



# Commonwealth of Virginia IT Contingent Labor Program

## Statement of Work (SOW) Process

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Management



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## Introduction

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This document describes the Statement of Work (SOW) Process implemented by CAI and used by the Commonwealth of Virginia to engage Fixed price deliverables-based IT services or Operation & Maintenance (O&M) services under the ITCL Contract. Each of the remaining sections of this document detail the phases of the SOW procurement process, including:

- Inception
- Selection
- Engagement
- Project
- Finalization
- Change Request Process
- Termination of SOW

Each section will include a brief description of the phase and an outline of the key tasks associated with it. Each section ends with a process flow diagram highlighting key events, sequencing, and decision points.

# 1. Inception Phase

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## Description

The Inception Phase begins when the requestor/Agency, hereafter referred to as Authorized User (AU), recognizes the need for IT services and desires to utilize the Fixed Price Deliverable-based SOW or Operations and Maintenance SOW process. During this phase, the Authorized User articulates those needs by filling out the Statement of Requirements (SOR) template.

The Inception Phase ends with the determination of the engagement method and the completion of the SOR document.

## Tasks

### 1.1 Determine the Engagement Method

When the SOR is being developed, the determination of the engagement method must be made. Agencies should work with their CAI Account Manager and may enlist the guidance of VITA SCM.

Listed here are some indicators that can be used to choose which ITCL approach is to be used to obtain services:

Staff Augmentation	Statement of Work (SOW)
<ul style="list-style-type: none"> <li>Customer obtains an individual contract resource(s)</li> </ul>	<ul style="list-style-type: none"> <li>Customer selects a consulting firm to produce a defined work product or scope of work</li> </ul>
<ul style="list-style-type: none"> <li>Used to address shorter term staffing needs or to provide specialized expertise or skills not on staff</li> </ul>	<ul style="list-style-type: none"> <li>Used for projects when the scope of work, timelines and expected outcomes can be clearly defined</li> </ul>
<ul style="list-style-type: none"> <li>Work products cannot be easily specified in advance</li> </ul>	<ul style="list-style-type: none"> <li>Customer can describe the specifics of the work-products, acceptance criteria and other acceptable terms to be agreed upon for the engagement</li> </ul>
<ul style="list-style-type: none"> <li>Customer pays for time/hours worked by the contract resource</li> </ul>	<ul style="list-style-type: none"> <li>Customer pays an agreed upon fixed amount for one or more predefined work products</li> </ul>

<ul style="list-style-type: none"> <li>• Customer manager supervises the work and the resource(s) in order to get work completed</li> </ul>	<ul style="list-style-type: none"> <li>• The consulting firm manages resources to produce the work products (Consultant employs skill sets needed to achieve the desired result.)</li> </ul>
<ul style="list-style-type: none"> <li>• Customer provides and pays for the required materials, tools or equipment to get the work accomplished</li> </ul>	<ul style="list-style-type: none"> <li>• Customer is not concerned with number of resources or materials the firm uses to deliver the work product</li> </ul>

In some situations, the scope of the initiative and work involved requires a business analyst or additional assistance to clearly define the outcomes. When this is the case, the Authorized User may engage resources via staff augmentation or may want to proceed with a phased approach where a smaller and separate SOW engagement is used to complete the requirements definition.

## 1.2 Authorized User Prepares SOR

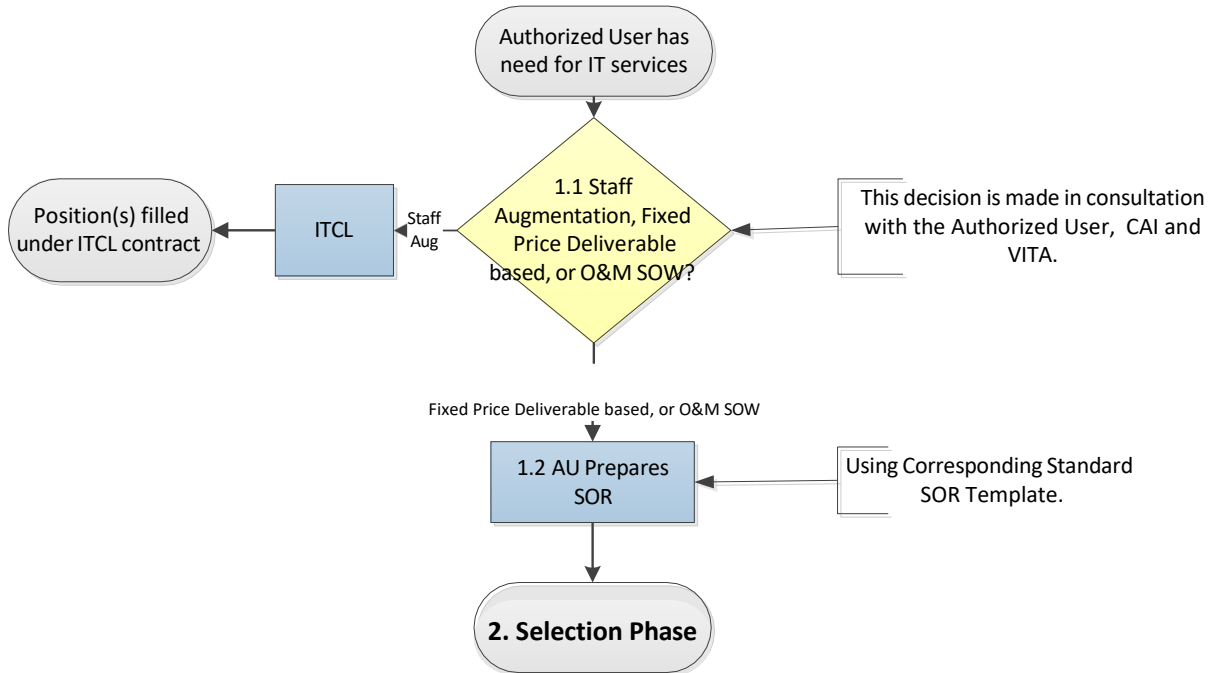
Both the Fixed Price, Deliverables-based SOR and the Operations and Maintenance SOR templates can be downloaded by all Virginia Authorized User personnel from the VITA SCM website: <https://www.vita.virginia.gov/procurement/it-contingent-labor/resources/>. The SOR template is designed for Authorized User(s) to easily describe the IT services needed to a CAI Subcontractor or approver in a consistent manner. It includes criteria such as project roles and responsibilities, scope and deliverables.

Authorized User completes the SOR and saves the document under a unique name. This document is the expression of need by the Authorized User and can be used for any internal approvals.

## Process Flow

### 1. Inception Phase

ITCL SOW Process



## 2. Selection Phase

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### Description

The Selection Phase begins when an Authorized User's IT needs, articulated through the SOR, are deemed either a fixed price, deliverable-based project or O&M support which will be acquired using the SOW process. The completed SOR should be emailed to the CAI Account Manager who will review the SOR and provide feedback. If changes are needed, the CAI Contract Manager contacts the Authorized User to discuss the required changes, and the Authorized User will update the SOR document. The Authorized User will also provide the Account Manager with an estimated budget for the project which will not be shared with the CAI Subcontractors. This budget will only be used to determine which CAI Subcontractors are qualified to respond to Fixed Price Deliverable SORs.

After the SOR is finalized, CAI will enter the SOW requirement in VectorVMS, using the 'Projects' functions. The completed SOR and the SOW template (for the CAI Subcontractor's response) are then released to pre-qualified CAI Subcontractors within the selected specialty area and budget tier.

