

Iowa Department of Administrative Services



IT Services Managed Service Provider

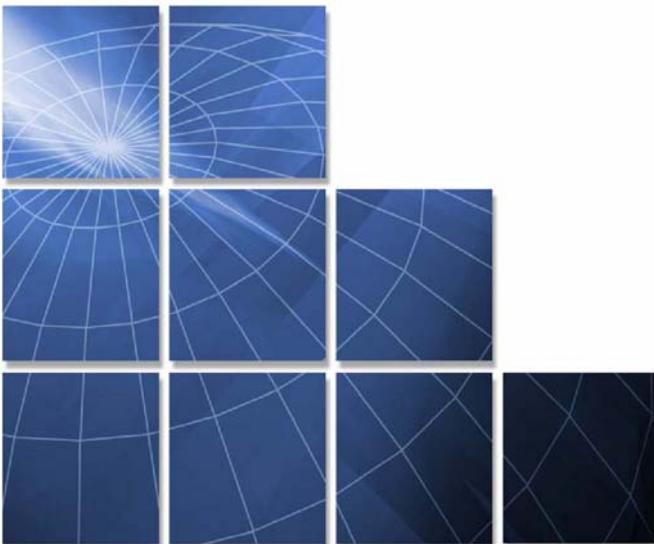
RFP Number RFP1211005024

Technical Proposal

Opening Date:

January 25, 2011

3:00 p.m.



CAI
Computer Aid, Inc.®

'World Leader in IT Process and Productivity.'

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3.2.1 Transmittal Letter

An individual authorized to legally bind the Contractor shall sign the transmittal letter. The letter shall include the Contractor's mailing address, electronic mail address, fax number, and telephone number. Any request for confidential treatment of information shall be included in the transmittal letter in accordance with the provisions of Section 2.

January 25, 2011

Mr. Ken Discher, CPPB
Iowa Department of Administrative Services
Hoover State Office Building, Level A
1305 East Walnut Street
Des Moines, IA 50319-0105

Dear Mr. Discher,

Computer Aid, Inc. (CAI) is pleased to submit this proposal for an IT Services Managed Service Provider. We trust that our proposal not only clearly responds to the Request for Proposal, but articulates why we believe we have the right qualifications, a proven approach, and a strong project team needed to meet your requirements and objectives.

Please note that we acknowledge the release of Amendments #1 and #2.

Should you have any questions with our submission, please feel free to contact me. We look forward to working with you on this important project.

Respectfully yours,



James P. Cooney
State Government Managing Director
Computer Aid, Inc.
470 Friendship Road
Harrisburg, PA 17111
Office: (717) 651-3075
Fax: (717) 651-3182
Jim_Cooney@compaid.com

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3.2.2 Table of Contents

The Contractor shall include a table of contents of its Proposal and submit the check list of submittals per Attachment # 3.

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Our Vendor Requirement Checklist (Attachment #3) appears in Figure 1.

Attachment # 3

Vendor Requirement Check List

| RFP REFERENCE SECTION | RESPONSE INCLUDED | | LOCATION OF RESPONSE |
|---|-------------------|----|---|
| | Yes | No | |
| 3. (2) Originals (paper), (1) CD of Technical Proposal, (1) CD of Cost Proposal | | | |
| 3. One (1) Public Copy with Confidential Information Excised | | | |
| 3. Transmittal Letter | X | | Page 1 |
| 3. Table of Contents | X | | Page 2 |
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| 3. Experience | X | | Page 15 |
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| 3. Financial Information | X | | Page 29, Appendix B: Financial Information |
| 3. Terminations | X | | Page 31 |
| 3. Acceptance of Terms and Conditions | X | | Page 35 |
| 3. Attachment #1 - Certification Letter | X | | Page 37 |
| 3. Attachment #2 - Authorization to Release Information | X | | Page 41 |
| 3. Firm Proposal Terms | X | | Page 35 |
| 3. Cost Proposal | X | | Reference, page 45, Cost Proposal is a separate document. |
| 4. Mandatory Requirements | X | | Page 47 |
| 4. Scored Mandatory Requirements | X | | Page 68 |
| 4. Optional Requirements | X | | Page 95 |
| 6. Insurance | | | |

Figure 1: Attachment #3 Vendor Requirement Check List

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3.2.3 Executive Summary

The Contractor shall prepare an executive summary and overview of the goods and/or services it is offering, including all of the following information:

3.2.3.1 Terms and Conditions

Statements that demonstrate that the Contractor has read, understands and agrees with the terms and conditions of the RFP including the contract provisions in Section 6.

CAI has read, understood, and agrees with the terms and conditions of the RFP, including the contract provisions stated in *Section 6* of the RFP.

3.2.3.2 Compliance Plan Overview

An overview of the Contractor's plans for complying with the requirements of this RFP.

CAI plans to comply with the requirements of this RFP by offering its proven Managed Service Provider (MSP) solution that it currently provides for five states. This is the model that we originally developed for the Temporary IT Staff Augmentation contract with the Commonwealth of Pennsylvania in 2004 that was selected for a second contract there, as well as employed in the states of New Jersey, Arkansas, Maine, and Virginia. We will meet or exceed the requirements of this RFP by implementing our proven process, methods, and vendor management service (VMS) software, backing it with a seasoned account team and a world-class backoffice operation that administered 823 unique vendors and 1,204 placements in 2010 across all contracts.

Your significant objectives and our plans for reaching them are:

- **Maintain or exceed current service and quality levels.**

We are proposing formal service level agreements (SLAs) to give you the confidence that we will provide your desired service and quality levels. Our proposed SLA is presented in **Appendix H: SLA Chart** and will be finalized during contract negotiations.

- **Obtain hourly rates that provide significant savings to the State over previous hourly rates paid for comparable services.**

Not only are our hourly rates lower than what you've been paying for comparable services, but the State will realize additional savings through lower administrative costs, a reduced time and effort for hiring temporary resources. We also offer transparency into every step of the process to monitor and track savings as well as find additional methods of saving over time.

- **Provide increased flexibility and ease of use for agencies and entities in need of IT augmentation services.**

Our process gives agency hiring managers one streamlined workflow process with dedicated support from our staff who are knowledgeable in building the job requirements to meet each individual agency need. Our procedures and software are easy to learn and use, and we support them with a knowledgeable help desk.

- **Through selection of a Vendor Management Service Provider, provide a high level of service, quality and competitive rates resulting in a high percentage of State agency and government entities using the services.**

In PA, VA, and NJ, we have satisfied the needs of 40 agencies and local government entities who are not required to use the services of the master contract. We have

filled 331 positions, affording these organizations the same benefits, flexibility, ease of use, reduced rates, and fast turnaround times.

3.2.3.3 Additional Summary Information

Any other summary information the Contractor deems to be pertinent.

CAI is pleased to respond to the request for proposal for the IT Services Managed Service Provider, RFP Number RFP1211005024. We welcome the opportunity to assist the State of Iowa in reaching their objectives for their Staff Augmentation program. CAI is experienced in developing and maintaining Staff Augmentation programs that enable State IT managers to rely on quality resources through an efficient and streamlined recruiting and procurement process. We have experience enabling the procurement community to reach their savings goals by designing and implementing fixed rate cards based on local wage data. CAI is also experienced in developing programs that bring success to Targeted Small Business (TSB) users and we are eager to work with the TSB community in Iowa.

Our MSP Solution offers you:

- **Bill rates based on industry metrics**, scientifically derived, supported by years of market experience. We have used extensive wage metrics from the Economic Research Institute (ERI) to develop our separately submitted pricing, and, based on how well it has performed in the past six years with more than 5,000 staffing requests with 100 percent compliance against the contracts' SLAs, we are confident in the accuracy of our pricing model and our ability to deliver high-quality resources to the State within our proposed timeframes.
- **Open vendor network**. We propose using a network that is open to all vendors meeting minimum requirements who wish to participate competitively on the State's contract. While concentrating on vendor performance, we will continue our record by building a successful Iowa-centric network to cast the broadest reach and enable the state to maintain resource quality through times of peak supply and demand.
- **Seasoned, local Account Management**, knowledgeable regarding local Iowa agencies, their procurement and IT policies, and business drivers. We will support the MSP contract with local resources working from a local office in Des Moines, backed up by support from our MSP operations in Harrisburg, PA. Our teams have successfully supported state governments by successfully implementing MSP programs. We are experienced in enabling process improvements and implementation strategies that reduce cost and bring the efficiencies Iowa is seeking in their MSP program.
- **Service Level Agreements**. We are proposing industry competitive SLAs which will enable Iowa to experience a quick turn-around on candidate placements while maintaining high quality standards. We have also presented a detailed, comprehensive set of metrics for the MSP SLAs. As in all our MSP contracts, we use these metrics to measure performance and to improve business processes. Our proposed SLA is detailed in [Appendix H: SLA Chart](#).
- **Strong, real commitment to the success of TSB vendors**. Our proposed commitments formalize our consistently high utilization of certified TSBs. We are eager to continue to engage with this community of firms and facilitate the same success we've enabled in our other State implementations. Our success with the small business community is not an isolated event, nor does it happen on its own. Under our Pennsylvania MSP contract, we have consistently exceeded 50% Disadvantaged Business participation. Under our Commonwealth of Virginia MSP contract, we have consistently exceeded 70% Small-, Woman- and, and Minority-

owned (SWaM) participation. Our success in VA and PA is the result of constant, day-in-day-out Account Management providing countless hours of training, coaching, and mentoring targeted businesses.

