- b) **Commercial General Liability** - General Liability Coverage on a Comprehensive Broad Form on an occurrence basis in the minimum amount of \$2,000,000.00 Combined Single Limit (Defense cost shall be in excess of the limit of liability); and
- c) **Automobile** - Automobile Liability Insurance, to include liability coverage, covering all owned, hired and non-owned vehicles, used in connection with the Contract. The minimum combined single limit shall be \$500,000.00 bodily injury and property damage; \$500,000.00 uninsured/under insured motorist; and \$5,000.00 medical payment; and
- d) Providing and maintaining adequate insurance coverage described herein is a material obligation of the Vendor and is of the essence of this Contract. All such insurance shall meet all laws of the State of North Carolina. Such insurance coverage shall be obtained from companies that are authorized to provide such coverage and that are authorized by the Commissioner of Insurance to do business in North Carolina. The Vendor shall at all times comply with the terms of such insurance policies, and all requirements of the insurer under any such insurance policies, except as they may conflict with existing North Carolina laws or this Contract. The limits of coverage under each insurance policy maintained by the Vendor shall not be interpreted as limiting the Vendor's liability and obligations under the Contract.

- 25) DISPUTE RESOLUTION:** The parties agree that it is in their mutual interest to resolve disputes informally. A claim by the Vendor shall be submitted in writing to the Agency Contract Administrator for decision. A claim by the State shall be submitted in writing to the Vendor's Contract Administrator for decision. The Parties shall negotiate in good faith and use all reasonable efforts to resolve such dispute(s). During the time the Parties are attempting to resolve any dispute, each shall proceed diligently to perform their respective duties and responsibilities under this Contract. If a dispute cannot be resolved between the Parties within thirty (30) days after delivery of notice, either Party may elect to exercise any other remedies available under this Contract, or at law. This term shall not constitute an agreement by either party to mediate or arbitrate any dispute.
- 26) DEFAULT:** In the event Services or other Deliverable furnished or performed by the Vendor during performance of any Contract term fail to conform to any material requirement(s) of the Contract specifications, notice of the failure is provided by the State and if the failure is not cured within ten (10) days, the State may cancel the contract. Default may be cause for debarment as provided in 09 NCAC 06B.1206. The rights and remedies of the State provided above shall not be exclusive and are in addition to any other rights and remedies provided by law or under the Contract.
- a) If Vendor fails to deliver or provide correct Services or other Deliverables within the time required by this Contract, the State shall provide written notice of said failure to Vendor, and by such notice require performance assurance measures pursuant to N.C.G.S. 143B-1340(f). Vendor is responsible for the delays resulting from its failure to deliver or provide services or other Deliverables.
 - b) Should the State fail to perform any of its obligations upon which Vendor's performance is conditioned, Vendor shall not be in default for any delay, cost increase or other consequences resulting from the State's failure. Vendor will use reasonable efforts to mitigate delays, costs or expenses arising from assumptions in the Vendor's offers that prove erroneous or are otherwise invalid. Any deadline that is affected by any such failure in assumptions or performance by the State shall be extended by an amount of time reasonably necessary to compensate for the effect of such failure.
 - c) Vendor shall provide a plan to cure any delay or default if requested by the State. The plan shall state the nature of the delay or default, the time required for cure, any mitigating factors causing or tending to cause the delay or default, and such other information as the Vendor may deem necessary or proper to provide.
- 27) WAIVER OF DEFAULT:** Waiver by either party of any default or breach by the other Party shall not be deemed a waiver of any subsequent default or breach and shall not be construed to be a modification or novation of the terms of this Contract, unless so stated in writing and signed by authorized representatives of the Agency and the Vendor, and made as an amendment to this Contract pursuant to Paragraph 40) herein below.
- 28) TERMINATION:** Any notice or termination made under this Contract shall be transmitted via US Mail, Certified Return Receipt Requested. The period of notice for termination shall begin on the day the return receipt is signed and dated.
- a) The parties may mutually terminate this Contract by written agreement at any time.
 - b) The State may terminate this Contract, in whole or in part, pursuant to Paragraph 26), or pursuant to the Special Terms and Conditions in the Solicitation Documents, if any, or for any of the following:
 - i) Termination for Cause: In the event any goods, software, or service furnished by the Vendor during performance of any Contract term fails to conform to any material requirement of the Contract, and the failure is not cured within the specified time after providing written notice thereof to Vendor, the State may cancel and procure the articles or Services from other sources; holding Vendor liable for any excess costs occasioned thereby, subject only to the limitations provided in Paragraphs 29) and 30) herein. The rights and remedies of the State provided above shall not be exclusive and are in addition to any other rights and remedies provided by law or under the Contract. Vendor shall not be relieved of liability to the State for damages sustained by the State arising from Vendor's breach of this Contract; and the State may, in its discretion, withhold any payment due as a setoff until such time as the damages

are finally determined or as agreed by the parties. Voluntary or involuntary Bankruptcy or receivership by Vendor shall be cause for termination.

- ii) Termination For Convenience Without Cause: The State may terminate service and indefinite quantity contracts, in whole or in part by giving thirty (30) days prior notice in writing to the Vendor. Vendor shall be entitled to sums due as compensation for Deliverables provided and Services performed in conformance with the Contract. In the event the Contract is terminated for the convenience of the State the Agency will pay for all work performed and products delivered in conformance with the Contract up to the date of termination.

