



IT Contingent Labor MSP

Managed by CAI

Arkansas IT Contingent Labor Program

Master Subcontractor Agreement and Modification Documents

Version 2

Contents:

1. Master Subcontractor Agreement
2. Addendum to Master Subcontractor Agreement
3. Subcontractor Not-to-Exceed Rates

**SUBCONTRACTOR SERVICES AGREEMENT MANDATORY TERMS AND
CONDITIONS FOR SUBCONTRACTOR AGREEMENTS**

TABLE OF CONTENTS

1. PURPOSE AND SCOPE	3
2. DEFINITIONS	3
A. Acceptance	3
B. Authorized Users	3
C. Confidential Information	3
D. Deliverable	3
E. Party	3
F. Related Deliverable	3
G. Requirements	3
I. Subcontractor Service	4
J. Statement of Work (SOW)	4
K. Subcontractor	4
L. Work Product	4
3. TERM AND TERMINATION	4
4. SERVICES	4
A. Nature of Services and Engagement	4
B. Statement of Work (SOW)	5
C. Performance of Services	5
D. Change Orders	5
E. Acceptance	5
F. Cure Period	5
G. Warranty Period	6
H. Use of Deliverables	6
5. RIGHTS TO WORK PRODUCT	6
A. Work Product	6
B. Ownership	6
C. Pre-existing Work	7
6. SUBCONTRACTOR PERSONNEL	7
A. Selection and Management of Subcontractor Personnel	7
B. Subcontractor Personnel Supervision	7
7. REPRESENTATIONS AND WARRANTY OF SUBCONTRACTOR	7
A. Ownership	7
B. Performance	8
C. Limited Warranty and Remedy	8
D. Malicious Code	8
8. ORDERS AND COMPENSATION	8
A. Work Request Fulfillment Process	8
B. Fees and Payment	8
C. Taxes	9
D. Overtime	9
E. Reimbursement of Expenses	9
9. CONFIDENTIALITY	9
A. Treatment and Protection	9
B. Exclusions	9
C. Return or Destruction	10
D. Confidentiality Statement	10
10. INDEMNIFICATION AND LIABILITY	10
A. Indemnification	10
B. Liability	10

11. SECURITY COMPLIANCE	11
12. INSURANCE	11
13. GENERAL PROVISIONS	11
A. Relationship between Supplier and Subcontractor	11
B. Incorporated Contractual Provisions	11
C. Governing Law	11
D. Dispute Resolution	12
E. Notices	12
F. No Waiver	12
G. Assignment	12
H. Captions	12
I. Severability	12
J. Survival	13
K. Force Majeure	13
L. Remedies	13
M. Right to Audit	13
N. Entire Contract	13

SUBCONTRACTOR SERVICES AGREEMENT MANDATORY TERMS AND CONDITIONS FOR SUBCONTRACTOR AGREEMENTS

THIS INFORMATION TECHNOLOGY SERVICES CONTRACT ("Contract") is entered into by and between Computer Aid, Inc. ("the Supplier"), and _____ ("Subcontractor") located at _____, [address] to be effective as of _____, 20__ ("Effective Date").

1. PURPOSE AND SCOPE

Supplier has entered into State of Arkansas Contract No. SP-16-0003 / 4600035144 with the State of Arkansas for the provision of staff augmentation and statement of work services. This Contract sets forth the terms and conditions under which Subcontractor shall provide services ("Services") pursuant to this agreement in accordance with specific orders or Statements of Work attached hereto.

2. DEFINITIONS

A. Acceptance

Successful performance of the Services at the location designated in the applicable order or Statement of Work, or completed and successful Acceptance testing in conformance with the Requirements as determined by the Authorized User order or in the applicable Statement of Work.

B. Authorized Users

Authorized Users are the Supplier's customers.

C. Confidential Information

Any confidential or proprietary information of a Party that is disclosed in any manner, including oral or written, graphic, machine readable or other tangible form, to any other Party in connection with or as a result of discussions related to this Contract or any order or SOW issued hereunder, and which at the time of disclosure either (i) is marked as being "Confidential" or "Proprietary", (ii) is otherwise reasonably identifiable as the confidential or proprietary information of the disclosing Party, or (iii) under the circumstances of disclosure should reasonably be considered as confidential or proprietary information of the disclosing Party.

D. Deliverable

The tangible embodiment of the Services, including the development or creation of Work Product, performed or provided by Supplier as identified in the applicable Statement of Work.

E. Party

Subcontractor or Supplier.

F. Related Deliverable

Deliverable identified, specified and mutually agreed upon in the SOW as having interdependencies with another Deliverable within the same SOW

G. Requirements

The functional, performance, operational, compatibility, Acceptance testing criteria and other parameters and characteristics of the Service(s) and Deliverables as set forth in the applicable Statement of Work and such other parameters, characteristics, or performance standards that may be agreed upon in writing by the Parties.

H. Service

Any work performed or service provided, including provision to the Authorized User of any Deliverable, by Supplier under this Contract. Service includes the discovery, creation, or development of Work Product, if any.

I. Subcontractor Service

Any work performed or service provided, including any Deliverable prescribed in the applicable order or SOW attached thereto, by Subcontractor under this Contract.

J. Statement of Work (SOW)

A SOW means any document which, upon signing by both Parties, shall be deemed a part of this Contract, and which describes the deliverables, due dates, assignment duration and payment obligations for a specific project, engagement or assignment for which Subcontractor shall be providing Services.

K. Subcontractor

Includes any individual who is an employee, sub-contractor or independent contractor of Subcontractor who is assigned by Subcontractor to perform Services under this Contract.

L. Work Product

Inventions, combinations, machines, methods, formulae, techniques, processes, improvements, software designs, computer programs, strategies, specific computer-related know-how, data and original works of authorship (collectively, the "Work Product") discovered, created, or developed by Subcontractor, or jointly by Subcontractor and an Authorized User(s) in the performance of this Contract. Work Product shall not include configuration of software.