- **The support of our MSP Program Office** which provides experienced, efficient operations and seasoned management support. Our staff understands your billing and invoicing requirements, and provides excellent help desk support for the contract.
- **Proven Implementation Experts.** The implementation will be lead by a CAI Transition Manager who has managed four separate MSP transitions and implementations. We will focus on an eight-week implementation plan.
- **Peopleclick VMS tool.** We've partnered with an industry leader with an impeccable and reliable service record for providing software that provides the functionality to enable transparency and access to data across the program.

As you read our proposal, please consider the following reasons for selecting CAI as your managed Service Provider:

- We are committed to the success of Iowa's MSP program
- We have demonstrated our ability to mentor and deploy TSB firms
- We have experience implementing state policy efficiently and effectively
- We have a constant focus on performance and pricing
- We guarantee continuous improvement
- We use SLAs and other metrics to manage our business
- We use industry metrics to manage our pricing
- We use supplier metrics to evaluate performance
- We provide a seasoned account team with longevity of service
- We can leverage global assets for the contract
- We are an IT firm with deep experience in all aspects of IT support
- We can deploy the strategic assets of our MSP practice for Iowa

We appreciate the opportunity to bid on the procurement and would welcome an invitation to present our proposed solution directly to the Evaluation Committee, if appropriate.

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3.2.4 Specifications and Technical Requirements

The Contractor shall answer whether or not it will comply with each requirement in Section 4 of the RFP. Where the context requires more than a yes or no answer or the specific requirement so indicates, Contractor shall explain how it will comply with the requirement. Merely repeating the Section 4 requirements may be considered non-responsive and result in the rejection of the Proposal. Proposals must identify any deviations from the requirements of the RFP or requirements the Contractor cannot satisfy. If the Contractor deviates from or cannot satisfy the requirement(s) of this section, the Agency may reject the Proposal.

We have provided detailed responses to the technical requirements in the following sections below and our comprehensive answers appear in each section. We've also included the following Appendices, referred to specifically in each response, to enhance our response and provide additional detail to support our solution:

- Appendix A: Résumés
- Appendix B: Financial Statements
- Appendix C: PA User Guide
- Appendix D: Implementation Plan
- Appendix E: VMS Report Samples
- Appendix F: Sample Communications
- Appendix G: Vendor Training Guide
- Appendix H: Service Level Agreement Chart
- Appendix I: Vendor Network
- Appendix J: Peopleclick VMS
- Appendix K: Vendor Documentation

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3.2.5 Vendor Background Information

The Contractor shall provide the following general background information:

Our responses appear below, broken out and numbered per the RFP.

3.2.5.1 Vendor Preference

Does your state have a preference for instate vendors? Yes or No. If yes, please include the details of the preference.

No, the Commonwealth of Pennsylvania does not have a preference for instate vendors.

3.2.5.2 Contractor Contact Information

Name, address, telephone number, fax number and e-mail address of the Contractor including all d/b/a's or assumed names or other operating names of the Contractor including local office addresses and phone numbers.

James P. Cooney
Computer Aid, Inc.
470 Friendship Drive
Harrisburg, PA 17111
Tel: (717) 651-3075
Fax: (717) 651-3182
Jim_cooney@compaid.com

3.2.5.3 Form of Business Entity

Form of business entity, i.e., corporation, partnership, proprietorship, limited liability company.

CAI is a Type S corporation.

3.2.5.4 State Information

State of incorporation, state of formation, or state of organization.

CAI is incorporated in the Commonwealth of Pennsylvania.

3.2.5.5 Contractor Location

The location(s) including address and telephone numbers of the offices and other facilities that relate to the Contractor's performance under the terms of this RFP

If CAI is awarded the contract, we will maintain office space in Iowa to serve as a base for our Iowa-specific account team. This team will be supported by our MSP teams located at:

Computer Aid, Inc.
470 Friendship Drive
Harrisburg, PA 17111

3.2.5.6 Employee Count

Number of employees.

CAI currently employs more than 2,400 associates.

3.2.5.7 Business Type

Type of business.

CAI is an IT and business consulting firm.

3.2.5.8 Contractor Contractual Representative Contact Information

Name, address, telephone number and email address of the Contractor's representative to contact regarding all contractual and technical matters concerning the Proposal.

James P. Cooney
Computer Aid, Inc.
470 Friendship Drive
Harrisburg, PA 17111
Tel: (717) 651-3075
Fax: (717) 651-3182

Jim_cooney@compaid.com

3.2.5.9 Contractor Scheduling Representative Contact Information

Name, address, telephone number and email address of the Contractor's representative to contact regarding scheduling and other arrangements.

James P. Cooney
Computer Aid, Inc.
470 Friendship Drive
Harrisburg, PA 17111
Tel: (717) 651-3075
Fax: (717) 651-3182

Jim_cooney@compaid.com

3.2.5.10 Contractor Accounting Firm

Contractor's accounting firm.

Our accounting firm is Concannon Miller & Co. P.C., located at 1525 Valley Center Parkway, Bethlehem, PA 18017-2285.

3.2.5.11 Registered to do Business in Iowa

The successful Contractor will be required to register to do business in Iowa before payments can be made. For vendor registration documents, go to: http://das.gse.iowa.gov/procurement/vendor_reg.html

We understand and acknowledge this requirement. We have reviewed and acknowledge the procedural steps necessary to do business in Iowa.

3.2.6 Experience

The Contractor must provide the following information regarding its experience:

Our responses appear below, broken out and numbered per the RFP.

3.2.6.1 Years in Business

Number of years in business.

CAI has been in business for 30 years; we were incorporated in 1981.

We are a \$245 million company specializing in technical and management disciplines associated with business and IT services and consulting.

The large majority of our services involve defined results, e.g., a formal SLA or fixed-price deliverables, as shown in Figure 2.

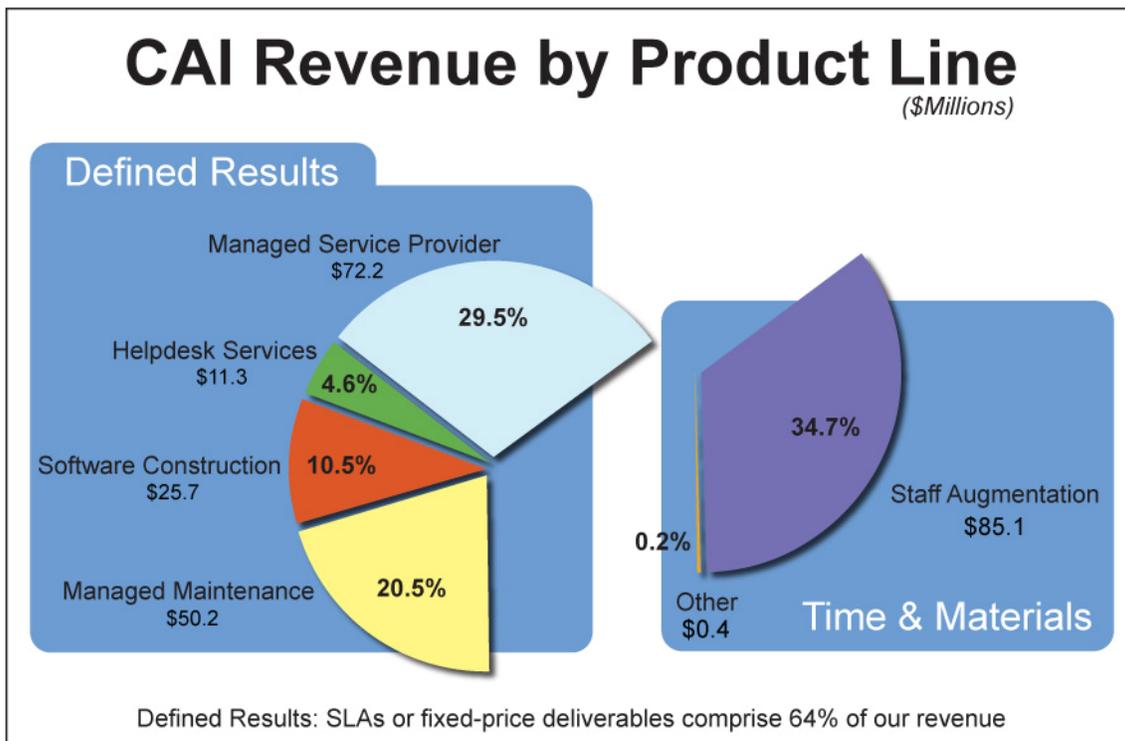


Figure 2: CAI Lines of Business

Our experience serving clients in almost every facet of IT gives us the perspective your agency hiring managers need; we know IT. Because we have been providing IT services to our clients, building systems, supporting applications, supplying helpdesk services, and consulting on business processes and IT strategy, we understand the needs of your IT project managers. We speak their language and can assist them in articulating their specific needs so that candidates presented meet or exceed requirements for the role. Firms that solely provide staffing services, or even payroll services are more likely to present candidates that are not a good fit; that wastes everyone’s time and delays the process of filling the requirement with the right person.