29) LIMITATION OF VENDOR'S LIABILITY:

- a) Where Deliverables are under the State's exclusive management and control, the Vendor shall not be liable for direct damages caused by the State's failure to fulfill any State responsibilities of assuring the proper use, management and supervision of the Deliverables and programs, audit controls, operating methods, office procedures, or for establishing all proper checkpoints necessary for the State's intended use of the Deliverables.
- b) The Vendor's liability for damages to the State arising under the contract shall be limited to two times the value of the Contract.
- c) The foregoing limitation of liability shall not apply to claims covered by other specific provisions including but not limited to Service Level Agreement or Deliverable/Product Warranty compliance, or to claims for injury to persons or damage to tangible personal property caused by Vendor's gross negligence or willful or wanton conduct. This limitation of liability does not apply to contributions among joint tortfeasors under N.C.G.S. 1B-1 et seq., the receipt of court costs or attorney's fees that might be awarded by a court in addition to damages after litigation based on this Contract. For avoidance of doubt, the Parties agree that the Service Level Agreement and Deliverable/Product Warranty Terms in the Contract are intended to provide the sole and exclusive remedies available to the State under the Contract for the Vendor's failure to comply with the requirements stated therein.

30) VENDOR'S LIABILITY FOR INJURY TO PERSONS OR DAMAGE TO PROPERTY:

- a) The Vendor shall be liable for damages arising out of personal injuries and/or damage to real or personal property of the State, employees of the State, persons designated by the State for training, or person(s) other than agents or employees of the Vendor, designated by the State for any purpose, prior to, during, or subsequent to delivery, installation, acceptance, and use of the Deliverables either at the Vendor's site or at the State's place of business, provided that the injury or damage was caused by the fault or negligence of the Vendor.
- b) The Vendor agrees to indemnify, defend and hold the Agency and the State and its Officers, employees, agents and assigns harmless from any liability relating to personal injury or injury to real or personal property of any kind, accruing or resulting to any other person, firm or corporation furnishing or supplying work, Services, materials or supplies in connection with the performance of this contract, whether tangible or intangible, arising out of the ordinary negligence, willful or wanton negligence, or intentional acts of the Vendor, its officers, employees, agents, assigns or subcontractors, in the performance of this Contract.
- c) Vendor shall not be liable for damages arising out of or caused by an alteration or an attachment not made or installed by the Vendor.

- 31) CHANGES**: This Contract and subsequent purchase order(s) is awarded subject to shipment of quantities, qualities, and prices indicated by the order or Contract, and all conditions and instructions of the Contract or offer on which it is based. Any changes made to this Contract or purchase order proposed by the Vendor are hereby rejected unless accepted in writing by the Agency or State Award Authority. The State shall not be responsible for Deliverables or Services delivered without a purchase order from the Agency or State Award Authority.

32) STOP WORK ORDER: - Reserved.

- 33) PRICE ADJUSTMENTS FOR TERM CONTRACTS**: Reserved.

- 34) TIME IS OF THE ESSENCE**: Time is of the essence in the performance of this Contract.

- 35) DATE AND TIME WARRANTY**: The Vendor warrants that any Deliverable, whether hardware, firmware, middleware, custom or commercial software, or internal components, subroutines, and

interface therein which performs any date and/or time data recognition function, calculation, or sequencing, will provide accurate date/time data and leap year calculations. This warranty shall survive termination or expiration of the Contract.

- 36) INDEPENDENT CONTRACTORS:** Vendor and its employees, officers and executives, and subcontractors, if any, shall be independent Vendors and not employees or agents of the State. This Contract shall not operate as a joint venture, partnership, trust, agency or any other business relationship.
- 37) TRANSPORTATION:** Transportation of Deliverables shall be FOB Destination; unless otherwise specified in the solicitation document or purchase order. Freight, handling, hazardous material charges, and distribution and installation charges shall be included in the total price of each item. Any additional charges shall not be honored for payment unless authorized in writing by the Purchasing State Agency. In cases where parties, other than the Vendor ship materials against this order, the shipper must be instructed to show the purchase order number on all packages and shipping manifests to ensure proper identification and payment of invoices. A complete packing list must accompany each shipment.
- 38) NOTICES:** Any notices required under this Contract should be delivered to the Contract Administrator for each party. Unless otherwise specified in the Solicitation Documents, any notices shall be delivered in writing by U.S. Mail, Commercial Courier or by hand.
- 39) TITLES AND HEADINGS:** Titles and Headings in this Contract are used for convenience only and do not define, limit or proscribe the language of terms identified by such Titles and Headings.
- 40) AMENDMENT:** This Contract may not be amended orally or by performance. Any amendment must be made in written form and signed by duly authorized representatives of the State and Vendor in conformance with Paragraph 31) herein.
- 41) TAXES:** The State of North Carolina is exempt from Federal excise taxes and no payment will be made for any personal property taxes levied on the Vendor or for any taxes levied on employee wages. Agencies of the State may have additional exemptions or exclusions for federal or state taxes. Evidence of such additional exemptions or exclusions may be provided to Vendor by Agencies, as applicable, during the term of this Contract. Applicable State or local sales taxes shall be invoiced as a separate item.
- 42) GOVERNING LAWS, JURISDICTION, AND VENUE:**
 - a) This Contract is made under and shall be governed and construed in accordance with the laws of the State of North Carolina. The place of this Contract or purchase order, its situs and forum, shall be Wake County, North Carolina, where all matters, whether sounding in contract or in tort, relating to its validity, construction, interpretation and enforcement shall be determined. Vendor agrees and submits, solely for matters relating to this Contract, to the jurisdiction of the courts of the State of North Carolina, and stipulates that Wake County shall be the proper venue for all matters.
 - b) Except to the extent the provisions of the Contract are clearly inconsistent therewith, the applicable provisions of the Uniform Commercial Code as modified and adopted in North Carolina shall govern this Contract. To the extent the Contract entails both the supply of "goods" and "Services," such shall be deemed "goods" within the meaning of the Uniform Commercial Code, except when deeming such Services as "goods" would result in a clearly unreasonable interpretation.
- 43) FORCE MAJEURE:** Neither party shall be deemed to be in default of its obligations hereunder if and so long as it is prevented from performing such obligations as a result of events beyond its reasonable control, including without limitation, fire, power failures, any act of war, hostile foreign action, nuclear explosion, riot, strikes or failures or refusals to perform under subcontracts, civil insurrection, earthquake, hurricane, tornado, or other catastrophic natural event or act of God.
- 44) COMPLIANCE WITH LAWS:** The Vendor shall comply with all laws, ordinances, codes, rules, regulations, and licensing requirements that are applicable to the conduct of its business, including those of federal, state, and local agencies having jurisdiction and/or authority.
- 45) SEVERABILITY:** In the event that a court of competent jurisdiction holds that a provision or requirement of this Contract violates any applicable law, each such provision or requirement shall be