3. TERM AND TERMINATION

Either Party may terminate this Contract, in whole or in part, upon not less than thirty (30) days prior written notice at any time for any reason, provided however that if Subcontractor is providing Services at the time of such notice, the Contract shall terminate at the later of (i) the date of termination specified in such notice, or (ii) the first date that Subcontractor is no longer providing Services pursuant to this Contract.

Either party may submit any contractual dispute to mediation for resolution according to the terms of the Dispute Resolution Section.

Supplier shall have the right to terminate this Contract, in whole or in part, or any order or SOW issued hereunder, in whole or in part for breach and/or default of Subcontractor. Subcontractor shall be deemed in breach and/or default in the event that Subcontractor fails to meet any material obligation set forth in this Contract or in any order or SOW issued hereunder.

If Supplier deems the Subcontractor to be in breach and/or default, Supplier shall provide Subcontractor with notice of breach and/or default and allow Subcontractor fifteen (15) days to cure the breach and/or default. If Subcontractor fails to cure the breach as noted, Supplier may immediately terminate this Contract or any order or SOW issued hereunder, in whole or in part. Any such termination shall be deemed a Termination for Breach or a Termination for Default.

Subcontractor's consistent or recurring failure to meet the agreed-upon service levels will be considered to be a material breach of the Contract as described in this section.

In the event of a Termination for Breach or Termination for Default, Subcontractor shall accept return of any Deliverable that was not accepted and shall refund any monies paid for such Deliverable, and all costs of de-installation and return of Deliverables shall be borne by Subcontractor.

Supplier may terminate any order or SOW issued hereunder, in whole or in part, in the event that Supplier's customer provides notice of termination to Supplier. In this event, the effective date of the termination will be consistent with the termination date specified in the notice provided by Supplier's customer.

4. SERVICES

A. Nature of Services and Engagement

Subcontractor is an independent contractor engaged to perform certain Services, including but not limited to consulting, installation and/or support activities as set forth in any order or SOW attached thereto.

B. Statement of Work (SOW)

All Services shall be performed at the times and locations set forth in the applicable order or SOW and at the rates specified therein. All changes in the scope of Service must be described in a written change request, which includes an appropriate adjustment to the price, delivery dates or both. Any authorized Services beyond the scope of an order or applicable SOW attached thereto shall be performed at the hourly rates set forth in the SOW, unless otherwise agreed in writing by the Parties.

In furtherance of compliance, invoicing, and auditing requirements Subcontractor personnel shall maintain daily time reports of hours and tasks performed which shall be submitted as required by Supplier.

An SOW may designate certain of Supplier's personnel as Key Personnel or Project Managers. Supplier's obligations with respect to Key Personnel and Project Managers shall be described in the applicable SOW. Failure of Supplier to perform in accordance with such obligations may be deemed a default of this Contract.

C. Performance of Services

Subcontractor shall provide personnel qualified to perform the Services required by any SOW issued hereunder. If any individual provided by Subcontractor fails to perform at an acceptable level of achievement of Requirements within a reasonable length of time, which shall not exceed ten (10) business days, the Supplier shall have the right to request that Subcontractor immediately remove such individual from performing on the SOW and replace such individual with a more qualified individual. Supplier may withhold payment for any hours billed by Subcontractor for such individual's performance of the Services. Any disputes arising from the foregoing shall be resolved in accordance with the Dispute Resolution section of this Contract.

D. Change Orders

All changes to the Services to be provided pursuant to any given SOW must be described in a written change request (template provided as an Exhibit hereto), which includes any appropriate adjustments to the SOW. Either Party to an SOW may issue a change request that will be subject to written approval of the other Party before it becomes part of this Contract.

E. Acceptance

Service(s) shall be deemed accepted when the Supplier's customer determines that such Service(s) meets the Requirements set forth in the applicable order or SOW. If applicable, Subcontractor shall be responsible for ensuring that any individual Deliverable functions properly with any other Related Deliverable provided pursuant to the same SOW. Should a previously Accepted Deliverable require further modification in order to work properly with any other Related Deliverable, Subcontractor shall be responsible for all costs associated with such modification. Supplier's customer shall commence Acceptance testing within ten business (10) days, or within such other period as set forth in the applicable SOW, after receipt of the Service. Acceptance testing will be no longer than thirty (30) days, or such longer period as may be agreed in writing Supplier and Subcontractor, for each Deliverable Subcontractor agrees to provide to the Supplier's customer such assistance and advice as the Supplier's customer may reasonably require, at no additional cost, during such Acceptance testing. Supplier shall provide to Subcontractor written notice of Acceptance upon completion of installation and successful Acceptance testing. Should Supplier, or Suppliers customer on the Suppliers behalf, fail to provide Subcontractor written notice of successful or unsuccessful Acceptance testing within five business (5) days following the Acceptance testing period, the Service shall be deemed Accepted.

F. Cure Period

Subcontractor shall correct any non-conformities identified hereunder and shall thereafter re-submit such previously non-conforming Service or Deliverable for re-testing within seven (7) business days of the appropriate written notice of non-conformance, or as otherwise agreed between such Supplier and Subcontractor. In the event that Subcontractor fails to deliver a Service or Deliverable which meets the Requirements, the Supplier may, in its sole discretion:

(i) reject the Service or Deliverable in its entirety and recover amounts previously paid hereunder for Services or Deliverables that are identified and specified and mutually agreed upon in the SOW as having interdependencies with the non-conforming Service or Deliverable; (ii) issue a "partial Acceptance" of the Service or Deliverable with an equitable adjustment in the price to account for such deficiency; or (iii) conditionally accept the applicable Service or Deliverable while reserving its right to revoke Acceptance if timely correction is not forthcoming. Failure of a Service or a Deliverable to meet, in all material respects, the specifications and performance standards after the second set of acceptance tests may constitute cause to terminate the SOW or constitute a default by the Subcontractor. Notwithstanding the foregoing, Supplier shall be entitled to pursue any other remedies that are available to it under this Contract and at law or in equity. For services provided under a SOW, if the Supplier rejects the Service or Deliverable in its entirety, the Supplier may seek to recover amounts previously paid to Subcontractor for such Service or Deliverable.