In these uncertain economic times, CAI is proud to not only continue to thrive in a globally competitive market, but to also show growth. Because we are a privately held firm, we are

not subject to the fluctuations of the investment market. This is particularly important when evaluating MSP vendors. Your MSP vendor needs to have the financial strength to support timely supplier payments.

3.2.6.2 Years Providing MSP Services

Number of years experience with providing the types of goods and/or services sought by the RFP.

CAI has been providing MSP Services to state governments for more than six years. We currently serve as the Managed Service Provider in Pennsylvania, New Jersey, Virginia, Arkansas, Maine, and New Castle County, Delaware. We have processed more than 5,300 engagements across these programs, and screened more than 39,000 candidates since late 2004. With each contract we've met or exceeded our SLAs.

CAI has the highest level of technical expertise in providing MSP services. Serving as the MSP for these clients has solidified not only our expertise as an MSP but our expertise in providing MSP services to government entities as well. The numbers, as in Figure 3, speak for themselves.

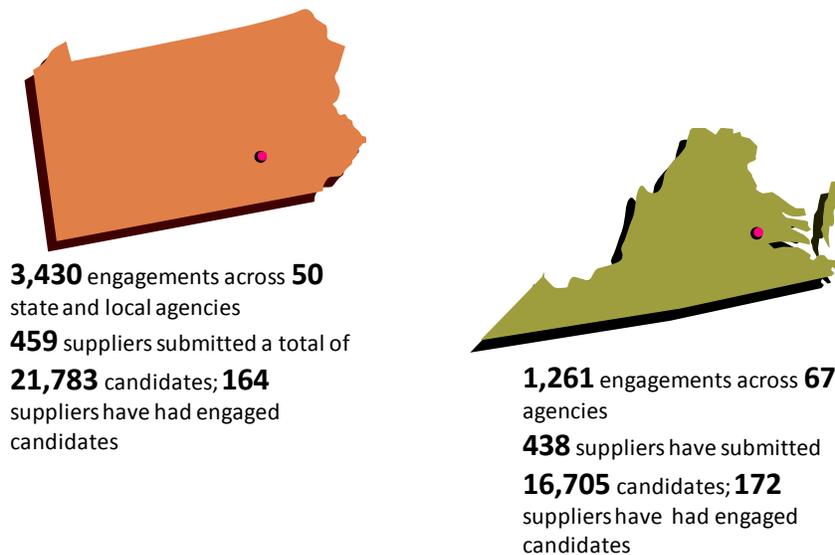


Figure 3: Pennsylvania and Virginia MSP Statistics

Our Account Management team combines deep technical knowledge and experience in working with state agencies and our network of business partners to fulfill the staff augmentation needs of our clients. These skills enable our teams to work in partnership with our State clients to meet savings goals and other purchasing objectives such as small business commitment.

CAI has partnered with Peopleclick Authoria for the past six years, utilizing their Vendor Management System (VMS). Using the Peopleclick VMS, we have implemented workflows to satisfy the unique staff augmentation needs of each of our clients. Our MSP operations team are experts in configuring the VMS to facilitate the workflow of the MSP services.



CAI has proven processes for building our networks of business partners and mentoring them on how to be successful under an MSP contract.

3.2.6.3 Technical Experience

The level of technical experience in providing the types of goods and/or services sought by the RFP.

Pennsylvania Department of General Services

This is our longest standing MSP contract and is the contract after which our ‘Piggyback’ contracts with other entities are fashioned. After the initial term of the first contract was completed, the contract was extended until the full term was expended; we were awarded a second contract which was competitively let in 2010. Clearly our model satisfies PA’s goals of providing quality resources at a savings to the Commonwealth.

In 2004, DGS released an RFP that effectively consolidated all contingent IT labor into a single contract. This was part of Governor Rendell’s *Strategic Sourcing Initiative* aimed at aggregating the purchasing power of all Executive agencies to obtain lowest possible prices. Pricing under the RFP was defined as Labor Cost plus Markup, where bidders had to ascertain wages and bid a specific markup. This strategy thus enabled DGS to demand market rates based on wages paid to workers; the contract also implements different pricing based on geography, labor category, and IT skill sets. CAI won the contract in a competitive procurement and served as prime vendor through the full term of the contract.

In July 2009, CAI assisted the Commonwealth in implementing changes in 2010 to the program that resulted in an immediate savings of more than \$4 million. In response to the recession and a need for greater savings, CAI was able to assist the Commonwealth in identifying specific trends in spending. The analysis resulted in the implementation of broad use categories and more specific job categories that mirrored historic spending trends. Figure 4 is a summary of projected savings. Additional analysis on market conditions and changes to wage data enabled Pennsylvania to implement a rate reduction and achieve this additional cost saving.

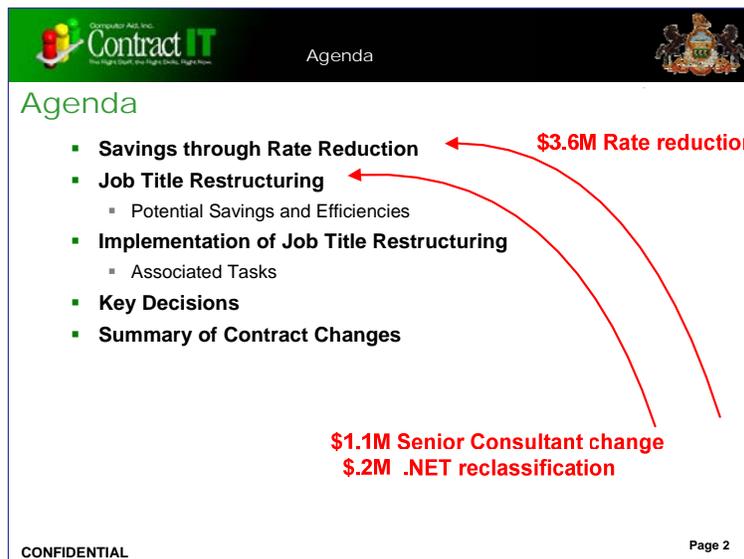


Figure 4: Cost Savings on July 1, 2009

CAI’s contractual obligation includes managing the process of filling the positions while meeting aggressive SLAs and increasing vendor diversity. The first contract included a 46.6% commitment to certified Disadvantaged Business Enterprises (DBE) firms.

In addition to achieving significant savings, CAI exceeded every SLA, managed a process that resulted in DBEs winning 56 percent of new competitive revenue, and maintained a customer satisfaction rating of 98 percent every year of the contract.

In the Spring 2010, the Commonwealth issued a competitive RFP as a rebid of the original Staff Augmentation contract. After a highly competitive bid, CAI beat out 12 suppliers to win the rebid of the contract.

Since Summer 2010, CAI has worked to transition the more than 250 resources to the new contract with a pricing structure that enables even greater savings to the Commonwealth. The Commonwealth projects a savings of an additional \$6.1 million from the new contract.

"The IT Staff Augmentation contract is the most successful contract to date for Minority and Woman owned business with the Commonwealth of Pennsylvania"

-Tyrone Powell, Former Director of BMWBO, PA DGS

Virginia Information Technologies Agency

This contract is a unique MSP model; it includes Statement of Work (SOW) engagements, for which we provide oversight and visibility. After completing the initial term of this contract, it too, has been extended; further evidence of the success of our full-service MSP model. This contract is an example of the flexibility of our model, demonstrated through rate adjustments, adding labor categories, and including SOW-based requisitions. This is also our MSP contract with the highest targeted business participation.

