North Carolina Department of Health and Human Services
Office of Procurement and Contract Services
2008 Mail Service Center • Raleigh, North Carolina 27699-2008
Tel 919-855-4080 • Fax 919-733-5957

Michael F. Easley, Governor Dempsey Benton, Secretary

April 18, 2008

Electronic Data Systems Corporation
Attention: Barbara Anderson, Vice President
5400 Legacy Drive
Plano, Texas 75024
Sent via email: **barbara.anderson@eds.com**

Subject: North Carolina Replacement MMIS Updated Requirements

Dear Ms. Anderson:

The purpose of this letter is to provide you with updates for some requirements applying to RFP 30-DHHS-1228-08-R. These updated requirements must be addressed when you submit the Best and Final Offer (BAFO) for your Technical Proposal. Details concerning the timing and submission of this document will be supplied in a forthcoming letter.

The State has made some minor updates to some of the requirements in Section 40. These changes are intended to address obsolete requirements that need to be removed, clarifications to requirements that could potentially be interpreted in multiple ways, and a small number of new requirements. These requirements are identified in an attached "delta" State Requirements Matrix. Each Offeror must complete this matrix in accordance with instructions in the RFP and submit the matrix with its BAFO. A small number of changes were also made to Appendix 40, Attachment H. The changes are included as an attachment to this letter.

Additionally, the State has determined that some requirements related to rules engines could be interpreted as applying to one and only one rules engine. Based on the State's experience, the use of a single unified rules engine in MMIS solutions may be beyond the state-of-the-practice at this time. As such, the State shall interpret all requirements and references to "rules engine" in the RFP and related documents to mean "rules engine or a collection of rules engines" unless such an interpretation is not reasonable in a particular instance. Additionally, the State has restated some of the rules engine requirements in Section 40 as goals. The requirements affected by the change to goal status are identified in the delta State Requirements Matrix. Per Section 50.2 of the RFP, Offerors shall propose solutions to goals that represent reasonable cost/schedule/performance/risk tradeoffs.

The State does not believe that either Offeror completely and consistently addressed the Statement of Objectives (SOO) requirements and objectives in its Proposal. Because the SOO is not part of the executed contract, the State needs to ensure that all requirements in the SOO have been acknowledged and appropriately addressed by the Offerors in their Proposals. To improve the completeness and consistency of the Contract, the State has attached a SOO Requirements Matrix that parses the requirements and objectives in the SOO. You must submit this matrix with your BAFO and indicate in the appropriate column whether or not you plan to meet each individual requirement or objective. Some of the SOO statements are mandatory ("shall," "must," etc.), and some are optional ("should," "may," etc.), and each statement is marked accordingly. You must also update your Technical Proposal, where applicable, to satisfy SOO statements. Offerors must include Proposal references, where applicable, for each of the requirements and objectives in the matrix.

The State will accept written questions concerning only the updated requirements addressed above until 2:00 PM, April 25, 2008. Questions concerning filling out the SOO Requirements Matrix may also be asked, but the State will not address questions about the SOO statements themselves, as this was accomplished previously. The format that must be used for these questions is similar to that used previously for RFP questions and is attached. The State will respond to questions prior to requesting

BAFOs for the Technical Proposals. As with the RFP questions and answers accomplished previously, ***all Offeror questions and the State's responses concerning the updated requirements will be made available to both Offerors.***

For the purposes of order of precedence, the updated requirements; modified Appendix 40, Attachment H; interpretation of "rules engine"; SOO Requirements Matrix; and written Questions and Answers on updated requirements are considered as "addenda to the RFP" as identified in Section 30.3 of the RFP.

Thank you for your interest in the State of North Carolina.

Sincerely,

Susan W. Lewis
Assistant Director

Copy: David A. Womble, Jr., Director

Attachments:
1. Delta State Requirements Matrix
2. Changes to Appendix 40, Attachment H
3. SOO Requirements Matrix
4. Question and Answer Format