G. Warranty Period

90 days from Acceptance of the Deliverable, or such longer period as may be agreed to in the applicable SOW.

H. Use of Deliverables

Subcontractor grants to Supplier a worldwide, royalty free, perpetual license to use, reproduce, display, distribute copies of, and prepare derivative works of the Deliverables to or for (i) Supplier's customer's internal purposes, (ii) Supplier's customer's agencies within the State of Arkansas, (iii) third parties who have signed appropriate confidentiality agreements, and (iv) governmental or regulatory bodies as required by law or regulation. It is expressly understood that "perpetual" license rights shall commence upon delivery of the Service Deliverables to the Supplier and shall exist in perpetuity.

5. RIGHTS TO WORK PRODUCT

A. Work Product

Supplier and Subcontractor each acknowledge that performance of this Contract may result in Work Product(s). Subcontractor agrees that it shall promptly and fully disclose to Supplier any and all Work Product generated, conceived, reduced to practice or learned by Subcontractor or any of its employees, either solely or jointly with others, during the term or performance of this Contract, which in any way relates to the applicable order or SOW attached thereto. Subcontractor further agrees that neither Subcontractor nor any of Subcontractor's employees, contractors, agents or subcontractors, nor any party claiming through Subcontractor or Subcontractor's employees, shall, other than in the performance of this Contract, make use of or disclose to others any proprietary information relating to the Work Product. All Services performed hereunder shall include delivery of all Work Product source code, object code, executables, and documentation. Subcontractor agrees that Supplier shall have the right to require Subcontractor to provide a copy of the most recent object or source code to Supplier's customer at any and all times.

B. Ownership

Subcontractor agrees that, whether or not the Services are considered "works made for hire" or an employment to invent, all Work Product discovered, created or developed under this Contract shall be and shall remain the sole and exclusive property of the Authorized User. Except as specifically set forth in writing and signed by both Supplier and Subcontractor, Subcontractor agrees that the Authorized User shall have all rights with respect to any Work Product discovered, created or developed under this Contract without regard to the origin of the Work Product.

If and to the extent that Subcontractor may, under applicable law, be entitled to claim any ownership interest in the Work Product, Subcontractor hereby irrevocably transfers, grants, conveys, assigns and relinquishes exclusively to the Authorized User any and all right, title and interest it now has or may hereafter acquire in and to the Work Product under patent, copyright,

trade secret and trademark law in perpetuity or for the longest period otherwise permitted by law. If any moral rights are created, Subcontractor waives such rights in the Work Product. Subcontractor further agrees as to the Work Product to assist the Authorized User in every reasonable way to obtain and, from time to time, enforce patents, copyrights, and other rights and protection, and in protecting trade secrets, with respect to such Work Product, and to that end, Subcontractor and its employees shall execute all documents for use in applying for and obtaining such patents, copyrights, and other rights and protection with respect to such Work Product, as the Authorized User may reasonably request, together with any assignments thereof to the Authorized User in obtaining and enforcing such rights shall continue beyond the termination of this Contract.

C. Pre-existing Work

If and to the extent that any pre-existing rights are embodied or reflected in the Service Deliverables, Subcontractor hereby grants to the Authorized User an irrevocable, perpetual, non-exclusive, worldwide, royalty-free right and license to (i) use, modify, transmit, execute, reproduce, display, perform, distribute copies of and prepare derivative works based upon such pre-existing rights and any derivative works thereof, and (ii) authorize others to do any or all of the foregoing. It is expressly understood that "perpetual" license rights shall commence upon delivery of the Service Deliverables and shall exist in perpetuity unless otherwise terminated in accordance with the applicable provisions of the Contract.

6. SUBCONTRACTOR PERSONNEL

A. Selection and Management of Subcontractor Personnel

Subcontractor shall take such steps as may be necessary to ensure that all Subcontractor personnel performing Services under this Contract are competent and knowledgeable of the contractual arrangements and the applicable SOW attached thereto, between Supplier and Subcontractor. Subcontractor shall be solely responsible for the conduct of its employees, agents, and subcontractors, including all acts and omissions of such employees, agents, and subcontractors, and shall ensure that such employees and subcontractors comply with the appropriate work site security, information security and personnel conduct rules, as well as applicable federal, state and local laws, including export regulations. Supplier reserves the right to require the immediate removal from such work site of any personnel believed to have failed to complied or whose conduct or behavior is unacceptable or unprofessional or results in a security or safety breach.

All Subcontractor Personnel performing Services under this Contract will have a W-2 or 1099 relationship to the Subcontractor, or be no more than one relationship layer removed from the Subcontractor.

B. Subcontractor Personnel Supervision

Subcontractor and Supplier acknowledge that Subcontractor shall be and is the sole employer of Subcontractor personnel, and shall have sole responsibility to supervise, counsel, discipline, review, evaluate, set the pay rates of, provide (to the extent required by law) health care and other benefits for, and terminate the employment of Subcontractor personnel. Subcontractor warrants that it is and shall be the only entity to provide consideration to Subcontractor personnel pursuant to this Contract. Supplier shall have no responsibility to provide oversight, supervision, benefits, guarantees of employment, etc. for subcontractor personnel.

7. REPRESENTATIONS AND WARRANTY OF SUBCONTRACTOR

A. Ownership

Subcontractor has the right to provide the Services, including Deliverables, without violating or infringing any law, rule, regulation, copyright, patent, trade secret or other proprietary right of any third party.

