

STATE OF TEXAS
DEPARTMENT OF INFORMATION RESOURCES
CONTRACT FOR SERVICES
Sarkit Inc

1 INTRODUCTION

1.1 Parties

This contract for Information Technology Staff Augmentation (“ITSAC”) services (this “Contract”) is entered into between the State of Texas, acting by and through the Department of Information Resources (hereinafter “DIR”) with its principal place of business at 300 West 15th Street, Suite 1300, Austin, Texas 78701, and Sarkit Inc, a Nebraska Corporation (hereinafter “Successful Respondent”), with its principal place of business at 13520 Discovery DR STE 121, Omaha, NE 68137.

1.2 Compliance with Procurement Laws

This Contract is the result of compliance with applicable procurement laws of the State of Texas. DIR issued a solicitation on the Comptroller of Public Accounts’ Electronic State Business Daily, Request for Offer (RFO) DIR-CPO-TMP-579, on September 28, 2023, for Information Technology Staff Augmentation Contract (ITSAC) services (the “RFO”). Upon execution of all Contracts, a notice of award for DIR-CPO-TMP-579, shall be posted by DIR on the Electronic State Business Daily.

1.3 Order of Precedence

- A. For transactions under this Contract, the order of precedence shall be as follows:
1. this Contract.
 2. Appendix A, Standard Terms and Conditions;
 3. Appendix B, Successful Respondent’s Historically Underutilized Businesses Subcontracting Plan;
 4. Appendix C, ITSAC Not-to-Exceed Rates;
 5. Appendix D, ITSAC Job Category, Title Descriptions
 6. Appendix E, ITSAC IT Staffing SOW Template
 7. Exhibit 1, RFO DIR-CPO-TMP-579, including all Addenda; and

8. Exhibit 2, Successful Respondent's Response to RFO DIR-CPO-TMP-579, including all Addenda.
- B. Each of the foregoing documents is hereby incorporated by reference and together constitute the entire agreement between DIR and Successful Respondent.

1.4 Definitions

Capitalized terms used but not defined herein have the meanings given to them in **Appendix A, Standard Terms and Conditions**. The following terms used in this Contract shall have the meanings given to them below:

- A. **ITSAC Portal** – The internet application provided by DIR for the purpose of facilitating Customer ITSAC procurements.
- B. **ITSAC Vendor** – A vendor, including Successful Respondent, awarded a contract under the RFO or a comparable request for offers issued by DIR for ITSAC services.
- C. **Not to Exceed (NTE) Rate** – The maximum hourly rate payable to Successful Respondent under this Contract for the provision of services by a Worker with a given job category, title description, and level, as provided by Appendix C, Not-to-Exceed Rates.
- D. **Request for Resumes** – A Solicitation for an individual Worker.
- E. **Solicitation** – A procurement document issued by a Customer specifying the ITSAC services to be provided and requesting responses from ITSAC Vendors. A Solicitation may be in the form of a Request for Resumes or a Statement of Work.
- F. **Statement of Work** – In addition to the definition provided in Appendix A, Standard Terms and Conditions, this term shall include a Solicitation for an ITSAC solution, including where Workers are kept on retainer or where multiple Workers are sought for a team or particular project.
- G. **Worker** – An individual who is an employee or subcontractor of an ITSAC Vendor and who may be engaged to perform ITSAC services for Customers.

2 TERM OF CONTRACT

The initial term of this Contract shall be up to two (2) years commencing on the date of the last signature hereto (the “Initial Term”), with one (1) optional two-year renewal and one (1) optional one-year renewal (each, a “Renewal Term”). Prior to expiration of the Initial Term and each Renewal Term, this Contract will renew automatically under the same terms and conditions unless either party provides written notice to the other party at least sixty (60) days in advance of the renewal date stating that the party wishes to discuss amendment or non-renewal.

3 OPTION TO EXTEND

Successful Respondent agrees that DIR may require continued performance under this Contract at the rates specified in this Contract following the expiration of the Initial Term or any Renewal Term. This option may be exercised more than once, but the total extension of performance hereunder shall not exceed ninety (90) calendar days. Such extension of services shall be subject to the requirements of the Contract, with the sole and limited exception that the original date of termination shall be extended pursuant to this provision. DIR may exercise this option upon thirty (30) calendar days written notice to the Successful Respondent.