enforced only to the extent it is not in violation of law or is not otherwise unenforceable and all other provisions and requirements of this Contract shall remain in full force and effect. All promises, requirement, terms, conditions, provisions, representations, guarantees and warranties contained herein shall survive the expiration or termination date unless specifically provided otherwise herein, or unless superseded by applicable federal or State statute, including statutes of repose or limitation.

46) FEDERAL INTELLECTUAL PROPERTY BANKRUPTCY PROTECTION ACT: The Parties agree that the Agency shall be entitled to all rights and benefits of the Federal Intellectual Property Bankruptcy Protection Act, Public Law 100-506, codified at 11 U.S.C. 365(n), and any amendments thereto.

47) ELECTRONIC PROCUREMENT (Applies to all contracts that include E-Procurement and are identified as such in the body of the solicitation document): Purchasing shall be conducted through the Statewide E-Procurement Service. The State's third party agent shall serve as the Supplier Manager for this E-Procurement Service. The Vendor shall register for the Statewide E-Procurement Service within two (2) business days of notification of award in order to receive an electronic purchase order resulting from award of this contract.

- a) Reserved.
- b) Reserved.
- c) The Supplier Manager will capture the order from the State approved user, including the shipping and payment information, and submit the order in accordance with the E-Procurement Service. Subsequently, the Supplier Manager will send those orders to the appropriate Vendor on State Contract. The State or State approved user, not the Supplier Manager, shall be responsible for the solicitation, offers received, evaluation of offers received, award of contract, and the payment for goods delivered.
- d) Vendor agrees at all times to maintain the confidentiality of its user name and password for the Statewide E-Procurement Services. If a Vendor is a corporation, partnership or other legal entity, then the Vendor may authorize its employees to use its password. Vendor shall be responsible for all activity and all charges for such employees. Vendor agrees not to permit a third party to use the Statewide E-Procurement Services through its account. If there is a breach of security through the Vendor's account, Vendor shall immediately change its password and notify the Supplier Manager of the security breach by e-mail. Vendor shall cooperate with the state and the Supplier Manager to mitigate and correct any security breach.

48) ELECTRONIC PROCUREMENT (Applies only to Statewide Term Contracts): RESERVED

Section 2: Terms and Conditions Applicable to Personnel and Personal Services

- 1) VENDOR'S REPRESENTATION:** Vendor warrants that qualified personnel will provide Services in a professional manner. "Professional manner" means that the personnel performing the Services will possess the skill and competence consistent with the prevailing business standards in the information technology industry. Vendor agrees that it will not enter any agreement with a third party that might abridge any rights of the State under the Agreement. Vendor will serve as the prime Vendor under the Agreement. Should the State approve any subcontractor(s), the Vendor shall be legally responsible for the performance and payment of the subcontractor(s). Names of any third-party Vendors or subcontractors of Vendor may appear for purposes of convenience in Contract documents; and shall not limit Vendor's obligations hereunder. Such third-party subcontractors, if approved, may serve as subcontractors to Vendor. Vendor will retain executive representation for functional and technical expertise as needed in order to incorporate any work by third party subcontractor(s).
 - a) Intellectual Property. Vendor represents that it has the right to provide the Services and other Deliverables without violating or infringing any law, rule, regulation, copyright, patent, trade secret or other proprietary right of any third party. Vendor also represents that its Services and other Deliverables are not the subject of any actual or threatened actions arising from, or alleged under, any intellectual property rights of any third party.