B. Performance

- i). All Services shall be performed with care, skill and diligence, consistent with or above applicable professional standards currently recognized in its profession, and Subcontractor shall be responsible for the professional quality, technical accuracy, completeness and coordination of all plans, information, specifications, Deliverables and Services furnished under this Contract;
- ii). The Services and Deliverables shall meet or exceed the requirements contained in any applicable order or SOW attached thereto;
- iii). The Services shall be performed in a professional manner;
- iv). Subcontractor warrants that the documentation which Subcontractor is required to provide under this Contract shall be sufficient in detail and content to allow a user, possessing sufficient technical knowledge, to understand fully the software or other Deliverables without reference to any other materials or information.

C. Limited Warranty and Remedy

During the Warranty Period Subcontractor warrants that the Deliverables do not contain any material errors and shall conform to the Requirements outlined in the SOW. Subcontractor shall correct all errors at no additional cost. If Subcontractor is unable to make the Deliverable conform, in all material respects, to the SOW Requirements within ten (10) days, or a time period mutually agreed upon or specified in the SOW, following written notification by Supplier, Subcontractor shall, at Supplier's request, accept return of such Deliverable and any other Related Deliverable(s) from the same SOW rendered unusable, and return all monies paid by Supplier for the non-conforming Deliverable and such other Related Deliverable(s) rendered unusable.

D. Malicious Code

Subcontractor agrees to use best efforts through quality assurance procedures to ensure that there are no computer viruses or undocumented features in any of the media or means used to deliver the Services. Subcontractor will use the best available means to scan any media on which Deliverables are provided to the Authorized User.

THE OBLIGATIONS OF SUBCONTRACTOR UNDER THIS SECTION ARE MATERIAL. SUBCONTRACTOR MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY CONCERNING MERCHANTABILITY OR FITNESS FOR ANY OTHER PARTICULAR PURPOSE.

8. ORDERS AND COMPENSATION

A. Work Request Fulfillment Process

Any and all Services provided pursuant to this Contract must be pursuant to a written order or SOW attached thereto, and such order or SOW must incorporate by reference all the terms and conditions contained in this Contract.

B. Fees and Payment

- 1. Payment terms are 30 days net payment from receipt of valid invoice for hourly based work performed as time and materials Staff Augmentation. An invoice is not considered valid until the hours reported have been approved within the VMS.
 - a. Subcontractor shall prepare and submit invoices based on approved time in the Peoplefluent VMS system for the previous calendar month. Subcontractor employee must enter time into the Peoplefluent VMS system on a weekly basis or as directed by the Supplier. In the event of a conflict between the invoice and the time entered on VMS, the approved time entered on VMS shall prevail.
 - b. Supplier shall use its best efforts to pay all properly prepared and submitted invoices within 30 calendar days from the date of receipt of such invoice by the Subcontractor. Supplier reserves the right to withhold payment until receipt of payment from the

customer. The Supplier will notify the agency and the Subcontractor, in writing, of Supplier's intention to withhold payment and the reason.

- c. Subcontractor shall pay their subcontractors within the same time frames and terms as noted in Section B.1 above.
2. Payment terms are seven days from the receipt of payment from Client, and receipt of valid invoice for fixed – price work performed as a fixed price SOW. An invoice is not considered valid until the milestones are approved within the VMS.
 - a. Supplier shall use its best efforts to invoice the Client within seven (7) days from the receipt of a valid invoice from the Subcontractor. The Supplier will use commercially reasonable efforts to enforce payment from the Client.
 - b. Notwithstanding, Supplier shall not be relieved of its obligation to pay Subcontractor if the State's refusal to issue payment is based upon Supplier's failure to timely or properly invoice the State.

Subcontractor understands and agrees that under no circumstances shall the Supplier be responsible for any sum(s) of money owed or owing to subcontractor for services rendered in the event that, for any reason or for no reason, the Customer denies to, refuses to, or is unable to pay the Supplier.

C. Taxes

Subcontractor shall be responsible for the payment of all taxes incurred by it as a result of this Agreement.

D. Overtime

No overtime premiums will be paid by Supplier for work which is performed under normal business hours (8:00 a.m. local time – 5:00 p.m. local time) in order to complete a task on time, unless otherwise agreed to in writing in advance by the Supplier and the Supplier's customer.

E. Reimbursement of Expenses

Subcontractor will only be reimbursed for such travel-related expenses, including transportation, meals, lodging and incidental expenses, which have been authorized by the Supplier, and the Supplier's customer in advance. For executive branch agencies, expenses will be reimbursable to Subcontractor at the then-current per diem amounts as published by the State of Arkansas. For other public bodies, expense reimbursement will be governed by the Authorized User's travel policies.

9. CONFIDENTIALITY

A. Treatment and Protection

Each Party shall (i) hold in strict confidence all Confidential Information of any other Party, (ii) use the Confidential Information solely to perform or to exercise its rights under this Contract, and (iii) not transfer, display, convey or otherwise disclose or make available all or any part of such Confidential Information to any third-party. However, a Subcontractor may disclose the Confidential Information directly related to Services provided pursuant to this Contract as delivered by as delivered by or through Supplier to Subcontractor personnel that are bound by a non-disclosure agreement with each Subcontractor. Each Party shall take the same measures to protect against the disclosure or use of the confidential information as it takes to protect its own proprietary or confidential information as it takes to protect its own proprietary or confidential information (but in no event shall such measures be less than reasonable care.)

B. Exclusions

The term "Confidential Information" shall not include information that is:

- i). in the public domain through no fault of the receiving Party or of any other person or entity that is similarly contractually or otherwise obligated;

- ii). obtained independently from a third-party without an obligation of confidentiality to the disclosing Party and without breach of this Contract;
- iii). developed independently by the receiving Party without reference to the Confidential Information of the other Party.

C. Return or Destruction

Upon the termination or expiration of this Contract or upon the earlier request of the disclosing Party, the receiving party shall (i) at its own expense, (a) promptly return to the disclosing which may be Supplier's customer all tangible Confidential Information (and all copies thereof except the record required by law) of the disclosing party, or (b) upon written request from the disclosing party, destroy such Confidential Information and provide the disclosing party with written certification of such destruction, and (ii) cease all further use of the other party's Confidential Information, whether in tangible or intangible form.