Upon receipt of the VectorVMS requirement, the CAI Subcontractors, referring to the SOR, develop their response using the SOW template provided within the requirement. The CAI Subcontractors must respond on or before the designated due date. Their response includes entering milestones and the associated price of each milestone for deliverable-based SOWs or entering the fixed monthly support fee and T&M support blended rate for O&M SOWs into VectorVMS, along with other identifying information. The CAI Subcontractors attach the required documents, including the SOW, and finalize the submission through VectorVMS.

The response due date signifies the end of the Bidding Phase. By policy, all submissions received on or before the due date will be reviewed by the Authorized User.

### Tasks

#### 2.1 Authorized User Completes SOR

The Authorized User completes the SOR, per the instructions included with the SOR template, and acquires the appropriate approvals. Executive Branch agencies are reminded that SORs and SOWs supporting Major IT Projects (those with a total estimated cost of one million or above or designated as major by the CIO pursuant to the Commonwealth Project Management Standard must be reviewed and approved in the same way an RFP or Contract is reviewed and approved for any major IT project. Specifically, the SOR and resulting SOW will be reviewed by VITA PMD, ITIM, EA, and Security for compliance with the appropriate IT strategic plans, policies, and standards of the Commonwealth.

Upon completion, Authorized User emails the SOR to the CAI Account Manager.

#### Statements of Work: Named Resources or Suppliers

Competition and negotiation are essential to obtaining reasonable pricing in any procurement transaction, including SOW engagements. Using named resources or suppliers rather than competing the requirements in the CAI network reduces competition, drives up cost, and increases risk to the Commonwealth. The ITCL Policy requires agency heads to approve all named SOWs.



## **Agency Head Approval Required for Named SOWs**

Agency heads should use the same Exception Form as Staff Augmentation to indicate their approval for named SOWs. After the Exception Form is signed, it should be emailed, along with the initial Statement of Requirements (SOR), to the CAI account manager. CAI will not release the SOW requisition to the named subcontractor if the signed Exception Form is missing. (Note: There will be times when it is appropriate to have a named SOW. This policy revision is intended to mirror the current process for other sole source procurements where agencies must document the business justification for sole source procurement decisions.).

The following resources are available on VITA's website at:

<https://www.vita.virginia.gov/procurement/it-contingent-labor/resources/>

- Revised ITCL Policy (effective October 26, 2023, for implementation January 1, 2024)
- Exception Form

## **2.2 CAI Reviews the SOR**

After submission by the Authorized User, the SOR is reviewed for completeness and consistency by the CAI Contract Manager. If information is missing or needs to be corrected, the CAI Contract Manager works with the Authorized User to have the SOR updated. After a final review, the CAI Contract Manager indicates Final Approval, which initiates the next task.

## **2.3 CAI Enters SOW Requirement in VectorVMS**

The CAI Account Manager enters the requirement in VectorVMS, using the Projects function. The requirement includes:

- Budget (will not display to CAI Subcontractors)
- Due date
- Project Manager and other Project Committee Members
- Short description of project
- Special instructions
- Attached SOR and other SOR Attachments
- SOW Template

The SOR and any other documents intended for the CAI Subcontractors are stored in VectorVMS with the requirement.

If required, the CAI Account Manager will attach the signed Exception Form.

## **2.4 CAI Releases the SOR to Qualified CAI Subcontractors**

After final approval, the SOR is released to the CAI Subcontractors, who are pre-qualified for the SOR's designated specialty area and budget tier, through VectorVMS. This ensures that all active pre-qualified CAI Subcontractors for the specialty area and tier have equal opportunity to respond. All attachments will be available to the CAI Subcontractors when they receive the SOR.

CAI Subcontractor questions relating to the SOR will be directed to the CAI Account Manager who will in turn forward these to the Authorized User for response. All Q&A documents will be uploaded into VectorVMS for all CAI Subcontractors to review. Authorized

Users are encouraged to hold a pre-bid conference with the qualified CAI Subcontractors to further clarify scope and answer additional questions.

## **2.5 CAI Subcontractors Submit SOW Responses**

On or before the designated due date, participating CAI Subcontractors will submit a response to the SOR, using the SOW template included with the requirement. They will follow the instructions offered within the SOR or risk rejection. The CAI Subcontractors must respond through VectorVMS, entering required information into the tool, including listing of all milestones and the associated payments for deliverable-based SOWs or entering the fixed monthly support fee and T&M support blended rate for O&M SOWs. The costs entered into VectorVMS are consistent with the 'Authorized User Invoice Amount' that include the MSP Fee. The CAI Subcontractor will attach the completed SOW and any other files as required. When satisfied that the SOW is complete, the CAI Subcontractor submits it in VectorVMS. CAI Subcontractors not interested in replying simply need not respond.

Each CAI Subcontractor submission generates an e-mail notification sent to the CAI Contract Manager. The CAI Contract Manager holds any early submissions until the deadline. Submissions received after the due date will, by policy, not be accepted.

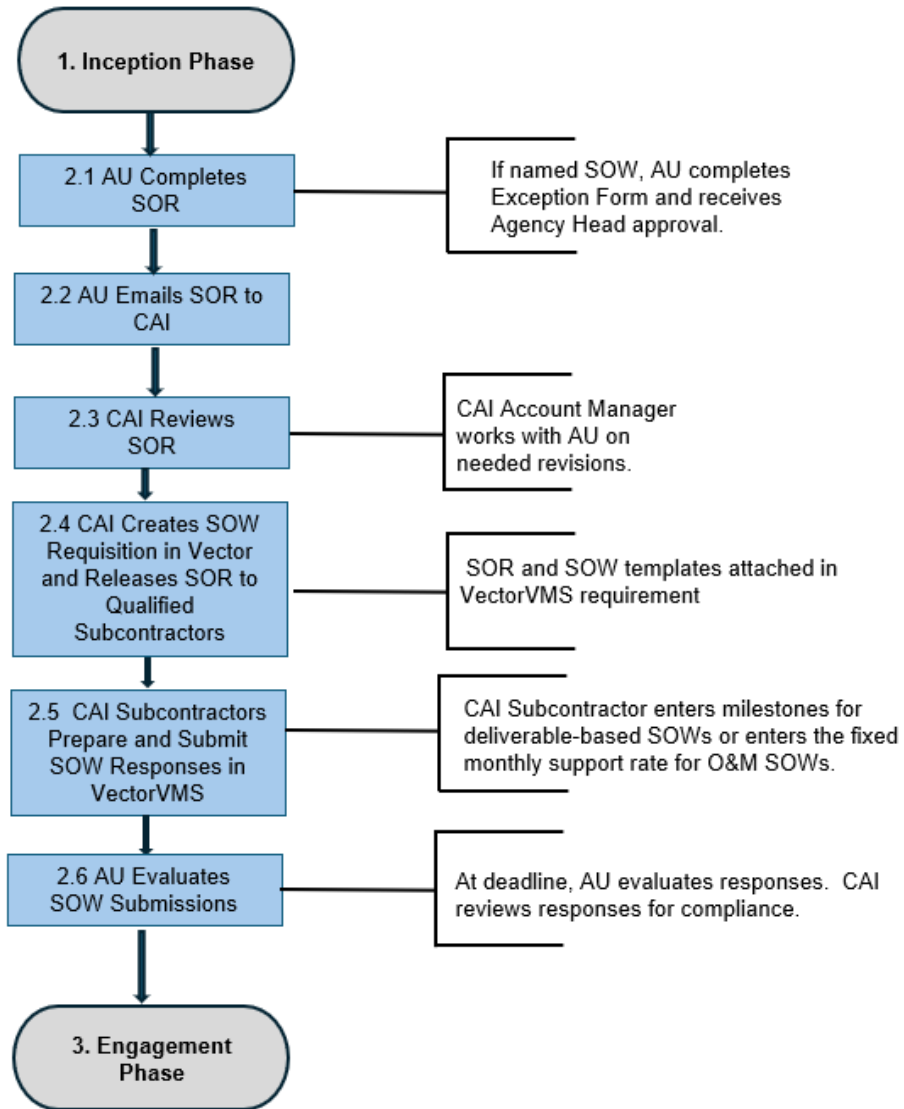
## **2.6 Authorized User Evaluates SOW Submissions**

The Authorized User will evaluate all submissions received as of the due date. CAI will review each submission for format and compliance with submission requirements and will notify the Authorized User of any non-compliant submissions.