- b) Inherent Services. If any Services or other Deliverables, functions, or responsibilities not specifically described in the Agreement are required for Vendor's proper performance, provision and delivery of the Services and other Deliverables pursuant to the Agreement, or are an inherent part of or necessary sub-task included within the Services, they will be deemed to be implied by and included within the scope of the Contract to the same extent and in the same manner as if specifically described in the Contract.
 - c) Vendor warrants that it has the financial capacity to perform and to continue to perform its obligations under the Contract; that Vendor has no constructive or actual knowledge of an actual or potential legal proceeding being brought against Vendor that could materially adversely affect performance of the Agreement; and that entering into the Agreement is not prohibited by any Contract, or order by any court of competent jurisdiction.
- 2) **SERVICES PROVIDED BY VENDOR:** Vendor shall provide the State with implementation Services as specified in a Statement of Work ("SOW") executed by the parties. This Agreement in combination with each SOW individually comprises a separate and independent contractual obligation from any other SOW. A breach by Vendor under one SOW will not be considered a breach under any other SOW. The Services intended hereunder are related to the State's implementation and/or use of one or more Software Deliverables licensed hereunder or in a separate software license agreement between the parties ("License Agreement"). (Reserve if not needed)
- 3) **PERSONNEL:** Vendor shall not substitute key personnel assigned to the performance of the Agreement without prior written approval by the Agency Contract Administrator. The individuals designated as key personnel for purposes of the Agreement are those specified in the Vendor's offer. Any desired substitution shall be noticed to the Agency's Contract Administrator in writing accompanied by the names and references of Vendor's recommended substitute personnel. The Agency will approve or disapprove the requested substitution in a timely manner. The Agency may, in its sole discretion, terminate the Services of any person providing Services under the Agreement. Upon such termination, the Agency may request acceptable substitute personnel or terminate the Contract Services provided by such personnel.
- a) Unless otherwise expressly provided in the Contract, Vendor will furnish all of its own necessary management, supervision, labor, facilities, furniture, computer and telecommunications equipment, software, supplies and materials necessary for the Vendor to provide and deliver the Services and other Deliverables.
 - b) Vendor personnel shall perform their duties on the premises of the State, during the State's regular workdays and normal work hours, except as may be specifically agreed otherwise, established in the specification, or statement of work.
 - c) The Agreement shall not prevent Vendor or any of its personnel supplied under the Agreement from performing similar Services elsewhere or restrict Vendor from using the personnel provided to the State, provided that:
 - i) Such use does not conflict with the terms, specifications or any amendments to the Agreement, or
 - ii) Such use does not conflict with any procurement law, regulation or policy, or
 - iii) Such use does not conflict with any non-disclosure agreement, or term thereof, by and between the State and Vendor or Vendor's personnel.
 - d) Unless otherwise provided by the Agency, the Vendor shall furnish all necessary personnel, Services, and otherwise perform all acts, duties and responsibilities necessary or incidental to the accomplishment of the tasks specified in the Agreement. The Vendor shall be legally and financially responsible for its personnel including, but not limited to, any deductions for social security and other withholding taxes required by state or federal law. The Vendor shall be solely responsible for acquiring any equipment, furniture, and office space not furnished by the State necessary for the Vendor to comply with the Agreement. The Vendor personnel shall comply with any applicable State facilities or other security rules and regulations.
- 4) **PERSONAL SERVICES:** Reserved.

Attachment A: Statement of Work for Print Services

1.0 SCOPE OF WORK

Vendor shall provide production of and mailing services for NC Sales and Use Coupon Books. Vendor shall print approximately 152,950 coupon books plus semi-monthly coupon book updates (approximately 12,000) for the following sales and use tax types:

- Sales and Use Tax Returns (E-500)
- Utility and Liquor Sales and Use Tax Returns (E-505)
- Motor vehicle Lease and Rental Tax returns (E-500F)
- Scrap Tire Disposal Tax Returns (E-500G)
- White Goods Disposal Tax Returns (E-500H)
- Solid Waste Disposal Tax Returns (E-500K)
- 911 Service Charge Prepaid Wireless Telecommunications Returns (E-500L)
- Transportation Commerce Returns (E-500T)

Vendor shall laser print, Optical Character Recognition (“OCR”) encode, address and personalize (from NCDOR ShareFile or SharePoint), assemble, stitch, tape, insert into a mailing envelope, and deliver for mailing, at Vendor’s expense, all coupon books to the United States Postal Service (“USPS”) per USPS Regulations.

The North Carolina General Assembly may levy new Sales and Use tax types during the Contract Term. Any new tax type will require coupon books. Vendor agrees to print any such additional coupon books at the costs requested by NCDOR as agreed upon in Section 4.2 Additional Printing Costs; actual quantities will be provided at the time of request. NCDOR will work with Vendor to supply all necessary information to facilitate Vendor’s printing of the coupon books.

Vendor will be responsible for the following tasks:

1.1 TASKS

- Download digital data from the NCDOR ShareFile or SharePoint application.
- Produce laser-printed coupon books that meet requirements listed in Attachment A: Section 5.
- Ensure accurate binding and finishing of bulk and updated coupon books
- Provide Test/Tape Books to NCDOR for acceptance prior to printing.
- Insert Coupon books and Business Reply Envelope (“BRE”) into a mailing envelope.
- Deliver envelopes to USPS per USPS Regulations for mailing at Vendor’s expense on schedule.
- Provide 25 Training Extra Books to NCDOR following the initial print.
- Maintain confidentiality and data security throughout the process.