Established by the 2003 General Assembly, VITA is the consolidated, centralized IT organization for the Commonwealth of Virginia. It is responsible for operation of the IT infrastructure for executive branch agencies; governance of IT investments; and technology procurement on behalf of itself, other state agencies, and institutions of higher education.

As one of its early enterprise initiatives, VITA determined that an enterprise-wide supplier manager for contingent labor would provide optimal efficiency for the Commonwealth and released an RFP for the Supplier Managed Staff Augmentation (SMSA) initiative in 2005. In late 2005, CAI was awarded the competitively bid contract. This resulted in the implementation of a model using the Peopleclick VMS that consolidated labor from 80 prior contracts and 60 vendors into a single SMSA contract.

The initiative has transformed IT support across Virginia. Among other things, it consolidated logistics for procurement, time entry, and invoicing; greatly simplified and streamlined the process for acquiring contingent staff; and generated cost savings, including a 10 percent rate reduction in 2009. Over the life of the contract CAI has:

- Managed more than 1,300 engagements totaling \$100 million
- Processed 10,900 vendor invoices with near-perfect accuracy
- Awarded 67 percent of the competitive business spend to SWaM firms
- Met or exceeded all 14 performance-based SLAs
- Filled 99.4% of all requirements released through the standard competitive process
- Filled 94.5% of these requirements with candidates that we submitted to the hiring team within the first three days
- Maintained a 1.42% resource dismissal rate

We have transitioned a number of staff into the SMSA contract from other initiatives, including the expired IT Staff Augmentation Contract and the Advanced IT Contract. During

our initial years, we transitioned approximately 55 resources from the previous IT Staff Augmentation contract and during our later years we transitioned 70 resources from the Advanced Services contract. We worked with agencies as additional contracts expired or to achieve cost savings. An example of this is a team of resources at the Department of Taxation. Our ability to move with agility to support the Commonwealth is a hallmark of our success, and we are proud of the opportunity to work with and assist Virginia agencies.

CAI's constant analysis of the SMSA program led to continual program changes over the years. Job titles were added as deemed necessary and as requested by the agencies. Examples of these are Computer Operator, IV&V, and Senior Consultant. VITA found that our model could easily accommodate these and many other titles not originally envisioned with the RFP was issued.

The VITA rate card was evaluated twice yearly and recent ERI data was reviewed. Changes were only made early in the contract. As the business climate changed, budget deficits arose and we entered a recession; we determined that we were able to meet SLAs and receive a large number of candidate submittals without increasing the bill rates to the Commonwealth. The Commonwealth was able to see additional savings when CAI accepted the 10 percent discount request from the Chief of Staff, and was able to offer rapid savings that equated to over \$800,000 in the first six months after the discount went into effect.

We have leveraged our experience in other states to help improve our performance and further Virginia objectives. This includes introducing the concept of targeted goals for SwaM participation, a premier Tier for SWaM vendors, and voluntarily improving our payment terms to all vendors (30 days) to assist the SWaM businesses within our network.

In Fall 2009, the contract was approaching its full-term and the State of Virginia issued a competitive rebid of their Staff Augmentation contract. In early in 2010 it was awarded to a different supplier, a supplier that promised a substantially lower cost solution with a proprietary VMS software. CAI worked with the new supplier to transition the engagements to the new contract over the Summer of 2010.

In Fall 2010, barely one quarter into the new contract, the State of Virginia called CAI back into service because the new supplier was unable to effectively deliver on the new contract obligations and was now in default of the new contract. CAI quickly responded and resumed service to calm the disruptions that occurred while the other supplier went into default. At this time CAI has resumed effective operations and is delivering on all service level agreements and contractual commitments for the staff aug and the SOW.

With our model, which includes the use of the Peopleclick VMS, we implemented automation into VITA's procurement process and transparency into the supply chain; we are continually focusing on ways to assist VITA and Virginia agencies in any way possible. We have also enabled other public entities in Virginia to obtain cost-effective contingent labor quickly and easily.

Arkansas

This MSP contract is a piggyback on the PA model customized for the specific needs of Arkansas.

December 1, 2006, marked the beginning of the IT Staff Augmentation Contract with the State of Arkansas. This Contract is used by State Hiring Managers to find contract labor for temporary time and materials (T&M) positions as well as engage known resources and vendors to support project work. Arkansas has used 18 job titles with fixed hourly rates based on the latest market conditions in Arkansas. These job titles cover a broad range of services, experience levels, and skills, allowing Arkansas Hiring Managers to fill all of their

staffing needs. This contract reduces costs, streamlines the procurement process, and provides more opportunities for all businesses, including Arkansas minority businesses.

Arkansas has enjoyed many benefits from this contract. Some of the impressive statistics include:

- 231 requisitions entered by 42 agencies
- 73 active engagements
- 26 agencies with active engagements
- 226 total engagements since go-live
- 19 transitions
- 207 new positions
- 6,213 résumés submitted by 304 suppliers
- 69.89% met or exceeded the minimum job requirements
- Minority Statistics:
 - Minority Vendor Spend: 22.19%
 - Arkansas Minority Vendor Spend %: 14.59

Prior to the CAI IT Staff Augmentation Contract, the State of Arkansas had only three primary vendors. The previous contract did not allow for fixed pricing based on local ERI data nor did it provide growth for minority business participation. The CAI contract has increased the minority vendor population dramatically and it continues to grow.

CAI was selected to manage all aspects of this contract:

- Agency consultation and job description creation
- Response management and performance oversight
- Candidate evaluation
- Interview facilitation
- Invoice processing
- Help desk support

This effort supports the state's strategic initiative aimed at reducing costs, improving productivity and processes, increasing competition for IT services suppliers, and raising opportunities for minority suppliers for its IT commodities and services. This solution is a partnership between the State of Arkansas and CAI – working together to continuously find new and better ways to source and manage a contingent workforce.

New Jersey Office of Information Technology

This MSP contract is also piggyback on the PA model based on the specific needs of New Jersey users.. We have augmented our service with increased reporting and visibility into expenditures and vendor performance.

In August 2008, we initiated MSP support for contingent IT labor with the State of New Jersey. The program is an enterprise-wide solution used by Executive and cooperative purchasing agencies to procure high quality IT T&M resources with speed and accuracy. There are 23 discrete job titles that incorporate a broad range of experience levels and technologies; they parallel the job titles used in Pennsylvania. Each job title has a corresponding fixed hourly rate based on current labor costs for the specific geographic location.

We were able to successfully transition all current position assignments to the contract within three months. Following a two-month average PO approval process for new assignments, CAI successfully placed 50 candidates during October 2008. Since that time, all IT temporary staffing requirements have been satisfied by the first round of candidate submissions to the Client Manager. At any given time, there are 60 draft requirements in the VMS software at various stages of the PO approval process.

As part of implementation, we create a state-specific dashboard of all Key Process Indicators (KPIs) important to the contract; examples of dashboards for NJ are shown in Figure 5.

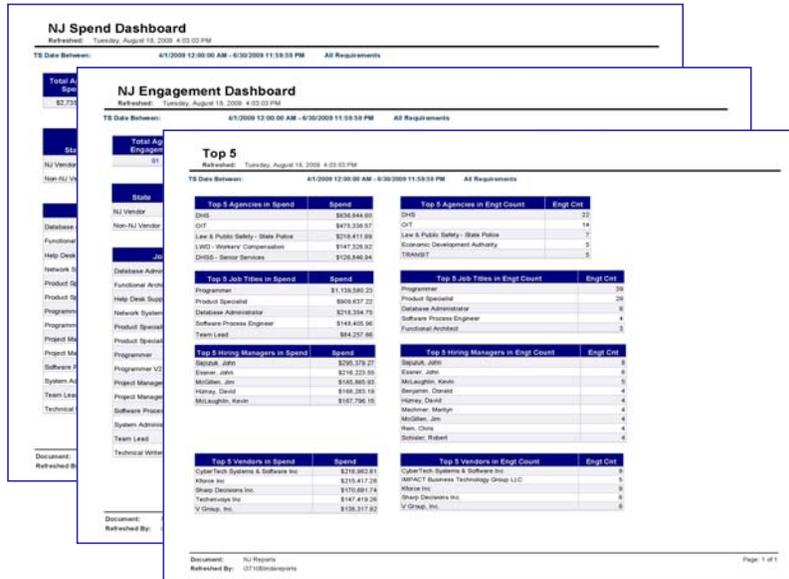


Figure 5: MSP Dashboard for New Jersey IT Staff Augmentation

In July 2009, CAI assisted New Jersey in implementing rate changes to the MSP program, similar to those implemented in Pennsylvania and Virginia, which resulted in an immediate savings of more than \$1.8 million. The team relied on best practices learned in Pennsylvania and Virginia to assist the State in implementing them.