## Process Flow

### 2. Selection Phase

ITCL SOW Process



## 3. Engagement Phase

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### Description

The Engagement Phase begins with the review of the CAI Subcontractors' SOW submissions. After review for completeness, the Authorized User begins to evaluate the responses using evaluation criteria aimed at determining the "best solution". After careful consideration, they will determine the CAI Subcontractor to whom the work will be awarded. CAI will then notify all responding CAI Subcontractors of the award decision via email. CAI will also direct the winning Subcontractor to initiate the required on-boarding tasks, including background checks and E-Verify.

The Authorized User may negotiate with a CAI Subcontractor prior to engagement. Any changes to the scope, milestones and/or pricing are made by the CAI Subcontractor upon direction from the Authorized User contact.

Once the CAI Subcontractor and Authorized User have arrived at an agreeable SOW and pricing, the CAI Subcontractor uploads the negotiated SOW into VectorVMS as a new attachment. The CAI Account Manager reviews the selected SOW and works with the CAI Subcontractor to ensure the SOW is complete and ready to be presented to the Authorized User for execution. When the SOW is finalized, CAI, as the Supplier, will sign the SOW with the Authorized User, and will then sign the SOW with the CAI Subcontractor. The Authorized User will then create a purchase order in the eVA system, or their designated purchasing system, and will attach the signed SOW. When the PO is approved, the requirement is ready to be 'Engaged.'

Engagement is a defined process, both in VectorVMS and in the ITCL process. By policy, CAI is responsible for engaging a project.

- When the requirement is marked 'Engaged' within VectorVMS, notifications of the award are sent to all CAI Subcontractors; this notification serves as CAI's official authorization to the winning CAI Subcontractor that the PO is in place and that work on the project may begin.
- Onboarding, including the completion of required background checks, is coordinated by the CAI Account Manager with the selected CAI Subcontractor.
- A checklist of engagement tasks required by policy is followed to properly set up milestones, fees, supplier resources, CAI Subcontractors, and holdback as needed for proper invoicing during the project's time span.

After all engagement tasks have been completed, the Engagement Phase ends, and work on the project can begin.

### Tasks

#### 3.1 CAI Subcontractor Is Chosen

The Authorized User evaluates the responses and determines the best CAI Subcontractor solution for award. The evaluation process is done off-line. During this process, the Authorized User may negotiate with the CAI Subcontractor on price, deliverables, and/or timetable. If these negotiations result in changes to the information submitted by the CAI Subcontractor (i.e., scope, milestones, schedule, pricing), the CAI Subcontractor makes those agreed upon changes to the SOW document prior to engagement.

## **3.2 Authorized User Notifies CAI of CAI Subcontractor Selection**

The Authorized User communicates their award decision to the CAI Account Manager, who then notifies all responding CAI Subcontractors of the Authorized User's selection via e-mail.

## **3.3 CAI Reviews CAI Subcontractor SOW**

Each SOW will result in two separate agreements being executed – one between CAI and the Authorized User, and one between CAI and the selected CAI Subcontractor as the Subcontractor. After the Authorized User notifies CAI of their intention to proceed with the selected SOW, the following steps are taken:

- The CAI Account Manager reviews the selected SOW, which will become the agreement between CAI, as the Supplier, and the Authorized User.
- The CAI Account Manager works with the selected CAI Subcontractor to ensure that the SOW is complete and ready to be presented to the Authorized User for execution. If any changes are required, CAI and/or the CAI Subcontractor makes the changes to the SOW with the Track Changes feature turned on in Microsoft Word, so the Authorized User will be able to quickly re-review the final SOW.
- The CAI Account Manager also accepts the SOW changes in Word to create a "clean" copy of the SOW for the Authorized User's signature.
- The CAI Account Manager uploads both the "clean" and redlined copies of the SOW to VectorVMS for the Authorized User's final review and signature. The "clean" copy version of the SOW should include the word "FINAL" in the filename, and the redlined version of the SOW should include the word "Redlined" in the filename.

## **3.4 Authorized User Signs Final SOW**

Once the final version of the SOW is uploaded to VectorVMS, the CAI Account Manager notifies the Authorized User that the redlined and final versions of the SOW are in VectorVMS ready for review and signature. The Authorized User communicates acceptance of the SOW by sending the CAI Account Manager the signed SOW via e-mail.

## **3.5 Subcontractor Signs Final SOW**

CAI also executes the corresponding SOW with the selected CAI Subcontractor by sending a cover letter and accompanying SOW to the CAI Subcontractor for signature. The CAI Subcontractor signs the SOW cover letter and returns it to the CAI Account Manager via e-mail.

## **3.6 CAI signs SOWs with the Authorized User and Subcontractor**

CAI executes the SOW with the Authorized User and returns the document for the Authorized User to attach to the Purchase Order (PO). Once CAI has a signed agreement in place with the Authorized User, CAI will sign the SOW cover letter with the CAI Subcontractor and return an executed copy to them.

### 3.7 Purchase Order is Created and Approved

Once signed SOWs are in place between CAI and the CAI Subcontractor and between CAI and the Authorized User, a purchase order is created in the eVA system, or their designated purchasing system, by the Authorized User. Approvals are attained based on level of spend following VITA's established PO approval process. By policy, the PO's total dollar amount must match the milestones, fees, and hourly support rates in the SOW and VectorVMS.

When the PO is approved, the requirement is ready to be 'Engaged.'

### 3.8 The Engagement Process Begins

Prior to marking the requirement 'Engaged' in VectorVMS, CAI will complete the following tasks that are included in the Engagement Checklist. They are:

- Ensuring a PO number is entered and that the PO's total dollar amount matches the milestones, fees, and/or hourly O&M rates within VectorVMS
- Review of pricing, ensuring that it matches the Milestone and Payment Chart in the SOW
- Designation of Authorized User personnel who may approve deliverables, fees, and/or timesheets
- Ensuring completion of all required onboarding tasks, including the completion of background checks for the CAI Subcontractor resources working on the project