D. Confidentiality Statement

All Subcontractor personnel, contractors, agents, and subcontractors performing Services pursuant to this Contract may be required to sign a confidentiality statement or non-disclosure agreement. Any violation of such statement or agreement shall be deemed a breach of this Contract and may result in termination of the Contract or any order or SOW issued hereunder.

10. INDEMNIFICATION AND LIABILITY

A. Indemnification

The following indemnification clause replaces in its entirety the indemnification clause specified in the Virginia contract VA-130620-CAI. Subcontractor shall indemnify, defend and hold harmless the Contractor and Authorized User together with their respective officers, directors, agents ("Indemnitees"), and to hold each of them harmless from any and all liability, loss, damages, claims or causes of action, including reasonable legal fees and expenses that may be incurred by Indemnitees, arising out of or related in any way to, Subcontractor's breach of this Agreement and operation of its business, and the acts or omissions of any Subcontractor Associate or candidate, except for the intentional acts of Indemnitees. Indemnitees shall provide Subcontractor with reasonable written notice of any claim for which indemnification is sought and cooperate fully with and allow Subcontractor to control the defense and settlement of such claim. Subcontractor may not settle any such claim without Indemnitees' prior written consent, which consent shall not be unreasonably withheld. Indemnitees shall have the right, at each of their own expense, to participate in the defense of any such claim. This section is not subject to any limitations of liability in the Virginia contract VA-130620-CAI or in any other document executed in conjunction with the Virginia contract.

B. Liability

Contractor will demonstrate reasonable care but will not be liable in the event of loss, destruction or theft of Subcontractor-owned equipment or software and technical and business or operations literature to be delivered or to be used in the installation of Deliverables and Services. The Subcontractor shall retain total liability for equipment, software and technical and business or operations literature. At no time will the Contractor be responsible for Subcontractor owned items.

Subcontractor's liability to the Supplier under this Contract for breach of this Contract's confidentiality, security, or indemnification provisions shall be limited to the greater of two (2) times the value of the applicable Statement of Work or \$2,000,000. Subcontractor's liability to the Supplier under this Contract shall, for breach of this Contract by Subcontractor, if the breach arises from any intentional, willful, or negligent act or omission of any employee, agent, or subcontractor of Subcontractor or if the damages are based on bodily injury, death, or damage to real property or tangible personal property be limited to (2) two times the annual value of the Suppliers MSA Contract with the State. The limitation shall apply on a per-incident basis, it being

understood that multiple losses stemming from the same root cause constitute a single incident.

EXCEPT FOR CLAIMS COVERED BY THE ABOVE DOLLAR LIMITATION, NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR INDIRECT, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES UNDER THIS CONTRACT, INCLUDING (WITHOUT LIMITATION) LOSS OF PROFIT, INCOME OR SAVINGS, EVEN IF ADVISED OF THE POSSIBILITY THEREOF.

11. SECURITY COMPLIANCE

Subcontractor agrees to require all Subcontractor personnel to comply with all provisions of Supplier's then current security procedures for each applicable work location and as are pertinent to Subcontractor's operation and have been supplied to Subcontractor by Supplier and further agrees to comply with all applicable federal, state and local laws. Subcontractor shall indemnify, defend and hold Supplier, its officers, directors, employees and agents harmless from and against any and all fines, penalties (whether criminal or civil), judgments, damages and assessments including reasonable expenses suffered by, accrued against, or charged to or recovered from Supplier, its officers, directors, agents or employees, on account of the failure of Subcontractor to perform its obligations pursuant to this Section.

12. INSURANCE

Subcontractor shall purchase and maintain insurance for protection from claims under the Worker's Compensation Act and other statutory employee benefit provisions, which are applicable in Arkansas.

- i). Commercial General Liability - \$2,000,000 general aggregate.
- ii). Workers' Compensation - Statutory requirements and benefits.

Subcontractor shall submit a Certificate of Insurance to Supplier evidencing the required insurance coverage and stating that thirty (30) days prior written notice must be given to Supplier before cancellation of the policy. Computer Aid, Inc. must be named as additional insured.

13. GENERAL PROVISIONS

A. Relationship between Supplier and Subcontractor

Subcontractor has no authority to contract for Supplier in any way to bind, to commit Supplier to any agreement of any kind, or to assume any liabilities of any nature in the name of or on behalf of Supplier. Under no circumstances shall Subcontractor or any of its employees, hold itself out as or be considered an agent or an employee of Supplier and Supplier shall have any duty to provide or maintain any insurance or other employee benefits on behalf of Subcontractor or its employees. Subcontractor represents and warrants that it is an independent contractor for purposes of federal, state and local employment taxes and agrees that Supplier is not responsible to collect or withhold any federal, state or local employment taxes, including, but not limited to, income tax withholding and social security contributions, for Subcontractor. Subcontractor shall immediately pay all taxes lawfully imposed upon it with respect to this Contract or any Services provided pursuant to this Contract.

B. Incorporated Contractual Provisions

Any and all terms contained in the MSA that relate to or refer to the Subcontractor are incorporated herein by reference. Contract-related materials are available for review at <http://www.dfa.arkansas.gov/offices/procurement/contracts/Pages/4600035144.aspx>. The terms and conditions in documents posted to the aforementioned URLs are subject to change pursuant to action by the legislature of the State of Arkansas, or a change in Arkansas policy. If a change is made to the terms and conditions, a new effective date will be noted in the document title. Subcontractor is advised to check the URLs periodically.

C. Governing Law

This Contract shall be governed by and construed in accordance with the laws of the State of Arkansas without regard to that body of law controlling choice of law. Any and all litigation shall

be brought in the circuit courts of the State of Arkansas. The English language version of this Contract prevails when interpreting this Contract.