At the time of writing, the State of New Jersey has published their intent to participate via piggyback agreement in the new Pennsylvania contract. The new piggyback will allow CAI to continue service to New Jersey with no interruption to service.

Maine

The State of Maine holds our most recently awarded MSP contract. This contract, like other piggybacks, is customized to the specific needs of Maine users.

Our contract with the State of Maine, Divisions of Purchases, began in June 2010. Since that time, we've filled 43 engagements with a vendor network of 125 firms that increases in number almost daily. We support this contract with the Account Managers and Operations staff in our MSP practice. As in all our MSP contracts, we have an SLA as part of the contract that sets our standards of performance.

Maine chose to piggyback on the PA contract in order to save the time and expense of letting through RFP, and in order to realize anticipated savings as soon as possible. We are working with ME Division of Purchases to monitor savings and improve efficiencies, and to increase vendor diversity.

3.2.6.4 Letters of Reference

Letters of reference from three (3) previous customers or clients knowledgeable of the Contractor's performance in providing goods and/or services similar to the goods and/or services described in this RFP and a contact person and telephone number for each reference.

Our reference contact are listed in Figure 6.

| Reference | Reference Contact Person | Reference Contact Phone and Email |
|---|--|--|
| PA Department of General Services | Tom Teprovich Commodity Specialist | (717) 783-0257 ttrepovich@state.pa.us |
| Virginia Information Technologies Agency | Susan Woolley Director, Supply Chain Management | (804) 416-6015 Susan.Woolley@vita.virginia.gov |
| Arkansas Department of Human Services | Richard H. Wyatt Chief Information Officer | (501) 682-0032 Richard.Wyatt@arkansas.gov |

Figure 6: CAI's Reference Contacts

Our letters of reference are shown in Figure 7, Figure 8, and Figure 9.



January 12, 2011

Thomas Teproovich
Commodity Specialist
PA Department of General Services
E-Mail: tteprovich@state.pa.us
717-783-0257
Fax: 717-783-6241

To Whom it May Concern,

I wanted to take this opportunity to write a reference letter on behalf of our MSP firm, Computer Aid, Inc (CAI).

The Commonwealth of Pennsylvania is committed to our statewide IT Staff Augmentation contract. Our vision for this is work effort is two-fold: to realize savings for the state while finding talented IT staff to augment our state workforce.

CAI was selected as the MSP vendor and has vetted more than 3450 engagements through this contract to date with virtually no issues. Moreover, CAI has far exceeded all service level agreements (SLAs) and expectations of our Department of General Services while servicing our state with top-notch, professional and dedicated staff with their full service delivery model. We have found this contract to be of significant benefit to the Commonwealth and the cost savings of this model have exceeded our expectations, both from creating more competitive vendor rates as well as softer savings through efficient, streamlined processes and procedures.

Without hesitation, I would recommend CAI as your MSP vendor firm for the Iowa IT Services Managed Service Provider Effort. Please feel free to contact me at tteprovich@state.pa.us with any other questions you may have pertaining to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "T. Teproovich", written in a cursive style.

Thomas Teproovich
Commodity Specialist
PA Department of General Services

Bureau of Procurement
555 Walnut Street, 6th Floor Forum Place | Harrisburg PA 17101

Figure 7: Letter of Reference from the Pennsylvania Department of General Services



COMMONWEALTH of VIRGINIA

Virginia Information Technologies Agency

Samuel A. Nixon, Jr.
CIO of the Commonwealth
E-mail: cio@vita.virginia.gov

11751 Meadowville Lane
Chester, Virginia 23836-6315
(804) 416-6100

TDD VOICE -TEL. NO.
711

January 13, 2011

To Whom it May Concern,

As the Commonwealth of Virginia Director of Supply Chain Management I am writing with great pleasure to recommend CAI as Iowa's Master Service Provider contractor.

CAI was selected in 2006 as the Commonwealth of Virginia's MSP contractor. In every contract year of working this CAI, they have exceeded all of our service levels, even with very demanding performance outcomes. They have continued to help us bring rogue spending under control and provided continuing costs savings and costs avoidance for the state. They have systematically increased our Small Woman and Minority (SWAM) component, something our state is continually striving toward.

Since the initiation of this contract and because of the high level of focused support, professionalism and dedication to the success of our outcomes, our customer satisfaction ratings have been unsurpassed. Not only does CAI provide superior customer support, they possess strong repeatable and quality business processes, their staff possesses a high degree of expertise in contingent labor and they understand and can overcome the complexities of Government business. I attribute much of this success directly to our partnership with CAI.

In summary, I believe CAI will further enhance your IT staff augmentation processes and costs with professionalism, dedication and integrity. I can be reached at (804) 416-6015 if you require any additional information.

Best regards,

Susan S. Woolley
Director, Supply Chain Management
Virginia Information Technologies Agency

AN EQUAL OPPORTUNITY EMPLOYER

Figure 8: Letter of Reference from the Virginia Information Technologies Agency



MIKE BEEBE
Governor

Arkansas Department of Human Services

OFFICE OF SYSTEMS AND TECHNOLOGY
DONAGHEY PLAZA NORTH, SLOT N101
P.O. BOX 1437
LITTLE ROCK - 72203-1437

TELEPHONE 501-682-0032 FAX 501-682-1378 TDD 501-682-6441

Richard H. Wyatt
Chief Information Officer
Richard.Wyatt@arkansas.gov

January 11, 2011

To Whom It May Concern:

I am pleased to be able to submit a letter of reference on behalf of CAI to the State of Iowa in support of their pursuit of the Iowa MSP Contract.

CAI has been our MSP contractor for the past four years. During this time, they have provided our state with exceptional services. They currently have almost 200 IT staff augmentation positions filled by this contract.

CAI has been able to provide a diverse pool of candidates to fill key positions supporting critical projects. CAI produces quality candidates in a very short timeframe (72 hours) enabling us to move quicker and make fast decisions. The local account manager has been very responsive to our needs and has removed the administrative burden of scheduling and facilitating the interview process. CAI has also been very proactive in helping us engage known resources and vendors to support some project oriented work which saved us considerable time and effort.

I believe CAI would make an excellent choice for the State of Iowa for its MSP contract. Please feel free to contact me if you require any additional information. I can be reached at (501)320-3993.

Yours truly,

Richard H. Wyatt
Chief Information Officer



"The Department of Health & Human Services is in compliance with Titles VI and VII of the Civil Rights Act."

Figure 9: Letter of Reference from Arkansas Department of Human Services

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3.2.7 Personnel

The Contractor must provide resumes for all key personnel who will be involved in providing the goods and/or services contemplated by this RFP. (The State is NOT seeking resumes for staff augmentation staff. Rather, the State seeks the resumes of the Contractor personnel serving as executives and project managers in relation to this RFP.) The following information must be included in the resumes:

3.2.7.1 Full name

3.2.7.2 Education

3.2.7.3 Years of experience and employment history particularly as it relates to the requirements of the RFP

This narrative summarizes the credentials of our team that will have day-to-day responsibilities in supporting the contract and describes their roles in supporting Iowa executives, the multiple agencies, and business partners who use the contract. Résumés of all individuals appear in the **Appendix A: Résumés**.

Direct Support

Joanie K. Bond has over 18 years of IT experience, nine in technology followed by six years in IT recruiting. She, like our other Account Managers, has a strong IT background and is experienced in working with IT project managers to properly meet their staffing needs. Joanie is an Iowan and will be located in our Des Moines office in order to afford you immediate and direct support.

Executive Support

Ellen Sigl has 18 years of experience supporting IT and VMS contracting, including more than six years of immediate experience supporting the Pennsylvania contract. She is intimately familiar with the successful policies implemented under our MSP contracts and provides executive oversight to all of the Account Management teams.

MSP Program Office

These team members are part of the MSP Program Office. They directly support all of CAI's MSP clients: PA, VITA, Arkansas, New Jersey, Maine, and New Castle County Delaware.

Linda Leiby has more than 21 years of IT experience, including 16 years with CAI. She has served as MSP Operations Manager since we built the practice, i.e., starting in 2004. She takes an avid interest in using performance metrics and tools to obtain highest results from the practice. She is responsible for overseeing standard reporting and contract management with our extended vendor chain in multiple states.

Brad Holland has nine years of general business experience, five of which are in the IT industry. He has supported our MSP Program Office since 2005 and is directly responsible for collating statistics and metrics for the MSP contract.