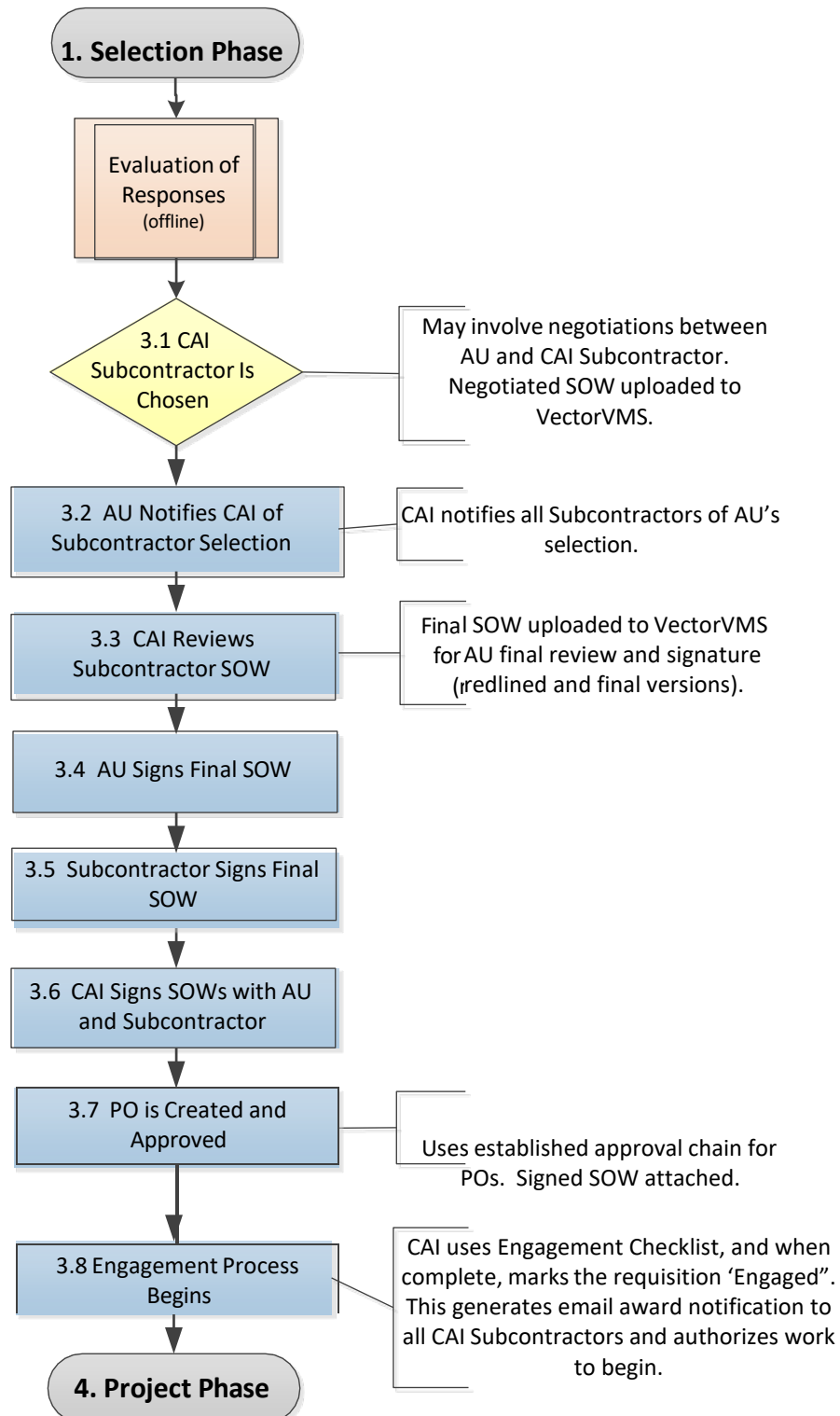
In VectorVMS, CAI designates which CAI Subcontractor proposal is selected and marks the requirement 'Engaged.' This locks the information in the requirement from further edit. If approved changes are needed after engagement, the CAI Account Manager is notified by the Authorized User and makes the changes to the requirement as directed.

Engaging a requirement in VectorVMS also generates notification of the award to all CAI Subcontractors and serves as official authorization to the winning CAI Subcontractor that the PO is in place and that work on the SOW may proceed.

## Process Flow

### 3. Engagement Phase

ITCL SOW Process



## 4a. Project Phase – Fixed Price Deliverable Based SOWs

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### Description

The Project Phase begins when work begins on the project. As the project progresses, the CAI Subcontractor will complete milestone deliverables and expect payment. After completing the deliverable for a milestone, the CAI Subcontractor will mark the milestone completed within VectorVMS. This officially notifies the Authorized User that the CAI Subcontractor believes the milestone deliverable has been completed. If the Authorized User agrees and approves the milestone deliverable(s), he/she marks the milestone 'Approved' in VectorVMS. Authorized Users should be aware that the SOW mandates the timeframe for acceptance and that there is limited time to accept or reject the deliverable before it is "deemed accepted."

The approval of a milestone in VectorVMS initiates the payment tasks. A VectorVMS Report produces the data for CAI to produce the invoice to the Authorized User. VectorVMS also notifies the CAI Subcontractor that the milestone has been approved, and the CAI Subcontractor invoices CAI for their milestone payment, per the milestone payment schedule submitted and accepted with the SOW response.

Invoices are paid and work continues until all the milestones have been completed. When the Authorized User approves the final milestone, the process for final invoices including holdback, if any, is initiated. This also initiates the project closeout process within VectorVMS.

If changes to milestones occur during the life of the project, the [Change Request Process](#) is followed, as described on page 24.

### Tasks

#### 4a.1 CAI Subcontractor Marks Milestone/Deliverable Complete in VectorVMS

After work begins on the project, the CAI Subcontractor completes the deliverables or completion criteria for a milestone. After submitting the deliverable to the Authorized User, the CAI Subcontractor uses VectorVMS to indicate that, from the CAI Subcontractor's perspective, the milestone deliverable is complete. This generates a notification to the Authorized User(s) to approve the milestone deliverable.

When submitting the milestone in VectorVMS, the CAI Subcontractor will also attach their invoice to CAI. This invoice will reflect the milestone payment amount per the SOW, less the CAI MSP Fee, for the net due to the Subcontractor. The invoice from the Subcontractor will be paid by CAI within 7 days of receipt of the Authorized User's payment to CAI.

#### 4a.2 Authorized User Verifies Milestone/Deliverable Completion

When the Authorized User is aware of the deliverables or completion criteria, they may or may not accept them. If the deliverables or completion criteria are satisfactory, a



designated Authorized User approver(s) uses VectorVMS to mark that the milestone deliverable is complete. If unsatisfactory, the Authorized User notifies CAI and the CAI Subcontractor and then works together with the CAI Subcontractor until the Authorized User finds the deliverable or completion criteria acceptable. The Authorized User then marks the milestone approved in VectorVMS. This initiates the invoice/payment process.

### **4a.3 CAI Invoices Authorized User**

After the Authorized User approves a milestone deliverable, CAI generates the invoice to the Authorized User. The amount of the invoice is consistent with the PO and the SOW milestone payment schedule.

