

**SCHEDULE 8.1
TO THE
COMPREHENSIVE INFRASTRUCTURE AGREEMENT
HUMAN RESOURCE REQUIREMENTS
DETAILED PACKAGE DRAFT**

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1.0 OVERVIEW

This is Schedule 8.1 to the Comprehensive Services Agreement between the Commonwealth and Vendor (the "Agreement"). Unless otherwise expressly defined herein, the capitalized terms used herein shall have the meaning assigned to them in the Agreement. This Schedule 8.1 contains the following Appendices (which are hereby incorporated by this reference):

- Appendix 1: List of Affected Employees
- Appendix 2: Employee Benefit Plans

2.0 AFFECTED EMPLOYEES

This Schedule applies to "classified" and "wage" employees. For purposes of the Agreement, "Affected Employees" shall mean all VITA personnel who would transition to the Vendor and perform the in-scope information technology infrastructure activities, including the following:

- (i) all VITA personnel who customarily spend all or substantially all (approximately sixty percent (60%) or more) of the time that they are working for VITA in the Locations fulfilling responsibilities or performing services related to IT, or the operation, support, or maintenance of the Systems, as of the Effective Date; less
- (ii) all Retained Personnel; less
- (iii) those VITA personnel who are described by clause (i) of this sentence but who are transferred by VITA before the Service Commencement Date to positions in which they do not spend all or substantially all of the time that they are working for VITA in the Locations fulfilling responsibilities or performing services related to IT, or the operation, support, or maintenance of the Systems, or whose employment relationship with VITA ends prior to the Service Commencement Date other than as a result of being hired by Vendor in accordance with this Agreement; plus
- (iv) those employees hired by VITA after the Effective Date and prior to the Service Commencement Date to fill the positions of VITA personnel who are described by clause (iii) of this sentence.

Without limiting the foregoing, Appendix 1 sets forth a list of known Affected Employees. If an Affected Employee accepts the offer of employment made by Vendor as described below in Section 5.0, such individual will become an employee of Vendor (hereafter referred to as "New Vendor Employee") and shall be deemed Vendor Personnel for purposes of the Agreement. Vendor must meet the following criteria with respect to the offers of employment to the Affected Employees and for the transition and employment to New Vendor Employees. The "Employment Effective Date" for each such New Vendor Employee shall be the effective date on which Vendor actually employs such individual. Vendor shall bear all Vendor costs incurred in complying with the provisions set forth in this Schedule.

3.0 COMPETITIVE EMPLOYMENT

At least thirty (30) days before the Service Commencement Date, Vendor (or Vendor Affiliate or Subcontractor) shall make a written offer of Competitive Employment, effective on or about the Service Commencement Date, to all of the Affected Employees. "Competitive Employment" means a position with:

- (i) similar job requirements and responsibilities;
- (ii) similar job location - where the distance between the Affected Employee's new place of work and his or her former place of work is increased, if at all, by no more than 50 miles by virtue of the change in employment; and
- (iii) a compensation (including without limitation salary, bonus and stock options, if applicable) and benefits package which meets or exceeds that provided to (a) an Affected Employee by VITA as of the anticipated transfer date of the individual, and (b) similarly situated Vendor employees.

Each Affected Employee shall have a sixty (60) day period following the date of offer of employment within which to accept any offer of employment from the Vendor or to remain as an employee of VITA.

Notwithstanding the foregoing, Vendor shall have the responsibility to manage all New Vendor Employees, Managed Employees and Contractors as of the Service Commencement Date.

4.0 PROCEDURE FOR MEETINGS AND SPECIAL PROGRAMS

Vendor shall coordinate with VITA, and obtain its approval, regarding plans and schedules for conducting "one-on-one sessions", "town hall sessions", and other informational meetings with all Affected Employees. A detailed description of all such events, including a proposed schedule and timeline for such events, shall be set forth in the employee transition plan described in Section 6 of this Schedule. Vendor shall hold the first such informational meeting and/or program as soon as reasonably possible after the Effective Date of the Agreement and shall hold additional events before and after the letters offering employment are received by the Affected Employees.

Vendor may initiate special programs to generate good will with the Affected Employees with the prior written approval of such programs by VITA. These programs, including costs, are the responsibility of Vendor. VITA will consider requests from Vendor to assist in the roll-out and implementation of these programs. **[Note to Vendor: Please describe in the employee transition plan the special programs you intend to implement, if any.]**