1.2 DELIVERABLES

DELIVERABLE	DESCRIPTION
Bulk Tax Coupon Books – Printed per specifications in Attachment A Section 5	Initial printing of coupon books / Estimated Quantities
E500	Sales and Tax Returns /140,000
E-500E	Utility and Liquor Sales and Use Tax Returns / 3,300
E-500F	Motor Vehicle Lease and Rental Tax Returns / 1,500
E-500G	Scrap Tire Disposal Tax Returns / 5,200

E-500H	White Goods Disposal Tax Returns / 2,200
E-500K	Solid Waste Disposal Tax Returns / 100
E-500L	911 Service Charge Prepaid Wireless Telecommunications Returns / 500
E0500T	Transportation Commerce / 150
Monthly Updated Books	Coupon books printed with updates/ 12,000
Mailing Envelopes	SOW Paragraph 4.1.4
Business Reply Envelopes (BRE)	SOW Paragraph 4.1.3
Test Tape/Books	SOW Paragraph 4.8
Proofs	SOW Paragraph 4.1.1 (g)
Digital Monthly Address Update File	SOW Paragraph 4.7
Training Extra Books	SOW Paragraph 4.13
Mailing Service/Delivery	SOW Paragraph 4.4

1.3 DELIVERABLE MILESTONES

DELIVERABLE/MILESTONE	ESTIMATED DELIVERY DATE
Initial Bulk Tax Coupon Books	Scheduled delivery per SOW Paragraph 1.3: Table 1
Monthly Updated Coupon Books	Delivered within 10 days or less per SOW Paragraph 4.2
Mailing Envelopes	Scheduled delivery per SOW Paragraph 1.3: Table 1 – SOW Paragraph 4.1.4
Business Reply Envelopes (“BRE”) and Sample	Scheduled delivery per SOW Paragraph 1.3: Table 1 and Paragraph 4.1.3
Test Tape/Books/	Prior to printing - SOW Paragraph 4.8
Proofs	Prior to printing – SOW Paragraph 4.1.1 (g)
Digital Monthly Address Update File	Following updated address changes provided by NCDOR - SOW Paragraph 4.7
Training Extra Books	Following initial print per SOW Paragraph 1.3: Table 1 – SOW Paragraph 4.12
Mailing Service/Delivery	Scheduled delivery per SOW Paragraph 1.3: Table 1 – SOW Paragraph 4.4

TABLE 1: MAILING SCHEDULE: Dates listed are the preferred dates.

BULK UPLOAD DATE:	TYPE:	COUPON MAILING SCHEDULE:
2-Mar-27	Update	Upon Receipt

3-Apr-27	Update	Upon Receipt
28-Apr-27	Update	Upon Receipt
30-May-27	Update	Upon Receipt
30-May-27	Annual	Between 27-31-Jul-27
3-Jul-27	Update	Upon Receipt
31-Jul-27	Update	Upon Receipt
31-Aug-27	Update	Upon Receipt
2-Oct-27	Update	Upon Receipt
17-Oct-27	Annual	Between 18-22-Nov-27
31-Oct-27	Update	Upon Receipt
30-Nov-27	Update	Upon Receipt
30-Dec-27	Update	Upon Receipt
31-Jan-28	Update	Upon Receipt

1.4 **COMPLETION CRITERIA**

DELIVERABLE	COMPLETION CRITERIA
Initial Bulk Tax Coupon Books	Upon verification of physical delivery to USPS and receipt of packing slip – SOW Paragraph 4.4
Monthly Updated Coupon Books	Upon verification of mailing within ten days of data receipt - SOW Paragraph 4.2
Mailing Envelopes	Upon NCDOR approval prior to initial mailing – SOW Paragraph 4.1.4
Business Reply Envelopes (“BRE”) and Sample	Upon NCDOR approval prior to initial mailing – SOW Paragraph 4.1.3
Test Tape/Books/	Upon NCDOR approval prior to mailing – SOW Paragraph 4.8
Proofs	Upon NCDOR approval prior to mailing – SOW Paragraph 4.1.1 (g)
Digital Monthly Address Update File	Upon NCDOR receipt of file prior to mailing - SOW Paragraph 4.7
Training Extra Books	Upon NCDOR acceptance – SOW Paragraph 4.13
Mailing Service/Delivery	Upon receipt of packing slip – SOW Paragraph 4.4

2.0 **PERIOD OF PERFORMANCE**

Services under this SOW will commence upon receipt of the executed contract and purchase order and shall continue through the Contract Term, unless terminated earlier.

3.0 **PLACE OF PERFORMANCE**

Printing, production and mailing services performed under this SOW will be performed onsite at the Vendor's facility. Samples, test (tape) books, and training books will be mailed via USPS to North Carolina Department

of Revenue, PO Box 25000, Raleigh, NC 27640-0640 or shipped to NCDOR at 500 N Wilmington Street, Raleigh, NC 27604.

4.0 SPECIFIC REQUIREMENTS

4.1 Tax-Payment Coupon Books - All book types may contain monthly, quarterly, monthly with prepayment or semi-annual (911 Service Charge only) filing frequencies, depending on the tax type.

4.1.1 Detail Information

- a. **Size:** 8 3/4" wide including 1/4" stub by 4" high overall, assembled, stitched, and taped.
- b. **Stock:**
 - i. Covers - coated 90# blue stock
 - ii. Paper specifications - all other pages
 - 1. Weight: 24 lb.
 - 2. Opacity: 85%
 - 3. Stiffness: 50 to 100mg (Gurley Method)
 - 4. Tearing: 55.0 minimum
 - 5. Smoothness: 85 Gurley
 - 6. Reflectance: 70% minimum
 - 7. Dirt Count: Less than 10 parts per million
 - 8. Porosity: 15 – 85 Gurley
 - 9. Color: White
- c. **Ink Specifications:**
 - i. Scan ink – carbon based black ink, non-magnetic, nonreflective
 - ii. Drop-out ink – Pantone 190U or 191U with 40% screen
 - iii. **MICR ink cannot be used.** Vendor must provide samples of inks prior to printing.
- d. **Style:** Coupon book stapled or stitched and bound at left edge. Coupon books will be varying composition containing front and back covers, header page, four (4) to six (6) pages of instructions, and four (4) (semi-annual), six (6) (quarterly) or fourteen (14) (monthly and monthly with prepayment) tear out coupon forms.
- e. **Perforations:** Detachable returns and forms are to be micro-perforated for easy tear-out. Perforations are to be of such quality as for easy removal from book yet not to separate in handling.
 - i. The following forms and returns will be perforated vertically 1/4" from left edge:
 - 1. Four semi-annual, six quarterly or fourteen (monthly and monthly with prepayment) coupon returns
 - 2. Business Address Correction
 - 3. Out-of-Business Notification
 - ii. The following pages will **NOT** perforated:

1. Front and back covers
 2. Header page
 3. Three to six pages of instructions
 4. One additional page of instructions following the returns
- f. **Die Cut:** Cover of book to include a die-cut of sufficient size to show the name and mailing address. As an alternate, the name and mailing address may be displayed on the cover of the book without a die-cut.
- g. **Proofs:** Proofs in duplicate will be required. In addition to proofs, Vendor must also furnish 50 coupons from each of the individual books (Forms E-500, E-500E, E-500F, E-500G, E-500H, E-500K, E-500L, and E-500T) personalized to include an example of the print with the taxpayer's name, address, filing frequency, account ID, period ending date, file by date, and scan line. See SOW Paragraph 4.9.
- h. **Quantity:** Approximately 62,450 books will be mailed initially in March 2027 (monthly for E-500 and all filing frequencies for E-500E, E-500F, E-500G, E-500H, E-500K, and E-500T) Approximately 90,000 books will be mailed in December 2027 (E-500 quarterly). Approximately 500 books will be mailed in July 2028 (E-500L monthly and semi-annual). Approximately 250 books will be mailed per monthly update thereafter. Data for these books will be sent to Vendor via ShareFile on a semimonthly basis to be printed and mailed within ten days or less.
- i. **OCR Scan Line:** Per State's specifications all coupon returns will contain an OCR-A font scan line, 12-point (10 cpi) font size. All imaged data in the scan line will have a minimum resolution of 240 dpi x 240 dpi or better with a +/- 1/32" maximum variance on placement of the image. The bottom of the scan line will be 1/2" from the trim edge of the bottom of each return. The horizontal position of the scan line will begin exactly 1/2" from the left perforated edge and end exactly 5" from the right edge of the voucher. Vendor must guarantee that the OCR-A scan line on returns will be of such quality as to assure a reject rate of less than 5% when returns are scanned on a Banc Tec E Series Scanner.

The scan line and other imaged data must be printed using a laser printer. The contents of the scan line will be provided after the award of the bid.

4.1.2 Collating Sequence

- a. **Front Cover:**
 - i. Outside - printed
 - ii. Inside - printed
- b. **Header Page:** - Name and address - maximum seven lines plus postal bar code. Personalized to include taxpayer's account ID, filing frequency, and period of returns. Printed front and back.
- c. **Instructions:** – three to six pages - printed front and back
- d. **Business Address Correction:** - Personalized (Includes Account ID, name, and address) - Printed - front only

- e. **Out-of-Business Notification:** - Personalized (Includes Account ID, name, and address) - Printed - front only
- f. **Personalized Coupon Returns:** "Personalized" indicates that the return requires at least the taxpayer's name, address, account ID, filing frequency, period ending date, file by date, and scan line.
 - i. **Monthly with prepayment:** - Twelve (12) E-500, E-500E, E-500F, E-500G, E-500H and E-500T returns printed front and back.
 - ii. **Monthly:** – Twelve (12) E-500, E-500E, E-500F, E-500G, E-500H, E-500L and E-500T returns printed front and back.
 - iii. **Quarterly:** – Four (4) E-500, E-500E, E-500F, E-500G, E-500H, E-500K and E-500T returns printed front and back.
 - iv. **Semi-annual** – Two E-500L returns front and back.
- g. **Additional Instruction Page:** – One (1) page - printed front only
- h. **Additional Personalized Coupon Returns:** For all filing frequencies include two (2) additional personalized coupon returns printed front and back with taxpayer's name, address, account ID, filing frequency, and scan line (with zeros inserted for the period). Screen in large letters "AMENDED RETURN" or print "AMENDED RETURN" on the top left side of the return centered above the title of the return.
- i. **Back Cover:**
 - i. Outside – Printed
 - ii. Inside – Printed

4.1.3 Business Reply Envelopes ("BREs") for All Books:

Vendor will furnish, print, and insert BREs as follows:

Monthly/monthly prepay books	12 BREs
Quarterly books	4 BREs
Semi-annual books	2 BREs

BREs must be of sufficient size to accommodate the return. BREs must be printed with a blue color band 1/2" wide (3/8" front and 1/8" back) at the top of the envelope. BREs must be a 24 lb. white wove and is to contain a window covered with cellophane to align with the "File By" field on the returns. BREs must be printed to include the return address, machine readable delivery point bar code for eleven-digit zip code per postal regulations and other copy as may be specified. Vendor will set type for envelope.

BREs must be manufactured to OPEX standards. NCDOR will provide a sample of current envelopes. **No MICR inks can be used in the printing of BREs.** Vendor must provide a sample of a similar BRE that will be used.

4.1.4 Mailing Envelopes

Vendor shall use 24-lb. white wove envelope with die cut window of sufficient size for illustration of name and address on book. Vendor shall print return address in one color upper left corner and the NCDOR Postal Indicia in upper right corner.