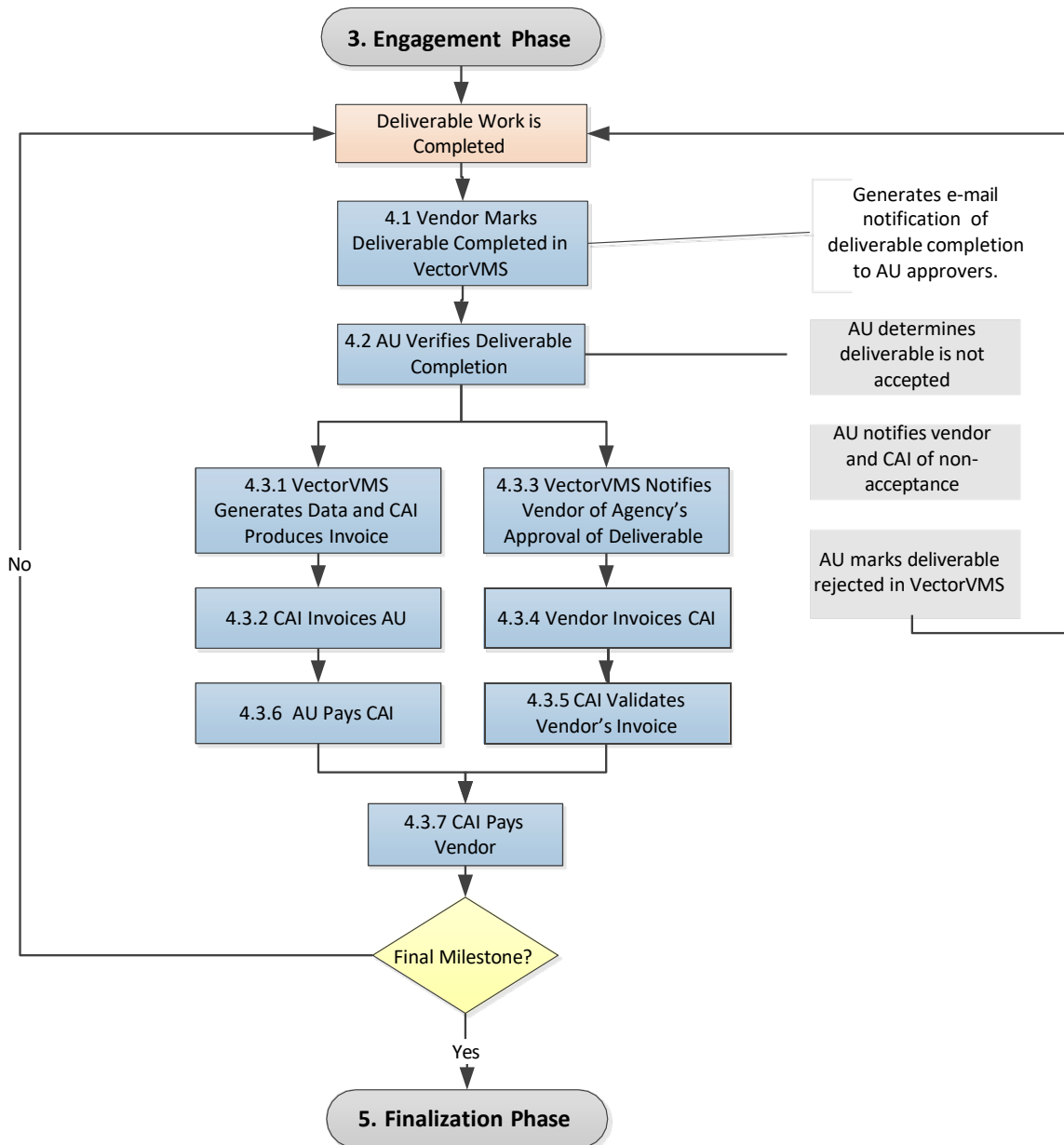
### **4a.4 CAI Pays Subcontractor**

CAI pays the Subcontractor within 7 days of receipt of Authorized User's payment.

## Process Flow

### 4a. Project Phase Fixed Price Deliverables Based

ITCL SOW Process



## 4b. Project Phase – O&M SOWs

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### Description

The Project Phase begins when work begins on the project. Base-level support is provided for a fixed monthly fee with an optional as needed T&M support. For the base level support, the CAI Subcontractor will submit the fixed monthly fee based on the agreed upon schedule. If the Authorized User approves the fee submittal, he/she marks the fee 'Approved' in VectorVMS. Authorized Users should be aware that the SOW mandates the timeframe for acceptance and that there is limited time to accept or reject the fee before it is "deemed accepted."

The approval of the fixed fee in VectorVMS initiates the payment tasks. A VectorVMS Report produces the data for CAI to produce the invoice to the Authorized User. VectorVMS also notifies the CAI Subcontractor that the fee has been approved, and the CAI Subcontractor invoices CAI for their fee payment, per the fee payment schedule submitted and accepted with the SOW response.

Invoices are paid and work continues until the support schedule is completed. When the Authorized User approves the final fee, the process for final invoices and also initiates the project closeout process within VectorVMS.

If support is also being provided via as needed T&M support, the resource providing support will submit a timesheet in VectorVMS with the hours worked each week. The Authorized User will approve the timesheets each week in VectorVMS.

Invoicing for T&M support occurs monthly. Only those hours approved by the designated Authorized User's timesheet approver for the prior month will be invoiced to the Authorized User. In addition, the CAI Subcontractor invoices CAI each month for those approved hours.

If changes to support occur during the life of the project, the [Change Request Process](#) is followed, as described on page 24.

### Tasks

#### 4b.1 CAI Subcontractor Submits Monthly Milestones and T&M Hours in VectorVMS

After support begins on the project, the CAI Subcontractor submits the monthly milestones in VectorVMS via the agreed upon schedule in the SOW. This generates a notification to the Authorized User(s) to approve the monthly fee. If T&M support is also being provided, timesheets are submitted each week by the resource providing the support. The timesheet submittal generates a notification to the designated Authorized User's time approver to approve the timesheet.

When submitting the milestone in VectorVMS, the CAI Subcontractor will also attach their invoice to CAI. This invoice will reflect the milestone payment amount per the SOW, less the CAI MSP Fee, for the net due to the Subcontractor. The invoice from the Subcontractor will be paid by CAI within 7 days of receipt of the Authorized User's payment to CAI.

## **4b.2 Authorized User Verifies Satisfaction of Support Provided**

If the support provided is deemed satisfactory, a designated Authorized User approver(s) uses VectorVMS to mark that the monthly milestone and/or timesheets as complete. If the Authorized User is not satisfied with the fixed fee support, the Authorized User notifies CAI and the CAI Subcontractor and then works together with the CAI Subcontractor to resolve the support issues. The Authorized User then marks the fee approved in VectorVMS. This initiates the invoice/payment process.

If T&M support is also being provided, the designated timesheet approver approves the weekly timesheet in VectorVMS if the hours submitted accurately represent the support provided. If the time approver disagrees with the time submitted, the timesheet is rejected. The resource providing the support can correct the timesheet and resubmit for approval. Once time is approved, it may be invoiced in the next monthly billing cycle.

## **4b.3 CAI Invoices Authorized User**

After the Authorized User approves a **monthly O&M milestone**, CAI generates the invoice to the Authorized User. The amount of the invoice is consistent with the PO and the SOW milestone payment schedule.

Approved T&M hours for an O&M SOW will be invoiced separately to the Authorized User on a monthly basis.