Stephanie Tulloch has nine years of support experience in multiple capacities and has worked with our MSP Program Office for more than four years. She is the team leader for our MSP Program Office administrators, coordinating workflow and assignments across the team. She also provides support for the CAI MSP contracts.

Implementation Support

In addition, we are pleased to offer the services of Mike Park during the implementation period to serve as Implementation Manager for applying the contract changes. He has 14

years of experience as a Transition Manager and served as our Implementation Manager for New Jersey and Maine MSP implementations.

3.2.8 Financial Information

The Contractor must provide the following financial information:

3.2.8.1 Audited financial statements for the last 3 years

Our audited financial statements appear in **Appendix B: Financial Statements.**

3.2.8.2 A minimum of three (3) financial references

Our three financial references appear below:

Charles Pulver, Vice President
Wachovia Bank
702 Hamilton Street
Allentown, PA 18101
(610) 740-1186

Herman Rij, Vice President
Merrill Lynch
7424 Windsor Drive
Allentown, PA 18106
(866) 398-4212

Jordan Eburne, Director, Foreign Exchange
PNC Bank
1600 Market Street
Philadelphia, PA 19103
(215) 585-6334

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3.2.9 Termination, Litigation, Debarment

The Contractor must provide the following information for the past five (5) years (The information must be submitted and will be scored as a Mandatory Requirement – Pass/Fail):

3.2.9.1 Contract Termination

Has the Contractor had a contract for goods and/or services terminated for any reason? If so, provide full details regarding the termination.

No.

3.2.9.2 Damages or Penalties

Describe any damages or penalties assessed against or dispute resolution settlements entered into by Contractor under any existing or past contracts for goods and/or services. Provide full details regarding the circumstances, including dollar amount of damages, penalties and settlement payments.

None. (Please note that this does not include employment matters.)

3.2.9.3 Order, Judgment, Decree

Describe any order, judgment or decree of any Federal or State authority barring, suspending or otherwise limiting the right of the Contractor to engage in any business, practice or activity.

None.

3.2.9.4 Litigation

A list and summary of all litigation or threatened litigation, administrative or regulatory proceedings, or similar matters to which the Contractor or its officers have been a party.

No litigation of a material nature.

3.2.9.5 Irregularities in Accounts

Any irregularities discovered in any of the accounts maintained by the Contractor on behalf of others. Describe the circumstances and disposition of the irregularities.

Failure to disclose these matters may result in rejection of the Proposal or termination of any subsequent Contract. The above disclosures are a continuing requirement of the Contractor. Contractor shall provide written notification to the Agency of any such matter commencing or occurring after submission of a Proposal, and with respect to the successful Contractor, following execution of the Contract.

None.

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3.2.10 Criminal History and Background Investigation

The Contractor hereby explicitly authorizes the Agency to conduct criminal history and/or other background investigation(s) of the Contractor, its officers, directors, shareholders, partners and managerial and supervisory personnel who will be involved in the performance of the Contract.

We understand and acknowledge this requirement.

During implementation, we will determine the standard background checks for all candidates. In addition, the Iowa hiring manager can explicitly list any background checks, security checks, or technical certifications required for each particular requirement within the VMS, such as:

- criminal record at local, state, and Federal levels
- education record – degrees and certifications
- professional credentials
- personal references
- military record
- credit reports
- social security traces

These certification/screening criteria will be presented to the vendors as a check box when submitting each candidate. The vendor must positively affirm, via the checkbox, that they understand that their candidate must have the required criteria completed prior to the candidate starting the engagement. The cost of completing and providing documentation related to the specified criteria will be performed at the expense of the vendor.

The vendor will present all documentation validating the completion of each successful background check and technical certifications to CAI. Failure to present documentation may result in rejection of a candidate. CAI will keep copies of all documentation. This documentation is fully available to DAS for audit or other purposes.

It should be noted that some of the background checks listed above are very costly, and may be a hindrance for small businesses when submitting candidates. Originally, VITA asked for many of the same background checks, but now only requires those beyond the criminal background checks if the job position requires additional verification. We use HireCheck whenever possible for these types of background checks.

We understand that certain agencies may have additional background or security checks required before entry to government buildings or access to information is granted. These additional requirements will be communicated by the agency during the requisition process.

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3.2.11 Acceptance of Terms and Conditions

The Contractor shall specifically agree that by submitting the Proposal, the Contractor is accepting all terms and conditions stated in the RFP. However, if the Contractor objects to any term or condition, the Contractor must specifically refer to the RFP page and section number and provide the reason for the objection. Objections or responses that materially alter the RFP may be deemed non-responsive and result in rejection of the Proposal.

CAI understands and accepts the terms and conditions stated in the RFP.

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3.2.12 Certification Letter

The Contractor shall sign and submit with the Proposal, the document included as Attachment #1 (Certification Letter) in which the Contractor shall make the certifications included in Attachment #1.

Our signed Certification Letter (Attachment #1) appears below.

Attachment # 1
Certification Letter

Alterations to this document are prohibited, see section 2.13.14.

(Date) 1/25/2011

Ken Discher CPPB, Issuing Officer
Department of Administrative Services
Iowa Department of Administrative Services
Hoover State Office Building, Level A
1305 East Walnut Street
Des Moines, IA 50319-0105

Re: Request for Proposal Number RFP1211005024
PROPOSAL CERTIFICATIONS

Dear **Ken Discher CPPB**:

I certify that the contents of the Proposal submitted on behalf of **(Name of Contractor)** Computer Aid, Inc. in response to **Department of Administrative Services** for Request for Proposal Number RFP1211005024 for which the goal is to obtain and implement a statewide IT Services contract per Executive Order EO20 are true and accurate. It is anticipated that a contract will be awarded to a vendor to act as a Vendor Management Service Provider for State agencies and other entities who require temporary IT staff augmentation. I also certify that Contractor has not knowingly made any false statements in its Proposal.

Certification of Independence

I certify that I am a representative of Contractor expressly authorized to make the following certifications in behalf of Contractor. By submitting a Proposal in response to the RFP, I certify in behalf of the Contractor the following:

1. The Proposal has been developed independently, without consultation, communication or agreement with any employee or consultant to the Agency or with any person serving as a member of the evaluation committee.
2. The Proposal has been developed independently, without consultation, communication or agreement with any other contractor or parties for the purpose of restricting competition.
3. Unless otherwise required by law, the information found in the Proposal has not been and will not be knowingly disclosed, directly or indirectly prior to Agency's issuance of the Notice of Intent to Award the contract.

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4. No attempt has been made or will be made by Contractor to induce any other Contractor to submit or not to submit a Proposal for the purpose of restricting competition.
5. No relationship exists or will exist during the contract period between Contractor and the Agency or any other State agency that interferes with fair competition or constitutes a conflict of interest.

Certification Regarding Debarment

6. I certify that, to the best of my knowledge, neither Contractor nor any of its principals: (a) are presently or have been debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by a Federal Agency or State Agency; (b) have within a three year period preceding this Proposal been convicted of, or had a civil judgment rendered against them for commission of fraud, a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction, violation of antitrust statutes; commission of embezzlement, theft, forgery, falsification or destruction of records, making false statements, or receiving stolen property; (c) are presently indicted for or criminally or civilly charged by a government entity (federal, state, or local) with the commission of any of the offenses enumerated in (b) of this certification; and (d) have not within a three year period preceding this Proposal had one or more public transactions (federal, state, or local) terminated for cause.

This certification is a material representation of fact upon which the Agency has relied upon when this transaction was entered into. If it is later determined that Contractor knowingly rendered an erroneous certification, in addition to other remedies available, the Agency may pursue available remedies including suspension, debarment, or termination of the contract.

Certification Regarding Registration, Collection, and Remission of Sales and Use Tax

7. Pursuant to *Iowa Code sections 423.2(10) and 423.5(8) (2009)* a retailer in Iowa or a retailer maintaining a business in Iowa that enters into a contract with a state agency must register, collect, and remit Iowa sales tax and Iowa use tax levied under *Iowa Code chapter 423* on all sales of tangible personal property and enumerated services. The Act also requires Contractors to certify their compliance with sales tax registration, collection, and remission requirements and provides potential consequences if the certification is false or fraudulent.

By submitting a Proposal in response to the (RFP), the Contractor certifies the following: (check the applicable box)

- Contractor is registered with the Iowa Department of Revenue, collects, and remits Iowa sales and use taxes as required by *Iowa Code Chapter 432*; or
- Contractor is not a "retailer" or a "retailer maintaining a place of business in this state" as those terms are defined in *Iowa Code subsections 423.1(42) and (43)*.