D. Dispute Resolution

In the event that the Parties have any dispute, disagreement or cause of action (each, hereinafter, a "Dispute") arising pursuant to this Contract or any order or SOW attached thereto, the aggrieved party shall first try in good faith to resolve such dispute with the other Party before instituting any legal action with respect to such Dispute. If such informal efforts are unsuccessful, the Parties shall thereafter submit such dispute to non-binding mediation in accordance with the terms of this Section. Upon institution of any mediation (actual or constructive) the aggrieved Party shall promptly give notice to the other Party that it desires to mediate the Dispute. The aggrieved Party shall cooperate for a period of 90 days (or such shorter period as is necessary to avoid material financial harm to it or avoid prejudicing the enforceability of any of its legal rights) from the date that such notice is mailed (determined by postmark) to the other Party. Such mediation shall be administered by mutual agreement of the Parties, or in the absence of such mutual agreement, by the American Arbitration Association under its Commercial Mediation Procedures. In the event that such Dispute is not resolved to the satisfaction of the aggrieved Party within the time period contemplated above, then the aggrieved Party shall be free to engage in any legal process that it deems appropriate with respect to such Dispute. The foregoing shall not be implied to limit any response that the aggrieved Party may make in response to any lawsuit or other action initiated by the other Party.

In the event of any breach by Supplier, Subcontractor's remedies shall be limited to claims for damages and Prompt Payment Act Interest and, if available and warranted, equitable relief, all such claims to be processed pursuant to this Section. In no event shall Subcontractor's remedies include the right to terminate any license or support services hereunder.

E. Notices

Any notice required or permitted to be given under this Contract shall be in writing and shall be deemed to have been sufficiently given if delivered in person, or if deposited in the U.S. mails, postage prepaid, for mailing by registered, certified mail, or overnight courier service addressed to the addressees shown on the signature page. Either party may change its address for notice purposes by giving the other Party notice of such change in accordance with this Section.

F. No Waiver

Any failure to enforce any terms of this Contract shall not constitute a waiver.

G. Assignment

This Contract shall be binding upon and shall inure to the benefit of the permitted successors and assigns of each party thereto. Subcontractor may not assign, subcontract, delegate or otherwise convey this Contract or any of its rights and obligations hereunder, to any entity without the prior written consent of Supplier and any such attempted assignment or subcontracting without consent shall be void

If any law limits the right of the Parties to prohibit assignment or nonconsensual assignments, the effective date of the assignment shall be thirty (30) days after the Subcontractor gives Supplier prompt written notice of the assignment, signed by authorized representatives of both the Subcontractor and the assignee. Any payments made prior to receipt of such notification shall not be covered by this assignment.

H. Captions

The captions are for convenience and in no way define, limit or enlarge the scope of this Contract or any of its Sections.

I. Severability

Invalidity of any term of this Contract, in whole or in part, shall not affect the validity of any other term. The Parties further agree that in the event such provision is an essential part of this Contract, they shall immediately begin negotiations for a suitable replacement provision.

J. Survival

The provisions of this Contract regarding License, Rights to Work Products, Warranty, Confidentiality, Liability and Indemnification, and the General Provisions shall survive the expiration or termination of this Contract.

K. Force Majeure

Neither Party shall be responsible for failure to meet its obligations under this Contract if the failure arises from causes beyond the control and without the fault or negligence of the non-performing Party. If any performance date under this Contract is postponed or extended pursuant to this section for longer than thirty (30) calendar days, Supplier by written notice given during the postponement or extension may terminate Subcontractor's right to render further performance after the effective date of termination without liability for that termination.

L. Remedies

The remedies set forth in this Contract are intended to be cumulative. In addition to any specific remedy, Supplier reserves any and all other remedies that may be available at law or in equity.

M. Right to Audit

Supplier reserves the right to audit those Subcontractor records that relate to the Services rendered or the amounts due Subcontractor for such Services under this Contract, as well as all applicable tax records related to local, state and federal taxes owed for Services provided under the Contract. Supplier's right to audit shall be limited as follows

- i). Performed at Subcontractor's premises, during normal business hours at mutually agreed upon times; and
- ii). Excludes access to Subcontractor cost information.
- iii). No longer than 3 years from service performance date.

N. Entire Contract

This Contract and any prior NDA constitute the entire agreement between the Parties and supersedes any and all previous representations, understandings, discussions or agreements between Supplier and Subcontractor as to the subject matter thereof. This Contract may only be amended by an instrument in writing signed by Supplier and Subcontractor.

Supplier and Subcontractor each acknowledge that it has had the opportunity to review this Contract with its legal counsel.

Executed as of the last date set forth below by the undersigned authorized representatives of Supplier and Subcontractor.

Subcontractor -

Supplier - Computer Aid, Inc.

By: _____

By: _____

(Signature)

(Signature)

Name: _____

Name: _____

(Print)

(Print)

Title: _____

Title: _____

Date: _____

Date: _____

Address for Notice:

Address for Notice:

Attention: _____

Attention: _____

ADDENDUM TO THE STATE OF ARKANSAS
SUBCONTRACTOR SERVICES AGREEMENT MANDATORY TERMS AND
CONDITIONS FOR SUBCONTRACTOR AGREEMENTS

Version 2

This Addendum is an agreement between Computer Aid, Inc. ("Supplier") and _____ ("Subcontractor") to document both parties' agreement to the following changes to the existing IT Services Contract ("Agreement") with the State of Arkansas ("Customer").