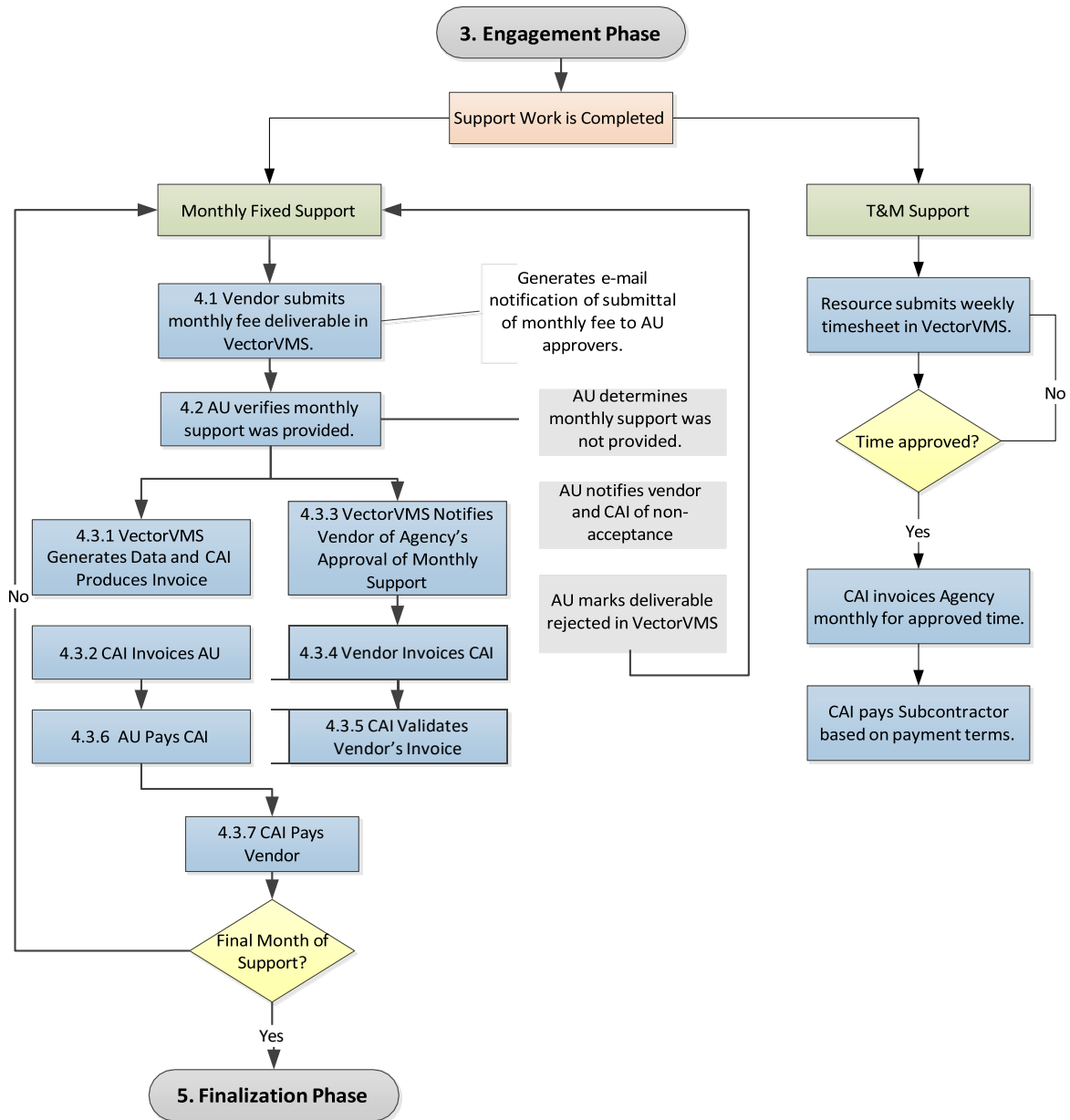
## **4b.4 CAI Pays Subcontractor**

CAI pays the Subcontractor for fixed fee milestones within 7 days of receipt of Authorized User's payment. T&M hours are paid to the Subcontractor per the payment terms selected by the Subcontractor in the CAI Subcontractor Agreement.

## Process Flow

### 4b. Project Phase O&M SOWs

#### ITCL SOW Process



## 5. Finalization Phase

---

### Description

The Finalization Phase of a project begins after the invoice/payment tasks for the final milestone/fee/time have been completed.

The last task in the closeout of a project is the completion of the SOW Customer Satisfaction Survey. CAI sends the survey to Authorized User personnel for completion. The survey responses are reviewed for both program and CAI Subcontractor feedback, and the scores are recorded for future reporting. At the time of project disengagement in VectorVMS, the Customer Satisfaction survey will be issued, and this phase ends.

CAI follows a Disengagement checklist to disengage the project; after which the record can no longer be changed.

The Authorized User will close out the Purchase Order within eVA, or their designated purchasing system.

### Tasks

#### 5.1 Customer Satisfaction Survey is Completed

Upon final milestone's approval by the Authorized User, and project disengagement, the CAI Account Manager will distribute the Customer Satisfaction Survey to the Authorized User via automated email. The survey is facilitated through a VectorVMS notification to the Authorized User associated with the VectorVMS project.

#### 5.2 CAI Enters Customer Satisfaction Survey Score

Upon receipt of the Customer Satisfaction Survey results, the CAI Account Manager will review the survey for both program and CAI Subcontractor feedback and record the survey scores. Over time, these scores can be reported for each CAI Subcontractor as a means of evaluating performance.

#### 5.3 CAI Disengages the Project in VectorVMS

When all payments have been made, and the Customer Satisfaction Survey has been issued, the project can be closed out in VectorVMS through the 'Disengagement' process. CAI will follow a Disengagement Checklist to ensure that all information is complete. Disengagement is final; the project record cannot be edited once it is disengaged.

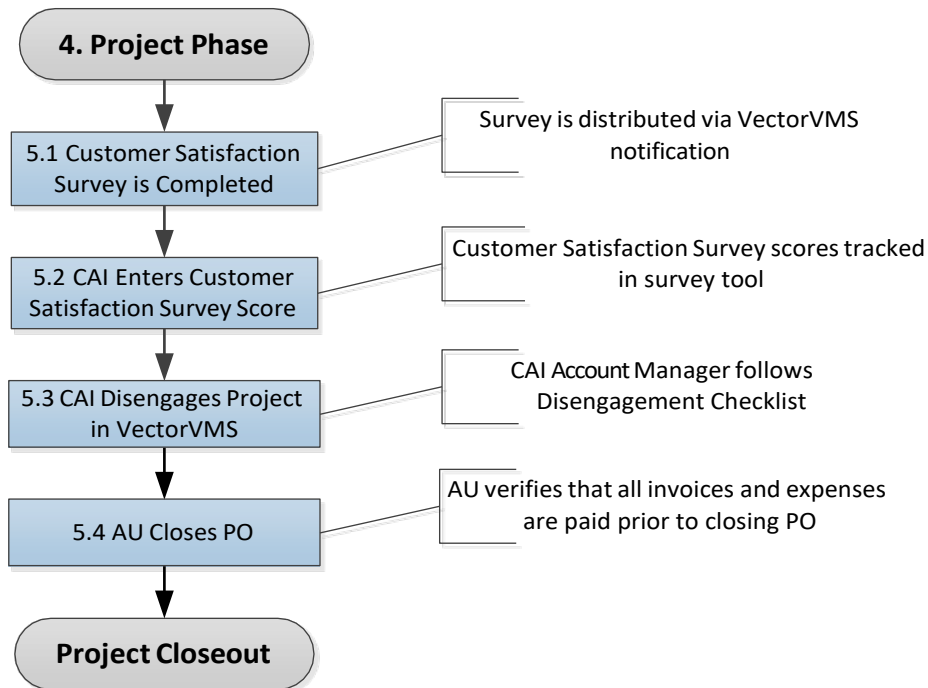
#### 5.4 Authorized User Closes Purchase Order

The Authorized User should verify that any Authorized User's assets (e.g., security card, VPN token, equipment) and documentation (e.g., knowledge transfer, application) have been returned prior to approving the final milestone deliverable for payment. If the milestone payment is the final payment, and after verifying that all invoices and expenses have been paid, the Authorized User can close out the Purchase Order in eVA, or their designated purchasing system.