4 SERVICE OFFERINGS

Services available under this Contract are limited to the technology categories defined in Request for Offer DIR-CPO-TMP-579 for Information Technology Staff Augmentation Contract (ITSAC) Services. At DIR’s sole discretion, Successful Respondent may incorporate changes or make additions to its service offerings, provided that any changes or additions must be within the scope of the RFO.

Successful Respondent shall provide one or more Workers to DIR Customers as defined in the applicable Solicitation and resulting Purchase Order in accordance with the terms and conditions of this Contract.

Successful Respondent understands that this is a non-exclusive, indefinite quantity Contract. DIR makes no representations or warranties that Successful Respondent shall receive any number or volume of Solicitation opportunities or Purchase Orders hereunder.

5 PRICING

5.1 Not-to-Exceed Rates

Pricing to Customers shall be as set forth in **Appendix A, Section 8, Pricing, Purchase Orders, Invoices and Payment**, and as limited by **Appendix C ITSAC Not-to-Exceed Rates**, and shall include the DIR Administrative Fee.

5.2 Hourly Rates

- A. Successful Respondent's quoted and actual hourly rates shall not exceed the applicable NTE Rate. Successful Respondent shall not increase its hourly rates under any Purchase Order, including any amendments or Purchase Order Change Notice (POCN) thereto, except as explicitly agreed upon therein.
- B. Successful Respondent shall include all applicable expenses for a proposed Worker, including the applicable DIR Administrative Fee (as defined below), in the hourly rate quoted for such Worker, and shall not invoice for any additional charges. Travel expense reimbursement may be allowed in accordance with **Appendix A Terms and Conditions Section 8.5. Travel Expense Reimbursement**.

6 DIR ADMINISTRATIVE FEE

- A. Successful Respondent shall pay an administrative fee to DIR based on the dollar value of all sales to Customers pursuant to this Contract (the "DIR Administrative Fee"). The amount of the DIR Administrative Fee shall be one percent (1.00%) of all sales, net of returns and credits. For example, the administrative fee for sales totaling \$100,000 shall be \$1,000.
- B. All prices quoted to Customers shall include the DIR Administrative Fee. DIR reserves the right to increase or decrease the DIR Administrative Fee during the term of this Contract, upon written notice to Successful Respondent without amending this Contract. Any increase or decrease in the DIR Administrative Fee shall be incorporated in the price to Customers.

7 SOLICITATIONS

7.1 Customer Election

Customers may elect to issue Solicitations using the ITSAC Portal or by any other method permitted by applicable law, including submitting Solicitations directly to selected ITSAC Vendors.

7.2 ITSAC Portal

Successful Respondent may use the ITSAC Portal subject to any applicable terms and conditions and in accordance with any guidance published by DIR, which may be updated from time to time without notice to Successful Respondent. Successful Respondent acknowledges that its use of the ITSAC Portal shall be deemed acceptance of all such terms, conditions, and guidance. Successful Respondent further acknowledges that declining to use the ITSAC Portal may result in reduced access to Solicitation opportunities hereunder.

7.3 Solicitation Contents

Solicitations will include the Customer's minimum requirements, including, as applicable, the number of Workers, the qualifications and skills for each Worker; and the number of hours to be provided or duration of the engagement. Customers may also elect to include an overview of the types of services to be provided by Workers, the manner and locations in which such services are to be provided, information regarding required travel, and any other information that may assist ITSAC Vendors in responding to such Solicitations.

8 RESPONSES TO SOLICITATIONS

8.1 Response Contents

For each proposed Worker, Successful Respondent shall include a resume and a document signed by the Worker indicating that Successful Respondent is authorized to submit such Worker for the particular Solicitation. DIR may propose additional requirements, such as a resume cover sheet, for responses submitted to the ITSAC Portal.