5.0 OFFERS OF EMPLOYMENT

5.1 Affected Employees

- 5.1.1 Vendor, including, if applicable, its Affiliates and Subcontractors, will offer informational meetings and extend offers of employment to all of the Affected Employees that are “classified” and “wage” employees. As part of this service, Vendor will provide decision support materials to assist such Affected Employees in their evaluation of the employment offer.
- 5.1.2 Vendor will inform VITA should Vendor anticipate that any Affected Employee is selected for employment with an Affiliate or Subcontractor of Vendor (rather than Vendor itself). In addition, Vendor will identify the proposed Affiliates and Subcontractors, as well as the categories of jobholder who will be offered employment by such Affiliates and Subcontractors, prior to the applicable Affiliate or Subcontractor making an employment offer to Affected Employee.
- 5.1.3 Vendor will offer “classified” and “wage” employees a one-time signing bonus as an incentive to accept any employment offer which shall be effective for sixty (60) days from the date of the applicable employment offer.
- 5.1.4 Vendor shall not terminate the employment of any New Vendor Employees during the first twelve (12) months after the applicable Employment Effective Date except for termination for “good cause.” If Vendor terminates the employment of any New Vendor Employee after such twelve (12) month period (other than for “good cause” – which shall mean insubordination, dishonesty, material violation of a rule or regulation or other misconduct as defined in Vendor’s human resources policies, or criminal conduct), Vendor will provide the employee with a severance benefits package, the value of which will be no less than that which would be afforded similarly situated employees of the Vendor.
- 5.1.5 Vendor will not decrease the compensation and benefits package of any New Vendor Employee for a period of at least twelve (12) months after the individual transfers to Vendor, except for “good cause,” as described in Section 5.1.4, above.

5.2 Service Credit

New Vendor Employees will be given credit for prior service with the Commonwealth for purposes of determining eligibility and accrual rates for vacation, sick leave, disability benefits, severance, retirement benefits and health plans, and other plans and programs based on service duration that the Vendor provides.

5.3 Health Benefits

Each New Vendor Employee will be eligible, as of his or her Employment Effective Date, for enrollment in Vendor's health care plans, including major medical, life insurance, hospitalization, dental, vision, short and long term disability, pharmacy, and personal accident coverage. Vendor will offer each New Vendor Employee health care coverage, such that on his or her Employment Effective Date, he or she (and any currently covered family member and dependents) will be seamlessly covered by such health care plans. All pre-existing conditions, exceptions and exclusionary provisions and waiting periods are to be waived with respect to the New Vendor Employee (and any currently covered family member and dependents). Vendor will also be responsible for any medical or health expenses incurred by the New Vendor Employee, on or after his or her Employment Effective Date. Vendor has listed all of Vendor's health care plans on Appendix 2 and represents and warrants that Vendor has provided VITA with true and complete copies of the most recent summary plan descriptions and summary of material modifications for such employee plans or has provided a written summary where no current summary plan description exists.

5.4 Payment of Leave

Affected Employees accepting employment with the Vendor will be paid by VITA for any type of leave balances due them (e.g., annual leave, sick leave, compensatory leave, overtime leave) prior to their employment with Vendor in accordance with Commonwealth policies and procedures. Vendor will reimburse VITA for such leave balances paid. Nothing in this Schedule prevents Vendor from offering New Vendor Employees advanced leave (e.g., additional vacation/paid time off) as an inducement to accept employment with the Vendor.

5.5 Savings Benefits

5.5.1 The New Vendor Employees' existing savings benefits (including 457 Plan and outstanding loans) shall be transferable to the Vendor plans without penalty.

5.5.2 Vendor shall provide savings benefit plans that are competitive or preferable to the Commonwealth plans.

5.6 Retirement Benefits

Vendor shall handle the New Vendor Employees' existing retirement benefits so as to minimize adverse impacts and provide retirement benefit plans that are competitive or preferable to those available from the Commonwealth.

5.7 Retirement Medical

Vendor shall handle the New Vendor Employees' existing retirement medical benefits so as to minimize adverse impacts to the New Vendor Employees.

5.8 Other Benefits

Vendor will be responsible for providing other benefits that are equal or substantially comparable to those that an Affected Employee currently receives, if the Affected Employee accepts Vendor's offer. Other existing benefits provided by VITA to Affected Employees prior to the Employment Effective Date are listed below:

- Subsidized parking
- Healthcare Reimbursement Account
- Dependant Care Reimbursement Account
- Premium pre-tax payments (conversion)
- 12 holidays per year
- Education reimbursement
- PERK card, employee discounts
- Employee leave for organ donors and community service
- Paid military leave (up to 15 days)
- Paid supplement to employees called to active military service (including National Guard), the difference between Commonwealth pay and their military pay.
- Employee assistance plans (part of the health plan)
- Wellness program: CommonHealth (health education)
- Severance package

6.0 EMPLOYEE TRANSITION

6.1 Transition Plan

Vendor shall develop, and provide to VITA for its review, comment and approval, an employee transition plan that will specify the schedule and timing of all informational meetings and programs as described in Section 4 of this Schedule, the duration and timing of the employee transition period, the procedures that will be followed and the date on which the Affected Employees who accept offers will start work with Vendor. Such plan will include procedures to ensure that New Vendor Employees are not adversely impacted with respect to personal cash flow or taxation by changes in the timing of payment of salaries during transfer. In addition, such plan shall set forth Vendor's procedures for managing the Managed Employees. The following represents a tentative sequence and timing of events to which Vendor shall conform the employee transition plan:

Event/Activity	Timeframe
Effective Date of Agreement	Date Commonwealth approves and executes Agreement
Initial Informational Meeting/Program	Between Effective Date

Event/Activity	Timeframe
with all Affected Employees	of Agreement and Offer of Employment
Additional Informational Meetings/Programs with Affected Employees	Between Effective Date and Service Commencement Date
Offer of Employment to all Affected Employees	At least 30 days prior to Service Commencement Date
Length of time that Offers of Employment will remain “open”	60 days following receipt of Offer
Service Commencement Date	TBD by the Parties

6.2 Vendor Human Resource Representative(s)

Vendor will appoint a human resources representative(s) who will be responsible for the transition of the New Vendor Employees and the ongoing HR support for Managed Employees. The Vendor human resources representative(s) will work closely with the VITA human resources department over the life of the Agreement. Vendor will not replace or reassign such representative without prior written approval from VITA.

6.3 Vendor Public Relations Representative

Vendor will appoint a public relations representative who will be responsible for the communication of the change process working in conjunction with VITA. Vendor will not replace or reassign such representative without prior written approval from VITA.

7.0 EMPLOYMENT POLICIES AND PROCEDURES

Vendor will attach, to each Affected Employee’s offer letter, a copy of any relevant employment contract and procedures that would apply to the Affected Employee. Vendor shall provide VITA with examples of offer documents and a copy of relevant documents as part of proposal package.

8.0 MANAGED EMPLOYEES

Vendor shall comply with the following conditions in the management of Managed Employees:

- Vendor will follow the Commonwealth HR policies and procedures to effectively manage the Managed Employees.
- In the event of a reduction of force in the Managed Employee population caused by automation, consolidation or other events, the Vendor will be responsible for

reimbursing VITA for any Workforce Transition Act (WTA)-related costs for which VITA is or will be liable.

- In the event any Managed Employees subsequently become employed by Vendor, Vendor will reimburse VITA for any leave balances paid by VITA to such Managed Employees for any type of leave balances due them in accordance with Commonwealth policies and procedures (e.g., annual leave, sick leave, compensatory leave, overtime leave) prior to their employment with Vendor.
- Vendor shall be responsible for filling Managed Employee vacancies created as a result of any reduction of staff with appropriately skilled personnel, if necessary.
- Vendor will dedicate an HR professional(s) to work with the Commonwealth's designated HR representative(s).
- Vendor will perform annual reviews of Managed Employees in accordance with Commonwealth policies and procedures.
- Vendor will provide necessary job enhancement training to all classes of employees (including New Vendor Employees and Managed Employees).
- Vendor will provide access to Vendor internal job openings for positions supporting the Commonwealth account for any Managed Employees and allow those Managed Employees to competitively apply for any such posted positions.

Set forth below is a non-exclusive list of Applicable Commonwealth Policies and Procedures Affecting Managed Employees:

- DHRM Policies and Procedures - <http://www.dhrm.state.va.us/resources.html>
- DHRM Compensation and Benefits - <http://www.dhrm.state.va.us/compandbenefits.html>
- DHRM Training and Development - <http://www.dhrm.state.va.us/training.html>
- DHRM Employee Relations - <http://www.dhrm.state.va.us/employeerelations.html>
- DHRM Workers Compensation and Safety - <http://www.dhrm.state.va.us/workerscomp.html>
- DHRM Employee Assistance Program - <http://www.dhrm.state.va.us/genlbenefits/employeeassistance.html>
- DHRM Employee Suggestion Program - <http://esp.dhrm.state.va.us/>
- DHRM Wellness Program - <http://www.chp-online.com/commonhealth/>
- DHRM Work Life Programs - <http://www.dhrm.state.va.us/worklife/worklifetoc.html>
- EDR Grievance and Mediation Programs - <http://www.edr.virginia.gov>
- VRS Retirement Plans, Disability Programs, and Life Insurance Plans - <http://www.varetire.org/Employers/BenefitPlans/Index.html?menu=employer>
- VITA's Policies and Procedures - <http://www.vita.virginia.gov/extranet/>

9.0 WORKING AT ELIGIBLE CUSTOMERS FACILITIES

Vendor acknowledges and agrees that New Vendor Employees and Managed Employees will follow the policies, procedures, and customs of the applicable Eligible Customer when working for such Eligible Customer or within such Eligible Customer's facilities. By way of example, but not in limitation of the foregoing, New Vendor Employees and Managed Employees will be subject to credit and criminal background checks when such checks are the policy, procedure, or custom of the particular Eligible Customer.

**Appendix 1 to Schedule 8.1
List of Affected Employees**

[to be provided by VITA]

**Appendix 2 to Schedule 8.1
Employee Benefit Plans**

[to be provided by Vendor]