## Process Flow

### 5. Finalization Phase

ITCL SOW Process



## 6. Change Request Process

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### Description

Because the SOW is a contract between CAI and the Authorized User and also between CAI and the Subcontractor, a change to the scope, deliverables, schedule and/or pricing of the SOW must be documented as a change to the contract. The Change Request process must be followed to ensure contractual understanding and that the invoicing and payments are correct.

- A Change Request:
  - Is required to document any change to scope, deliverables, schedule, fees, and/or pricing.
  - Along with the associated SOR/SOW and any previous CRs, is a legally binding document that becomes part of the contract.
  - Can document an increase OR decrease in price (e.g., the Authorized User eliminates a priced training course, so a “negative CR” is created to document the decreased contract price).
  - Can also be a “no-cost CR” when the need arises to document a change to the SOW that does not affect cost (e.g., document a new additional Service Level Agreement).

The CAI Subcontractor and the Authorized User recognize that a change needs to be made. Offline, they agree upon what changes need to be made. Several tasks result from a change of milestone:

- The CAI Subcontractor submits a Change Request (CR) documenting the change that affects the milestone deliverables, O&M scope, schedule, fees and/or pricing and includes the revised milestone or fee payment schedule. The CAI Subcontractor uploads the Change Request into VectorVMS.
- The Change Request is signed between CAI and the Authorized User and CAI and the CAI Subcontractor.
- If applicable, the Authorized User submits a revised PO with the Change Request attached. The Authorized User changes the purchase order through eVA or their designated purchasing system. The CAI Account Manager revises the project record in VectorVMS.

These changes are necessary to maintain synchronization of the procurement documentation (PO), contract (SOW and associated Change Requests), and the tracking and control system (VectorVMS project).



## Tasks

### 6.1 Authorized User and CAI Subcontractor Agree on the Change

After recognizing that a change needs to be made that will affect the scope, deliverables, schedule and/or pricing of the SOW, the Authorized User and CAI Subcontractor reach an agreement. The Authorized User or the CAI Subcontractor notifies the CAI Account Manager of the impending change.

### 6.2 CAI Subcontractor or Authorized User Creates Change Request

The following steps are performed to create a change request:

- The CAI Subcontractor or Authorized User creates the change request, using the CAI Change Request Template, to document the change that will affect the scope, milestone deliverables, fees, schedule and/or pricing. If applicable, the change request includes the revised milestone or fee payment schedule.
- The CAI Subcontractor uploads the completed change request into VectorVMS and attaches it as an additional attachment in the SOW record (do not create a new submission). From the "Project Requirement Summary," select:
  - "Proposal Summary" → "Attachments" → + "Add Attachment"
- The Authorized User and CAI Subcontractor review and agree on the terms of the change request. Upon acceptance, the Authorized User notifies the CAI Account Manager that the change request is ready for CAI's review.

### 6.3 CAI Reviews Change Request

Each change request will result in two separate agreements being executed – one between CAI and the Authorized User, and one between CAI and the selected CAI Subcontractor as the Subcontractor. After the Authorized User notifies CAI that a change request is ready for review, the following steps are taken:

- The CAI Account Manager reviews the change request, which will become the agreement between CAI, as the Supplier, and the Authorized User.
- The CAI Account Manager works with the CAI Subcontractor to ensure that the change request is complete and ready to be presented to the Authorized User for execution. If any changes are required, CAI or the Subcontractor makes revisions to the change request with the Track Changes feature turned on in Microsoft Word, so the Authorized User will be able to quickly re-review the final change request.
- The CAI Account Manager also accepts the revisions to the change request in Word to create a final, "clean" copy of the change request.
- The CAI Account Manager uploads both the "clean" and redlined copies of the change request to VectorVMS for the Authorized User's final review and signature. The "clean" copy version of the change request should include the word "FINAL" in the filename, and the redlined version of the change request should include the word "Redlined" in the filename.

## **6.4 Authorized User Signs Final Change Request**

Once the final version of the change request is uploaded to VectorVMS, the CAI Account Manager notifies the Authorized User that the redlined and final versions of the change request are in VectorVMS ready for review and signature. The Authorized User communicates acceptance of the change request by sending the CAI Account Manager the signed change request via e-mail.

## **6.5 Subcontractor Signs Final Change Request**

CAI also executes the corresponding agreement with the CAI Subcontractor by sending a cover letter and accompanying change request to the CAI Subcontractor for signature. The CAI Subcontractor signs the change request cover letter and returns it to the CAI Account Manager via e-mail.

## **6.6 CAI Executes Final Change Requests**

CAI executes the change request with the Authorized User and returns the document for the Authorized User to attach to the Purchase Order (PO). Once CAI has a signed agreement in place with the Authorized User, CAI will sign the change request with the CAI Subcontractor and return an executed copy to them.

## **6.7 Authorized User Amends Purchase Order**

The Authorized User follows established procedures and approvals for making changes to the purchase order. This generates a change order that is sent to CAI. The change request is attached to the PO.

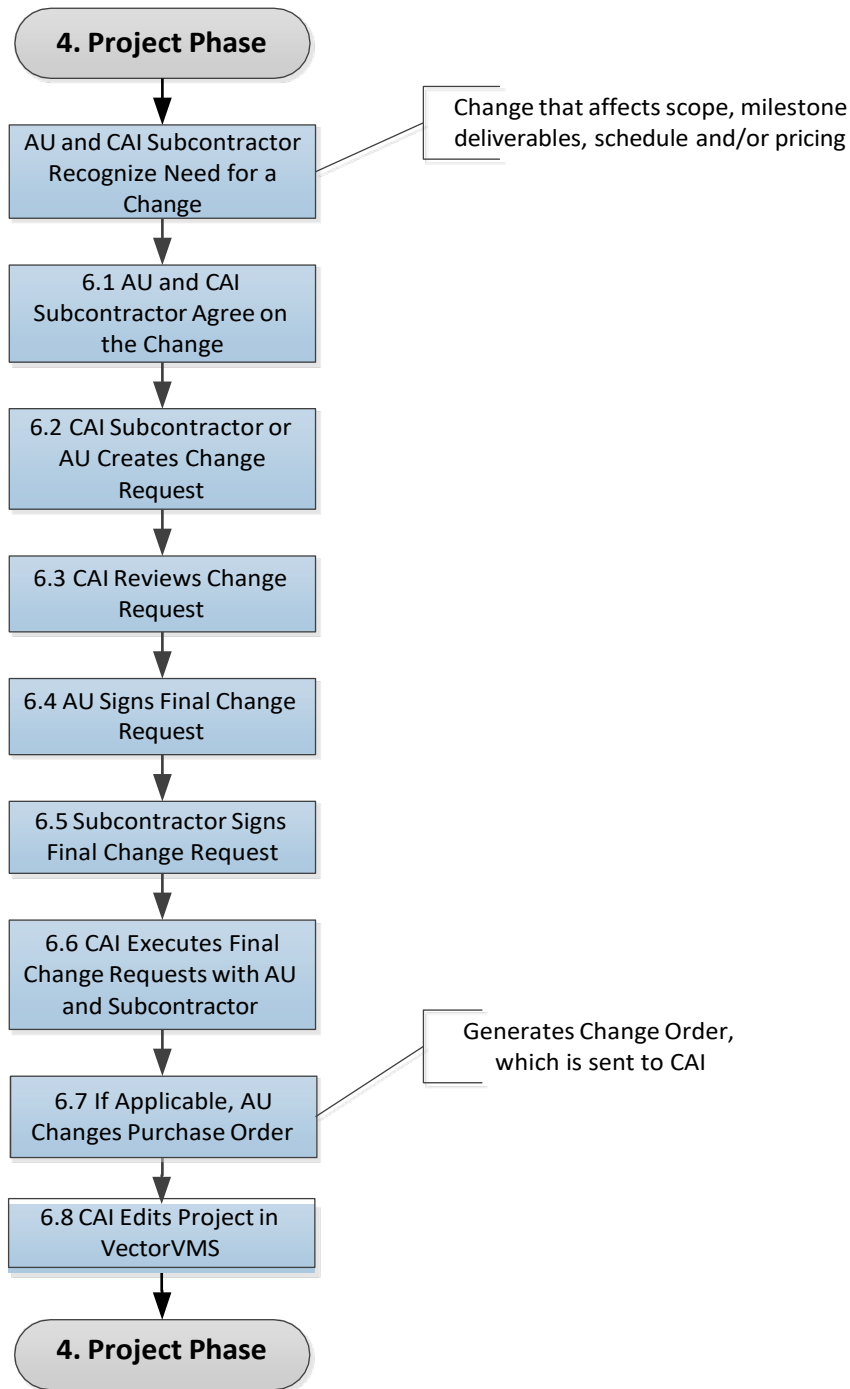
## **6.8 CAI Edits Project in VectorVMS**