1. No additional fees shall be charged to the Supplier or to the Supplier's Customer by the Subcontractor in the event the State of Arkansas hires an engaged resource as an employee of the State.
2. Subcontractor agrees to provide Supplier with the status of each Fixed Price, Deliverables-Based SOW on a bi-weekly basis or as specified in the SOW. Subcontractor also agrees to complete the periodic project and performance assessments for each SOW as determined by the Supplier.
3. All Subcontractor Personnel performing Services under this Contract will have a W-2 or 1099 relationship to the Subcontractor, or be no more than one contracting layer removed from the Subcontractor. If instances of additional layers are discovered, Supplier will engage the resource through the W-2 employer. All employer and contracting detail must be reported accurately in the VMS software.
4. Subcontractor is responsible for providing information, resumes and employees in accordance with the contract processes. Failure to comply resulting in Contractor not meeting the service level agreements in the Master Agreement may result in a reduction in the use of Subcontractor's services.
5. Subcontractor will use industry best practices testing mechanisms to validate and verify employees' technical skills as described in their respective resumes. Supplier may request documentation to substantiate the claimed skills on a resume. In the event that Subcontractor fails to submit documentation in a timely manner, Supplier reserves the right to hold the resume for submission to the Supplier's customer until such time as the documentation is submitted or the requirement is filled.
6. The Supplier reserves the right, in its absolute discretion, to require each resource assigned under this Contract to successfully complete either the Arkansas State name-based background check or the National/FBI fingerprint based background check, as required, in addition to any agency specific required checks as listed in the VMS Peoplefluent job requirement prior to the resource beginning his or her assignment. The Subcontractor will be responsible for payment of all costs associated with the background check(s). The Subcontractor will provide Supplier with the background check results or all related data to obtain those results prior to work assignment start.

7. Subcontractor must maintain valid Visas for any of its employees for whom a Visa is required. Any failure to do so will result in removal of the employee and may result in the cancellation of this Agreement.
8.
 - a. Return of Materials. Upon the request of Supplier, but in any event upon termination of this Agreement, Subcontractor shall surrender to Supplier all memoranda, notes, records, drawings, manuals, computer software, and other documents or materials, and all copies thereof, pertaining to the Program Materials or furnished by Supplier or Customer to Subcontractor, including all materials embodying any Trade Secrets. This paragraph is intended to apply to all materials made or compiled by Subcontractor, as well as to all materials furnished to Subcontractor by Supplier or by anyone else that pertain to the Program Materials or Trade Secrets. Failure to return materials may result in withholding of payment to subcontractor.
 - b. Supplier will require each Subcontractor resource performing work for the Customer under the Master Agreement to sign an individual agreement, acknowledging their acceptance of the language referenced in this section of the Agreement.
9. The Subcontractor agrees that Subcontractor or their employees may not solicit any Customer agency for Time & Materials positions or SOWs that have been referred to Subcontractor by Supplier under this agreement. Solicitation may result in dismissal from the vendor network and /or termination of this Agreement during the term of this Agreement and any renewals thereof.
10. Orders and Compensation shall be amended to include the following:
 - a. Subcontractor shall have the option of 15 day net payment from the date of receipt and validation of the properly prepared and submitted invoice for work performed as hourly time and materials Staff Augmentation, subject to a charge of one percent (1%) of the invoice amount to be retained by Supplier. Any hours for the prior calendar month which have been submitted and approved within the VMS after the 15th of the month will be paid separately at the 15 day net payment terms. Payment for these hours will be based on VMS approval date and subject to the 1% charge.
 - b. Subcontractor is required to pay all of its employees, subcontractors or subconsultants for all work that the employee, subcontractor or subconsultant has satisfactorily completed no later than ten (10) days after the Subcontractor has received payment from Supplier. Should the Subcontractor fail to make payment as set forth herein, Supplier shall be entitled to engage the subcontractor or subconsultant directly and Subcontractor shall release any non-compete or non-solicitation agreement it may have with the subcontractor or subconsultant.
11. Subcontractor will register its business with the State of Arkansas Department of Finance and Administration, and will provide Supplier with documentation of registration upon completion.
12. As part of doing business through the Supplier in support of the Customer, the Subcontractor is required to complete the following forms on an annual basis, and to provide Supplier with completed and updated forms.

- a. Contract and Grant Disclosure and Certification Form
- b. DFA Illegal Immigrant Contractor Disclosure Certification

Links to these forms will be posted to the contract web portal.

Subcontractor agrees to the following payment terms for work performed on an hourly basis, time and materials for Staff Augmentation.(Initial one):

_____ 15 days (Subject to a charge of one percent (1%) of the invoice amount to be retained by Contractor, as per section 10 of this Addendum)

_____ 30 days

These payment terms shall be effective for the life of this Contract unless otherwise mutually agreed upon by the Supplier and Subcontractor.

Subcontractor is enrolling in the (initial one):

_____ Staff Augmentation Program and Time & Materials Statement of Work Program and agrees to submit candidates that meet, but do not exceed, the rates listed below.

_____ Fixed Price, Deliverables-Based Statement of Work Program and for deliverable SOW assignments, the fee percentage is 7.15%. This markup includes Supplier and Customer fees. Payment for approved deliverables is 7 days following receipt of payment from Customer. **Enrollment in the SOW program is contingent upon having met all enrollment qualifications.**

Supplier

Subcontractor

COMPUTER AID, INC.