8.2 Restrictions on Proposed Workers

- A. Successful Respondent shall propose only Workers that meet the minimum requirements for a Solicitation.

- B. Except as provided below, Successful Respondent shall not propose any Worker in response to a Solicitation if such Worker is engaged, including by another ITSAC Vendor, to provide services of any kind during the term of a Purchase Order resulting from such Solicitation.
- C. Notwithstanding the foregoing, Successful Respondent may propose a previously engaged Worker if:
 - i. such Worker's previous engagement is with the same Customer that has issued the Solicitation, and the Customer elects to engage the Worker for multiple Purchase Orders with overlapping terms; or
 - ii. such Worker's previous engagement is for specific hours that do not overlap with the hours required in such Solicitation, and both Customers provide prior written consent.

8.3 Responses to ITSAC Portal Solicitations

All responses to Solicitations issued using the ITSAC Portal must be submitted in accordance with the ITSAC Portal terms and conditions and any guidance published by DIR, which may be updated from time to time without notice to Successful Respondent. Successful Respondent shall not attempt to respond to such Solicitations through direct contact with the issuing Customer, except as provided by such terms, conditions, and guidance. Successful Respondent shall not initiate communications with any Customer regarding Solicitations posted to the ITSAC Portal, but may respond if such Customer initiates communications regarding the Solicitation.

8.4 Worker Interviews

Successful Respondent shall be responsible for verifying that the correct proposed Worker attends any interviews conducted by Customers. Successful Respondent shall not submit substitute proposed Workers to interview with Customers if the requested proposed Worker is not available. Successful Respondent shall not give or attempt to give its proposed Workers an unauthorized advantage over Workers submitted by other ITSAC Vendors, such as by obtaining or providing unpublished interview questions.

9 STATEMENT OF WORK

Services provided under this Contract shall be in accordance with the applicable Statement of Work, if any, which may be in the form of **Appendix E, ITSAC SOW**

Template. Each SOW for a state agency Customer shall be in accordance with Section 2157.0685, Texas Government Code, and 1 TAC 212, if applicable.

10 WORKER REMOVAL AND SUBSTITUTION

10.1 By Successful Respondent or Worker

- A. Successful Respondent shall not voluntarily remove a Worker who is engaged to provide services to a Customer during the term of the applicable Purchase Order without such Customer's prior written consent.
- B. In the event that a Worker who is engaged to provide services to a Customer ceases to be employed or to contract with Successful Respondent (regardless of the circumstances of such cessation), or is otherwise unable to complete such engagement, during the term of the applicable Purchase Order, Successful Respondent shall provide a substitute Worker at no additional cost to such Customer within seven (7) business days. The substitute Worker shall possess at least the minimum requirements identified in the applicable Solicitation and resulting Purchase Order. If Successful Respondent is unable to provide a satisfactory substitute Worker, in the Customer's sole discretion, the Customer may terminate the Purchase Order.
- C. To allow for any training or orientation time, Successful Respondent shall provide such substitute Worker free of charge to the Customer for the number of hours equal to seven (7) business days, provided that such hours must be completed within fourteen (14) business days of the substitution.

10.2 By Customer

- A. A Customer may direct Successful Respondent to immediately remove a Worker engaged under a Purchase Order if such Worker:
 - i. has violated applicable legal or safety standards as communicated by Customer to Successful Respondent or such Worker;
 - ii. does not possess the required qualifications identified in the applicable Solicitation or resulting Purchase Order; or
 - iii. is otherwise unable to satisfactorily provide the services required by the applicable Solicitation or resulting Purchase Order.
- B. Successful Respondent shall provide a substitute Worker at no additional cost to such Customer within seven business days of such removal. The substitute

Worker shall possess at least the minimum requirements identified in the applicable Solicitation and resulting Purchase Order. If Successful Respondent is unable to provide a satisfactory substitute worker, in the Customer's sole discretion, the Customer may terminate the Purchase Order.

10.3 Notice of Disqualification

Successful Respondent shall immediately notify a Customer in the event a Worker loses or is found not to possess any license, certificate, or similar qualification required for providing services under the applicable Purchase Order.