The envelope should be of sufficient size for the coupon book and business reply envelopes (BREs) to be inserted and mailed at the most favorable rate available according to the USPS Regulations with no penalty at Standard Mail Discounted Prices. (See SOW Paragraph 4.7 for additional information regarding address-updating requirements.)

4.2 Turnaround Time

NCDOR will furnish data on monthly basis for taxpayer update books via NCDOR File Sharing. Vendor must mail updated books within ten (10) calendar days of receipt of the data from NCDOR. (See SOW Paragraph 4.7) Each new coupon book must have a coupon return for the current month, quarter or semi-annual and the appropriate number of coupon returns for the remaining months or quarters during the period February 2027 through January 2028 consistent with the filing frequencies.

4.3 Schedule for General Mailing

Monthly with prepayment and monthly books for E-500 and all books for E-500E, E-500F, E-500G, E-500H, E-500K and E-500T must be mailed to taxpayers no later than October 31, 2027.

Quarterly books for E-500 must be mailed to taxpayers no later than December 5, 2027.

Monthly and semi-annual books for the E-500L must be mailed to taxpayers no later than July 31, 2027.

Vendor guarantees strict adherence to this schedule. If any of the books are not mailed within seven calendar days of the scheduled mail dates contained herein due to any fact or circumstance that is or was within the control of the Vendor, NCDOR, at its discretion, may require the Vendor to mail any unmailed books at the First-Class Mail postage rate at the vendor's expense.

4.4 Mailing Services

1. Vendor shall deliver books to the post office at its own expense.
2. NCDOR shall pay the postage on all coupon books via the Centralized Account Processing System ("CAPS") account, the details of which will be provided to Vendor after contract award.
3. Vendor shall mail books that do not qualify for standard bulk rate at (A) automation rate. Vendor will be responsible for postage at the time of mailing and will invoice NCDOR for reimbursement and include a statement from the USPS of all eligible reimbursement postage charges.
4. When an order is placed using a purchase order, the purchase order number shall be shown on all packages and shipping manifests to ensure proper identification and payment of invoices. If an order is placed without using a purchase order, such as via phone, the Buyer's name shall be shown on all packages. A complete packing list shall accompany each shipment. Vendors shall not ship any products until they have received an order.

4.5 Error Rate

The highest acceptable error rate is **5%** per update run and **5%** of the bulk printings to be mailed in October and December 2026. Specific quality control procedures are required for:

1. Printing - detail start/restart procedures for stoppages or breakdowns in the course of a press run.
2. Assembly of book components.
3. Mailing (inserting, sealing, presort, etc.)

4.6 Quality Control Scan Line Information

Documents mailed to taxpayers must read at a rate of 95%. All characters on 95% of the coupons must be captured correctly by NCDOR's equipment. NCDOR will periodically perform read tests and check the quality of the documents. In performing the test, the read equipment will also be tested, and the test will be performed on more than one machine. If at any time the documents are found to have an error rate in excess of 5%, the Vendor will be notified by a Request to Cure. Official notification will be in writing to the vendor's mailing address (certified or express mail). Vendor will have ten (10) business days to propose a solution to correct the problem at the Vendor's expense. The frequency with which taxpayers file the coupon tax returns necessitates an immediate correction of problems encountered. If Vendor fails to respond within the 10-day period, NCDOR may submit to the State Purchasing Officer and take administrative action resulting in adverse consequences to Vendor, including removal from an existing contract, a lower performance evaluation or disqualification of a pending or future bid/proposal, or debarment for up to one year. The State Purchasing Officer may also take administrative action if vendor fails to complete any action plan described in its response.

4.7 Address Updating Procedures

Vendor must provide (at Vendor's expense) the necessary address-updating processing for all addresses using a method approved by the USPS for address updating to comply with USPS Regulations as set forth in the Domestic Mail Manual in order to qualify for Standard Mail Discounted Prices. On a monthly basis, Vendor must furnish the NCDOR with an electronic file of updated addresses. Vendor shall confer with the NCDOR Contract Manager for layout specifications.

4.8 Equipment Backup/Contingency Procedures

Vendor must demonstrate its ability to continue Services under this IFB in the event of equipment failure, significant errors, and/or supply chain shortages. Describe contingency procedures in the event of equipment failure, significant program/printing error, forms/paper shortages, etc.

4.9 Test Tape/Books

Prior to printing coupon books for mailing to taxpayers, the Vendor must conduct a test run to demonstrate that all required programming and forms specifications have been met. Test documents, not less than fifty (50) of each type, will be mailed to NCDOR for testing. The test must simulate a "live" run to the degree that it is possible to do so. NCDOR will perform a "read test" on the documents and provide the results to Vendor. The documents must have a read rate of 95%.

4.10 Quality Assurance

NCDOR reserves the right to enter the Vendor's plant when work on any or all items, awarded under this proposal, is in progress to perform quality inspection of any operation or equipment including security. Vendor shall notify NCDOR by telephone at least 96 hours prior to beginning of production of work under this proposal.

4.11 Form Design, Content, etc.

NCDOR will provide camera-ready copy of the tax returns, and the instructions contained in the books. In lieu of camera-ready copy, NCDOR may provide all forms and instructions via digital copy using Adobe InDesign or PDF. Vendor shall output all proofs must be from a PC platform. **Vendor shall not reset camera-ready copy or digital copy.**

NCDOR will furnish camera-ready or digital copy to the successful Vendor after the 2027 North Carolina General Assembly adjourns, and/or upon bid award. For subsequent years, it is the intent of NCDOR to furnish camera ready or digital copy no later than August 31.