Contractor also acknowledges that the Agency may declare the Contractor's Proposal or resulting contract void if the above certification is false. The Contractor also understands that fraudulent certification may result in the Agency or its representative filing for damages for breach of contract in addition to other remedies available to Agency.

Sincerely,



James P. Cooney / General Manager, Government Division

Name and Title

Figure 10: Attachment #1, Certification Letter

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3.2.13 Authorization to Release Information

The Contractor shall sign and submit with the Proposal the document included as Attachment #2 (Authorization to Release Information Letter) in which the Contractor authorizes the release of information to the Agency.

Our signed Authorization to Release Information Letter (Attachment #2) appears below.

Attachment #2
Authorization to Release Information Letter
Alterations to this document are prohibited, see section 2.13.14.

(Date) 1/25/2011

Ken Discher CPPB, Issuing Officer
Department of Administrative Services
Iowa Department of Administrative Services
Hoover State Office Building, Level A
1305 East Walnut Street
Des Moines, IA 50319-0105

Re: Request for Proposal Number **RFP1211005024**
AUTHORIZATION TO RELEASE INFORMATION

Dear Name of Issuing Officer:

(Name of Contractor) Computer Aid, Inc. hereby authorizes the **Department of Administrative Services** ("Agency") or a member of the Evaluation Committee to obtain information regarding its performance on other contracts, agreements or other business arrangements, its business reputation, and any other matter pertinent to the evaluation and selection of a successful Contractor in response to Request for Proposal (RFP) Number **RFP1211005024**.

The Contractor acknowledges that it may not agree with the information and opinions given by such person or entity in response to a reference request. The Contractor acknowledges that the information and opinions given by such person or entity may hurt its chances to receive contract awards from the State or may otherwise hurt its reputation or operations. The Contractor is willing to take that risk.

The Contractor hereby releases, acquits and forever discharges the State of Iowa, the Agency, their officers, directors, employees and agents from any and all liability whatsoever, including all claims, demands and causes of action of every nature and kind affecting the undersigned that it may have or ever claim to have relating to information, data, opinions, and references obtained by the Agency or the Evaluation Committee in the evaluation and selection of a successful Contractor in response to the RFP.

The Contractor authorizes representatives of the Agency or the Evaluation Committee to contact any and all of the persons, entities, and references which are, directly or indirectly, listed, submitted, or referenced in the Contractor's Proposal submitted in response to RFP.

The Contractor further authorizes any and all persons, and entities to provide information, data, and opinions with regard to its performance under any contract,

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agreement, or other business arrangement, its ability to perform, business reputation, and any other matter pertinent to the evaluation of the Contractor's Proposal. The Contractor hereby releases, acquits and forever discharges any such person or entity and their officers, directors, employees and agents from any and all liability whatsoever, including all claims, demands and causes of action of every nature and kind affecting the Contractor that it may have or ever claim to have relating to information, data, opinions, and references supplied to the Agency or the Evaluation Committee in the evaluation and selection of a successful Contractor in response to RFP.

A photocopy or facsimile of this signed Authorization is as valid as an original.

Sincerely,

Computer Aid, Inc.

Printed Name of Contractor Organization

James P. Cooney

James P. Cooney / General Manager, Government Division 1/25/2011

Name and Title of Authorized Representative

Date

Figure 11: Attachment #2, Authorization to Release Information Letter

3.2.14 Firm Proposal Terms

The Contractor shall guarantee in writing the goods and/or services offered in the Proposal are currently available and that all Proposal terms, including price, will remain firm 120 days following the deadline for submitting Proposals.

All services, personnel, software, and processes are currently available. All proposed terms, prices, and services remain in effect for 120 days from January 25, 2011.

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3.3 Cost Proposal

The Contractor shall provide its cost proposal in a separately sealed envelope for the proposed goods and/or services. See Attachment 4.

As required, our Cost Proposal is a separate document enclosed in a separately sealed envelope.

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4.2 Mandatory (Pass/Fail) Technical Requirements

All items listed in this section are Mandatory Requirements. A pass/fail evaluation will be utilized for these requirements. Contractors must mark either "yes" or "no" to each of the requirements in Section 4.2 in their Proposals. By indicating "yes" a Contractor agrees that it shall comply with that requirement throughout the full term of the Contract, if the Contractor is successful. In addition, if specified by the requirements or if the context otherwise requires, the Contractor shall provide references and/or supportive materials to verify the Contractor's compliance with the requirement. The Agency shall have the right to determine whether the supportive information and materials submitted by the Contractor demonstrate that the Contractor will be able to comply with the Mandatory Requirements. If the Agency determines the responses and supportive materials do not demonstrate the Supplier will be able to comply with the Mandatory Requirements, the Agency may reject the Proposal.

| <i>Req #</i> | <i>Requirement</i> | <i>Required Response: Yes/No</i> |
|---|---|----------------------------------|
| <i>MPF - 1</i> | <i>The Contractor must describe the on-boarding and off-boarding process and procedure used with its subcontractor firms.</i> | <i>MANDATORY PASS/FAIL</i> |
| <p>Response: Yes, CAI has an established on-boarding and off-boarding process used with its subcontractor firms.</p> <p>CAI maintains an open vendor network which allows any vendor who meets our on-boarding criteria to participate in the network responding to the staff augmentation needs of the State of Iowa under the MSP contract.</p> <p>At the time of implementation we will work with the State of Iowa to develop Iowa-specific criteria for vetting suppliers for the Iowa-specific network.</p> <p>We follow a consistent screening process for vendors, i.e., we apply the same selection criteria to all, and we use the same contract and fixed rate card for all subcontractors. This is a critical success factor, because all vendors know they receive equal treatment. CAI maintains a contract portal for each state which contains all of the on-boarding details for any vendor interested in joining the network. We will construct and maintain a portal for the State of Iowa similar to the one shown for the Commonwealth of Pennsylvania in Figure 12.</p> | | |

Commonwealth of Pennsylvania IT Staff Augmentation Contract

The Pennsylvania IT Staff Augmentation Contract is used to manage the Commonwealth's IT Staff Augmentation needs. CAI is the full-service Managed Service Provider responsible for overseeing all service delivery activities for the contract, including:

- Agency consultation
- Vendor response management and performance oversight
- Candidate evaluation and validation
- Interview facilitation
- Invoice processing
- Help desk support



| | | |
|--|---|---|
| CONTRACT OVERVIEW | BUSINESS PARTNER NETWORK SIGN-UP | BUSINESS PARTNER NETWORK TOOLS FOR SUCCESS |
| Fact Sheet Job Titles and Descriptions Skills Matrix Geographic Areas PA Travel/Expense Policy | Criteria for Joining Subcontractor Agreement | Training Session Helpful Hints Timesheet Guide Resume Template Invoicing Process PATCH Check |

Please direct all questions to our Help Desk at CWOPA_Help@compaid.com
Please Note: Questions regarding opportunities and candidates should be directed to our Account Management team.

Figure 12: PA Vendor Portal

In each of our MSP implementations, the basic criteria include:

- In order to participate, the vendor must not be prohibited from doing business within the State and as part of the on-boarding, CAI checks the vendor against published vendor disbarment lists.
- Each vendor must sign a subcontractor agreement with CAI. In addition they must provide a copies of their W-9, all required insurance certificates, and marketing literature. As part of the onboarding process, each firm signs-off on the fixed rate vendor card. Each vendor receives the same fixed rates for each of the positions listed on the rate card. This enables fair competition across the supplier base.

Once the required documentation is received, the vendor will be given access to Peopleclick VMS which enables them to respond to open requirements. Vendors may also choose to take advantage of on-demand training available on the web portal. They may also participate in the outreach program offered by the Account Management team.

Throughout the term of the contract, the CAI MSP Operations team audits the status of all required documentation. If a vendor's documentation expires, CAI sends an email communication to the established vendor contact. The vendor is given ample opportunity to update credentials, or if they choose to do so, they can leave the vendor network.