10.4 Return of Equipment

Successful Respondent shall be responsible for ensuring that each Worker returns to the Customer all equipment, materials, or other items provided to such Worker upon the expiration or termination of the applicable Purchase Order or the cessation of such Worker's engagement under such Purchase Order (regardless of the circumstances of such cessation), whichever occurs first. Successful Respondent shall bear the cost of replacing or repairing any unreturned or damaged items, as well as any remediation costs associated with such loss or damage.

11 NON-SOLICITATION OF STATE EMPLOYEES

Successful Respondent shall not solicit, directly or indirectly, any employee of a Customer who has participated in any projects related to a Purchase Order during the term of such Purchase Order and for a period of 90 calendar days following the termination or expiration of such Purchase Order. A Customer shall not solicit, directly or indirectly, a Worker engaged to provide services to such Customer during the term of the applicable Purchase Order and for a period of 90 calendar days following the termination or expiration of such Purchase Order.

12 NOTIFICATION

All notices under this Contract shall be sent to a party at the respective address indicated below.

If sent to the State:

Lisa Massock or Successor in Office
Chief Procurement Officer

Department of Information Resources
300 W. 15th St., Suite 1300
Austin, Texas 78701
Phone: (512) 475-4700

If sent to Successful Respondent:

Pavan Kotta
President
Sarkit Inc
13520 Discovery DR STE 121
Omaha, NE 68137
Phone: (469) 573-2708
Email: pkotta@sarkit.com

13 CONFLICTING OR ADDITIONAL TERMS

- A. The terms and conditions of this Contract shall supersede any additional conflicting or additional terms in any additional service agreements, statement of work, and any other provisions, terms, conditions, and license agreements, including those which may be affixed to or accompany software upon delivery (sometimes called shrink-wrap or click-wrap agreements), and any linked or supplemental documents, which may be proposed, issued, or accepted by Successful Respondent and Customer in addition to this Contract (such additional agreements, "Additional Agreements"), regardless of when such Additional Agreements are proposed, issued, or accepted by Customer. Notwithstanding the foregoing, it is Customer's responsibility to review any Additional Agreements to determine if Customer accepts such Additional Agreement. If Customer does not accept such Additional Agreement, Customer shall be responsible for negotiating any changes thereto.
- B. Any update or amendment to an Additional Agreement shall only apply to Purchase Orders for the associated product or service offering after the effective date of such update or amendment; provided that, if Successful Respondent has responded to a Customer's solicitation or request for pricing, any subsequent update or amendment to an Additional Agreement may only apply to a resulting

Purchase Order if Successful Respondent directly informs such Customer of such update or amendment before the Purchase Order is executed.

- C. Successful Respondent shall not require any Additional Agreement that: i) diminishes the rights, benefits, or protections of Customer, or that alters the definitions, measurements, or method for determining any authorized rights, benefits, or protections of Customer; or ii) imposes additional costs, burdens, or obligations upon Customer, or that alters the definitions, measurements, or method for determining any authorized costs, burdens, or obligations upon Customer.
- D. If Successful Respondent attempts to do any of the foregoing, the prohibited documents will be void and inapplicable to this Contract or the Purchase Order between Successful Respondent and Customer, and Successful Respondent will nonetheless be obligated to perform such Purchase Order without regard to the prohibited documents, unless Customer elects instead to terminate such Purchase Order, which in such case may be identified as a termination for cause against Successful Respondent.

14 AUTHORIZED EXCEPTIONS TO APPENDIX A, STANDARD TERMS AND CONDITIONS

No exceptions have been agreed to by DIR and Successful Respondent.

(Remainder of this page intentionally left blank.)

This Contract is executed to be effective as of the date of last signature.

Sarkit Inc

Authorized By: Signature on File

Name: Pavan Kotta

Title: President

Date: 10/04/2024

The State of Texas, acting by and through the Department of Information Resources

Authorized By: Signature on File

Name: Lisa Massock

Title: Chief Procurement Officer

Date: 10/14/2024

Office of General Counsel: Signature on File

Date: 10/11/2024