By: _____

By: _____

Signature of Authorized Representative

Signature of Authorized Representative

Printed Name

Printed Name

Title

Title

Date

Date

Rate Schedule – Not-to-Exceed Rates for Subcontractor

Job Title	Level	SC1	SC2	SC3
		Vendor	Vendor	Vendor
Administrator	ADMIN1	\$20.87	\$21.30	\$22.79
Administrator	ADMIN2	\$25.25	\$25.76	\$27.57
Administrator	ADMIN3	\$30.17	\$30.78	\$32.94
Business Analyst	BA1	\$41.12	\$41.96	\$44.90
Business Analyst	BA2	\$49.56	\$50.57	\$54.11
Business Analyst	BA3	\$56.94	\$58.10	\$62.17
CADD/GIS Administrator	CGA1	\$36.32	\$37.06	\$39.65
CADD/GIS Administrator	CGA2	\$42.04	\$42.89	\$45.89
CADD/GIS Administrator	CGA3	\$62.66	\$63.93	\$68.40
Data Entry Operator	DE1	\$13.37	\$13.65	\$14.61
Data Entry Operator	DE2	\$14.57	\$14.87	\$15.92
Database Administrator	DBA1	\$40.36	\$41.19	\$44.07
Database Administrator	DBA2	\$44.57	\$45.47	\$48.66
Database Administrator	DBA3	\$59.38	\$60.59	\$64.84
Functional Architect	FA1	\$29.81	\$30.42	\$32.56
Functional Architect	FA2	\$36.09	\$36.82	\$39.40
Functional Architect	FA3	\$43.24	\$44.12	\$47.20
Functional Architect	FA4	\$51.48	\$52.53	\$56.21
Help Desk Analyst	HDA1	\$24.75	\$25.26	\$27.03
Help Desk Analyst	HDA2	\$27.29	\$27.86	\$29.80
Help Desk Analyst	HDA3	\$34.23	\$34.92	\$37.37
Help Desk Support	HDS1	\$23.58	\$24.06	\$25.74
Help Desk Support	HDS2	\$25.80	\$26.33	\$28.18
Product Specialist	PS1	\$38.88	\$39.68	\$42.45
Product Specialist	PS2	\$44.81	\$45.72	\$48.92
Product Specialist	PS3	\$58.60	\$59.79	\$63.98
Product Specialist	PS4	\$70.70	\$72.14	\$77.19
Product Specialist	PS5	\$79.67	\$81.30	\$86.99
Product Specialist	PS6	\$96.19	\$98.15	\$105.02
Program Manager	PM1	\$43.54	\$44.43	\$47.55
Program Manager	PM2	\$49.91	\$50.93	\$54.50
Program Manager	PM3	\$64.48	\$65.79	\$70.40
Program Manager	PM4	\$80.76	\$82.40	\$88.17
Programmer	PR1	\$33.18	\$33.86	\$36.22
Programmer	PR2	\$38.66	\$39.44	\$42.20
Programmer	PR3	\$49.97	\$50.99	\$54.56
Programmer	PR4	\$58.74	\$59.94	\$64.14
Programmer	PR5	\$71.00	\$72.44	\$77.52
Programmer	PR6	\$75.41	\$76.94	\$82.33

		SC1	SC2	SC3
Job Title	Level	Vendor	Vendor	Vendor
Quality Assurance Specialist	QAS1	\$39.90	\$40.71	\$43.56
Quality Assurance Specialist	QAS2	\$43.47	\$44.36	\$47.46
Quality Assurance Specialist	QAS3	\$54.40	\$55.50	\$59.39
Senior Architect	SAR1	\$86.58	\$88.35	\$94.53
Senior Architect	SAR2	\$120.72	\$123.18	\$131.80
Senior Business Subject Matter Expert	SME1	\$110.51	\$112.76	\$120.66
Senior Consultant	SC1	\$70.80	\$76.32	\$84.00
Senior Consultant	SC2	\$81.60	\$88.32	\$97.20
Senior Consultant	SC3	\$94.80	\$102.12	\$112.80
Senior Database Architect	SDA1	\$70.76	\$72.21	\$77.26
Senior Program Manager	SPM1	\$90.16	\$92.00	\$98.43
Senior Program Manager	SPM2	\$100.96	\$103.02	\$110.23
Senior Program Manager	SPM3	\$107.98	\$110.18	\$117.90
Service Desk	SD2	\$21.71	\$22.16	\$23.72
Service Desk	SD3	\$23.62	\$24.10	\$25.79
Software Process Engineer	SPS1	\$36.33	\$37.07	\$39.66
Software Process Engineer	SPS2	\$40.44	\$41.27	\$44.15
Software Process Engineer	SPS3	\$54.77	\$55.90	\$59.81
System Administrator	SA1	\$33.45	\$34.13	\$36.52
System Administrator	SA2	\$36.98	\$37.73	\$40.37
System Administrator	SA3	\$51.87	\$52.92	\$56.63
System Specialist	SS1	\$32.26	\$32.91	\$35.21
System Specialist	SS2	\$34.25	\$34.95	\$37.40
System Specialist	SS3	\$44.46	\$45.36	\$48.54
Team Lead	TL1	\$53.37	\$54.46	\$58.28
Team Lead	TL2	\$57.45	\$58.61	\$62.72
Technical Architecture Specialist	TAS1	\$36.81	\$37.56	\$40.19
Technical Architecture Specialist	TAS2	\$43.58	\$44.46	\$47.57
Technical Architecture Specialist	TAS3	\$49.54	\$50.55	\$54.09
Technical Architecture Specialist	TAS4	\$52.64	\$53.70	\$57.46
Technical Specialist	TS1	\$114.40	\$116.74	\$124.91
Technical Specialist	TS2	\$131.57	\$134.26	\$143.65
Technical Specialist	TS3	\$148.73	\$151.76	\$162.39
Technical Specialist	TS4	\$171.61	\$175.12	\$187.37
Technical Specialist	TS5	\$194.49	\$198.46	\$212.35
Technical Writer	TW1	\$25.02	\$25.53	\$27.32
Technical Writer	TW2	\$29.44	\$30.04	\$32.14
Technical Writer	TW3	\$33.40	\$34.07	\$36.46

		SC1	SC2	SC3
Job Title	Level	Vendor	Vendor	Vendor
Telecom Engineer	TE1	\$31.11	\$31.74	\$33.96
Telecom Engineer	TE2	\$35.69	\$36.41	\$38.97
Telecom Engineer	TE3	\$42.20	\$43.06	\$46.07
Tester	TEST1	\$32.22	\$32.88	\$35.18
Tester	TEST2	\$37.31	\$38.07	\$40.73
Tester	TEST3	\$43.53	\$44.42	\$47.54
Tester	TEST4	\$52.14	\$53.21	\$56.93
Voice/Data Engineer	VDE1	\$28.98	\$29.57	\$31.64
Voice/Data Engineer	VDE2	\$33.75	\$34.44	\$36.86
Voice/Data Engineer	VDE3	\$40.76	\$41.58	\$44.49