After engagement, all changes to milestones in VectorVMS must be made by CAI. After receiving the change order to the PO with the attached change request, CAI uses the documentation to make the appropriate changes to the project within VectorVMS.

## Process Flow

### 6. Change Request Process

ITCL SOW Process



## 7. Termination of SOW

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### Description

In the event that the Authorized User wants or needs to terminate a SOW prior to its planned completion, the termination process ensures that the project is closed out properly.

The Authorized User follows the established legal termination process. As early as possible, the Authorized User notifies the CAI Account Manager.

Offline, the Authorized User works with the CAI Subcontractor and CAI Account Manager to determine what deliverables, milestones, fees and/or payments are acceptable. A change request is then created to reflect any reduction of scope and change of deliverables, fees, and/or pricing. The purchase order is changed to reflect final payments, if appropriate, and the Change Request process is followed.

The CAI Account Manager edits the project in VectorVMS to reflect the changes per executed Change Request. This may involve closing out a milestone(s) without payments and/or processing a final payment. If a final payment is advised, the CAI Account Manager will ensure that the change order reflects the same amount for final payment, and the **Invoicing/Payment Process** is followed, as described on page 16.

Once any final payments are made, the process of Finalization is followed.

### Tasks

#### 7.1 Authorized User Wants or Needs to Terminate SOW

On rare occasion, SOWs must be terminated. In this case, the Authorized User will have worked with CAI and the CAI Subcontractor to resolve issues or circumstances, and the decision is reached to end the project prior to its planned completion. Only an Authorized User may terminate a SOW engagement; CAI Subcontractors do not have the contractual ability to unilaterally terminate.

#### 7.2 CAI is Notified of Termination

As early as possible, CAI is notified of the need for termination and whether any final payments are due. This alerts the Account Manager to the issues and need for changes to the project.

#### 7.3 Termination Process is Followed

CAI will work with the Authorized User and CAI Subcontractor to document the SOW termination via a Change Request. It is necessary to establish acceptance of partially completed deliverables and if final payments are in order. The Change Request Process will be followed to document termination of the SOW, reduction of scope, and final payment amounts.

## **7.4 Authorized User Amends Purchase Order**

The Authorized User makes the changes to the purchase order through eVA, or their designated purchasing system. This follows established process and approvals and results in a change order issued to CAI.

## **7.5 CAI Changes Project in VectorVMS**

The CAI Account Manager uses the Change Request to close out and/or change the milestones or fees within VectorVMS appropriately. If a final payment is warranted, the final milestone or fees will be adjusted to reflect the appropriate amount to be paid to CAI. If no final payment is involved, the **Finalization Process**, described on page 22, is followed.

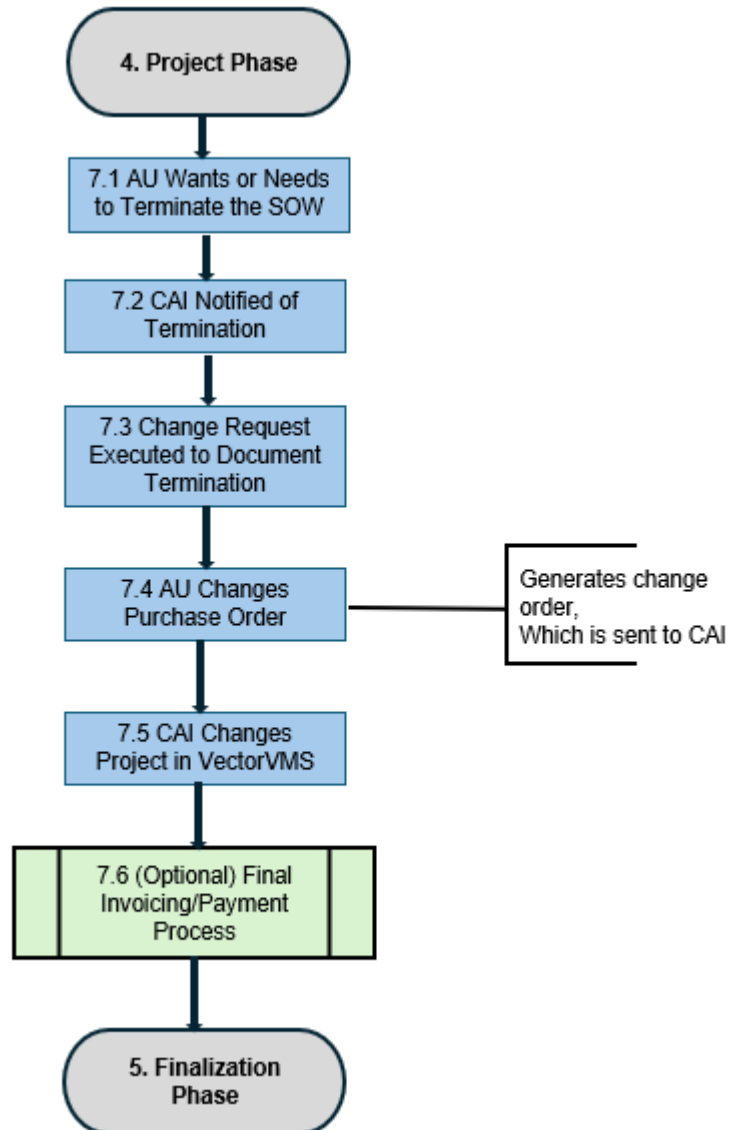
## **7.6 (Optional) Final Invoice/Payment is Processed**

If a final payment is to be made, the **Invoice/Payment Process** is followed as described on page 16. When this is completed, the **Finalization Process**, described on page 22, is carried out.

## Process Flow

### 7. Termination of SOW

ITCL SOW Process



## **Contract Assistance**

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This section includes key contact information for the IT Contingent Labor Contract.

### **Dedicated CAI Contract Management Team**

Statement of Work (SOW) requests:

Lyndsay Graham, Account Manager

(804) 814-8023

[Lyndsay.Graham@cai.io](mailto:Lyndsay.Graham@cai.io)

Christy Butcher, Program Manager

Computer Aid, Inc.

(804) 334-2894

[Christy.Butcher@cai.io](mailto:Christy.Butcher@cai.io)

### **CAI Help Desk Team**

If you need assistance with VectorVMS, please contact CAI's Help Desk via email ([VAITCL.Help@cai.io](mailto:VAITCL.Help@cai.io))