



June 29, 2016

Governor Patrick McCrory  
20301 Mail Service Center  
Raleigh, NC 27699-0301

RE: ITAPS Industry Support of SB 792, State IT Contracts/ Contractor Liability

The Honorable Patrick McCrory:

On behalf of the members of the Information Technology Alliance for Public Sector (ITAPS),<sup>1</sup> we write to share our support for Senate Bill 792, which clarifies that State information technology contracts include a limitation of contractor liability for damages arising from any cause whatsoever, regardless of the form of action, of no more than two times the value of a state contract. The bill is the result of careful negotiation between industry and the state legislature and was vetted through the North Carolina Joint Legislative Committee on Information Technology. We urge your support and signature of Senate Bill 792.

While North Carolina has existing standard terms and conditions that contain a limitation of liability of two times the value of a contract, this bill will extend the limitation of liability to instances of data breach. We believe that the existing "data breach exception" to the limitation of liability is in conflict with the broader goal of having multiple qualified vendors compete to provide information technology products and services to the State. This legislation would remedy this exemption by applying the State's standard limitation of liability in general and regardless of the form of action while also allowing the State Chief Information Officer to increase the limitation to three times the value of a contract in certain circumstances.

We view this bill as a step in the right direction, and we will continue to work with the legislature to ensure that North Carolina law continues to be improved upon to further the interest of the state through increased vendor competition. If you have any questions, please contact me at 202-365-0980 or at [lcrawford@itic.org](mailto:lcrawford@itic.org).

Sincerely,

Liam Crawford  
Senior Manager- State, Local and Education Technology, Public Sector

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<sup>1</sup> The IT Alliance for Public Sector (ITAPS), a division of the Information Technology Industry Council (ITI), is an alliance of leading technology companies offering the latest innovations and solutions to public sector markets. With a focus on the federal, state and local levels of government, as well as on educational institutions, ITAPS advocates for improved procurement policies and practices, while identifying business development opportunities and sharing market intelligence with our industry participants.