4.12 Programming and Information Destruction

NCDOR will provide the Vendor with names, addresses, account numbers with check digits, and filing frequency codes. Vendor shall confer with the NCDOR Contract Manager to develop the necessary programming for production of the books.

Vendor agrees that it will only use the data it receives under this IFB for the purposes described herein. Vendor shall securely hold any edited address overruns or other use of the data that results in the printout of material other than that specifically required to be shipped by the Vendor and return it to NCDOR.

4.13 Samples

Samples of coupon book are not required at time of bid submittal. However, NCDOR reserves the right to request stock or printed samples during bid evaluation. Should it become necessary to request stock or printed samples, Vendor shall furnish samples within seven (7) consecutive calendar days after request. Samples provided hereunder are subject to IFB Section 6.0, Paragraph 9

4.14 Extra Books Requirement

When the initial supply of books is printed, the Vendor will print an additional twenty-five (25) copies of each book, non-personalized, and ship to the NCDOR to use for training purposes.

4.15 OPTIONAL ITEMS

Optional Proposal #1 for NORTH CAROLINA GENERAL ASSEMBLY TAX STATUTE AMENDMENTS:

Vendor to furnish paper, 20 lb. white, letter size – 8½” x 11” (unless stated otherwise), printed front and back, if necessary, in black ink, information regarding any amendments to the sales and use tax statute enacted by the 2024 North Carolina General Assembly in a format to be provided by NCDOR, fold, and insert the information with all tax coupon books in the general mailings and updates. NCDOR will provide camera-ready copy.

Specific Requirements

One (1) Page Sheet (8½” x 4”) Printed on Front and Back, and inserted in 141,670 Books

One (1) Page Sheet Printed on Front and Back, folded, and inserted in 141,670 Books

Two (2) Page Sheet Printed on Front and Back, folded, and inserted in 141,670 Books
(May substitute 11” x 17” for two, 8½” x 11” sheets)

Three (3) Page Sheet Printed on Front and Back, folded, and inserted in 141,670 Books

NOTE - The above-described requirement is a considered option and may or may not be purchased by NCDOR during the contract term.

(For providing Vendor cost for Optional Item #1, reference SECTION 4: FURNISH AND DELIVER Subsection 4.2 ADDITIONAL PRINTING COSTS, TABLES 3 AND 5)

Optional Proposal # 2 for E-505 (Electronic Filers):

Vendor to furnish paper, 20 lb. white, letter size – 8½” x 11” (unless stated otherwise), printed front and back, if necessary, in black ink, information regarding any amendments to the sales and use tax statute enacted by the 2024 North Carolina General Assembly in a format to be provided by NCDOR, fold, and

insert the information in an envelope furnished by the vendor. NCDOR will provide a camera-ready copy of the document, sample of the 4 1/8" x 9 1/2" 24-lb envelope and a mailing list.

Specific Requirements

One (1) Page Sheet Printed on Front and Back, Folded, and Inserted in 155,500 Envelopes

Two (2) Page Sheet Printed on Front and Back, Folded, and Inserted in 155,500 Envelopes
(May substitute 11" x 17" for two, 8½" x 11" sheets)

Three (3) Page Sheet Printed on Front and Back, Folded, and Inserted in 155,500 Envelopes

NOTE - The above-described requirement is a considered option and may or may not be purchased by NCDOR during the contract term.

(For providing Vendor cost for Optional Item #2, reference SECTION 4: FURNISH AND DELIVER Subsection 4.2 ADDITIONAL PRINTING COSTS. TABLES 4 AND 6)

5.0 IT SECURITY REQUIREMENTS

- 5.1 All NCDOR data, including returns and return information, will be accounted for upon receipt and protected from unauthorized disclosure while stored and during and after processing. Access to the NCDPR ShareFile site and NCDOR data shall be strictly limited to only to the information necessary to perform the services under this SOW. Vendor shall maintain the confidentiality of all such data and shall not disclose, share, or use it for any purpose other than fulfilling its obligations under this SOW.
- 5.2 The Vendor will maintain a list of employees authorized access to NCDOR ShareFile and the shared data. Such list will be provided to the NCDOR.
- 5.3 The NCDOR will have the right to void the contract if the Vendor fails to provide the safeguards described above.

6.0 NCDOR RESPONSIBILITIES

- 6.1 NCDOR will provide the Vendor with names, addresses, account numbers with check digits, and filing frequency codes via ShareFile.
- 6.2 NCDOR will furnish data updates on monthly basis for taxpayer update books via NCDOR File Sharing.
- 6.3 NCDOR will provide the Vendor with a copy of the tax returns, and the instructions contained in the books via Adobe InDesign or PDF.
- 6.4 NCDOR shall provide reimbursement of invoiced postage on all books.
- 6.5 NCDOR will provide layout specifications of coupon books and updates.

7.0 CHANGE CONTROL PROCEDURE

The Parties may mutually agree, in writing, to change to project schedule at any time. Any changes in scope that will result in a change in cost or term of the contract will require a contract amendment. No work under a proposed amendment may commence until Vendor receives a fully executed amendment and revised purchase order.

8.0 POINTS OF CONTACT

NCDOR Project Manager and Contract Manager	NCDOR Procurement and Contract Administrator
Name: Edward Strickland Email: Edward.Strickland@ncdor.gov Phone (office): (919) 814-1089	Name: Cynthia Leonard Email: Cynthia.Leonard@ncdor.gov Phone (office): 919-814-1389