For firms that choose to leave the network or in the rare event of a disbarment or situation that would preclude further competition, CAI has an off-boarding process, which is:

- The MSP operations team will make the vendor inactive in the network
- Their access to Peopleclick VMS will be revoked

Vendors who choose to off-board are reported on to the State quarterly during the reviews or sooner in events that the off-boarding was due to an issue or disbarment, so that participation can be monitored and any trends can be analyzed.

| | | |
|---------|---|---------------------|
| MPF – 2 | <p><i>The Contractor must clearly explain the Vendor Markup as a fixed percentage rate per labor hour. The Vendor Markup will be added to the hourly rate for each temporary IT staff at the time of invoicing. The Vendor Markup will be paid by the State and must not be charged to the subcontractor firms. All costs related to the Contractor's services, including installation and implementation costs of the application software, must be covered in the per hour Vendor Markup. The Contractor may request a modification to the hourly rates for any of the position categories by submitting their request in writing no less than 120 days prior to the annual anniversary of the effective date of the contract. The State will consider the request and either accept, reject or recommend modification of the proposed adjustment. Any agreed upon adjustment will go into effect on the annual anniversary of the effective date of the contract. (Modified in Amendment #2)</i></p> | MANDATORY PASS/FAIL |
|---------|---|---------------------|

Response: Yes, the VMS service fee charged by CAI is a fixed percentage rate per labor hour, added to the hourly rate for each temporary IT staff at the time of invoicing. CAI agrees to request modifications to the rate card, whether they are rates or job categories, no less than 120 days prior to the annual anniversary of the effective date of the contract. Scientifically derived, unambiguous pricing is a critical success factor for maximizing the results toward a steady supply of qualified resources to the State of Iowa. CAI uses salary data from ERI as a means of determining baseline wages. The ERI is an independent research firm whose algorithms and data have been in use for the past 30 years; it does not offer consulting services, i.e., it has no self-directed incentive for modifying its metrics. Having met or exceeded all of our placement SLAs in our MSP contracts over the past six years, we have found the ERI data to be extremely accurate for estimating salaries by position description and geographic location.

CAI then determines the vendor rate by deriving the markup on the wage rate that covers all costs and obligations that any employers must pay prior to calculating a profit. In developing a subcontractor markup for the contract, we created a formula to cover their payroll costs, employee benefits, contract expenses, and modest pre-tax profit. This becomes the rate per hour that the vendors are paid for their selected resources. Unlike other MSP programs, the vendor receives 100% of the CAI vendor rate with no reductions made to their invoices.

The elements of markup considered for both CAI and the subcontractors are listed in the table in Figure 13.

| | COMPONENT | DESCRIPTION |
|-------------------------|--|---|
| DIRECT LABOR | Payroll Taxes | Mandated state and federal taxes, e.g., Social Security, Workers Compensation, etc. |
| | Health Care | Derived from analysis of cost of health benefits |
| DIRECT SUPPORT | IT Infrastructure | Hardware, software, secure data center, VMS tool, communications, help desk, etc. |
| | Account Management Services and Administration | Labor and overhead |
| INDIRECT SUPPORT | Corporate Overhead | Invoicing and accounting |
| | Profit | Includes both CAI and subcontractor profit |

Figure 13: Elements of Markup

It is upon this vendor rate, or labor rate per hour, that the MSP service fee is applied and becomes the bill rate to the State of Iowa. The MSP service fee covers the cost of doing business for CAI. These are reasonable costs for doing business, such as our own labor costs as well as administrative fees for the VMS tool.

CAI analyzes the ERI data and makes recommendations to the State of Iowa regarding increases or decreases to the contract rates. The final decision on changes to rates rests with the State of Iowa; CAI adheres to those decisions. Typically, these reviews begin six months prior to the end of the initial contract and then within 120 days of the annual anniversary of the effective date of the contract.

| | | |
|------------|---|----------------------------|
| MPF - 3 | <i>Candidates selected by the State must have a completed background check prior to the beginning of their engagement. Background check fees must be provided as part of this RFP response in Cost Schedule One. The Contractor should describe how the proposed background check meets or exceeds the State's requirements and how much time these normally take. Once State selects a candidate, contractor must agree to do necessary background checks, obtain new candidate signatures on confidentiality, parking and any other needed State forms, as well as any other related preparatory tasks.</i> | MANDATORY PASS/FAIL |
|------------|---|----------------------------|

Response: Yes, CAI requires the vendor to complete a background check on any selected candidate prior to the start of his/her engagement.

It is the responsibility of the candidate's vendor to complete the required background checks and provide the results to CAI. In addition to the completed background check, the CAI Account Manager ensures that any and all additional required documentation is completed and fully executed prior to the start of the engagement.

In Iowa, we understand that background checks are any investigation of applicant background such as, but not limited to, arrest or conviction records, fingerprint records, driving records, financial or credit records, and child or dependent adult abuse. These checks will be conducted in addition to normal reference checks. The costs can vary, but usually are in the nominal area (\$10-\$50 per applicant).

Background checks and credentials are uploaded to the Peopleclick secure environment where they can only be accessed by users approved by the State and approved CAI users.

CAI also recognizes the State's need to require additional background checks for certain engagements which require additional security checks. These specific requirements will be discussed during Implementation.

In addition to background checks, resources are required to sign-off on the protection of proprietary materials and they must also agree to return all materials after their engagement is complete.

In some instances the State may choose to require resources to sign confidentiality agreements or non-disclosure agreements. These specific requirements are discussed at the time of implementation and built into the on-boarding process for each specific agency.

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| MPF – 4 | <p><i>The contract will allow for posting of titles and descriptions by the State at the time each RFR is issued. The contractor must provide candidates and bill rates through a competitive process within the contractor's associated subcontractor firms using the following process:</i></p> <p><i>Once the title and description are established by the State in the VMS web application the State expects the contractor will be able to provide between (3) and (20) qualified candidates (each State agency may adjust the requested number of qualified candidates with each RFR). Quoted rates shall be inclusive of all travel and living expenses unless indicated otherwise. The State will evaluate the candidate's cost and skills. (The requirements for # of candidates may be adjusted by the State over time as the State works with the vendor providing the services.)</i></p> <p><i>The process must assure competition among qualified candidates such that the State obtains the skills required at the best available cost.</i></p> <p><i>If the State is not satisfied with the candidate pool the State will either reissue the RFR or request additional resumes.</i></p> <p><i>Actual travel expenses may be billed, on an exception basis, when specifically authorized as part of an individual Request for Resume (RFR). In such cases the quoted rates must not include travel and living expenses. Actual travel expenses will not exceed the limits identified in individual RFRs.</i></p> <p><i>Project size, skill requirements, and funding are the determining factors for assignment length.</i></p> | MANDATORY PASS/FAIL |
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Response: Yes, the MSP contract allows for the posting and selection of resources through the Peopleclick VMS. The workflow is summarized below; a detailed description can be found in the answer to MS-1.

Once the job titles and rates are finalized, the corresponding requirement templates are loaded into the Peopleclick VMS. The Agency Hiring Manager chooses from this list of templates to begin the creation of the requirement via the Peopleclick VMS corresponding to the RFR.

The CAI Account Manager reviews the requirement for completion and then releases the requirement to the vendor network for candidate submittal. The CAI Account Manager (AM) reviews the candidate submittals and performs a phone screen on each of the top candidates. Our experience shows us that the phone screening step is essential for producing quality candidates.

During the phone screen the CAI AM speaks with the candidate to validate their availability for the position, their ability to work in the required location, their acceptance of the duration, and the verbal validation of the submitting vendor. The candidates are also required to speak to their technical experience and how it matches the skills required in the RFR.

Once the AM performs the screening, she creates a short-list of the top candidates. The AM forwards, via the Peopleclick VMS, the appropriate number of qualified candidates to the Agency Hiring Manager. Since the rates are fixed, the selection of the candidate is based on the quality of the candidate and his/her ability to fulfill the needs of the requirement.

If the Agency Hiring Manager is not satisfied with the forwarded candidates, the CAI AM forwards additional resources for consideration. Once the Agency Hiring Manager selects a resource, the candidate is engaged through the Peopleclick VMS with the final start and end dates, as well as the budget entered into Peopleclick VMS. The budget reflects the rate per hour being billed to the agency.

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| <p>MPF - 5</p> | <p><i>The Contractor will provide qualified candidate resumes. Resumes should address each of the required and preferred requirements identified on the RFR. Resumes shall include, at a minimum:</i></p> <ol style="list-style-type: none"> <i>1. Candidate name</i> <i>2. Career Summary</i> <i>3. Professional / Work Experience for each job, including:</i> <ol style="list-style-type: none"> <i>a. Month and year of employment (begin and end dates), company name, City, State, position title, explanation of each job and responsibilities, supervisory skills, accomplishments, promotions, expertise</i> <i>4. Education and Training, including:</i> <ol style="list-style-type: none"> <i>a. Educational Degree, (year started and completed)</i> <i>b. Training courses or Seminar name, indicate date and school providing training</i> <i>5. Certifications or Licenses held: indicate date and whether active or inactive</i> <i>6. Affiliations and professional organizations</i> <i>7. Awards: professional only</i> <p><i>Refer References: When requested by State Contractor will provide at least three (3) job-related references who can attest to the competence and skill level of the candidate to include name, address, email address and telephone number of Reference.</i></p> | <p>MANDATORY PASS/FAIL</p> |
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