

RightSourcing MSP

Frequently Asked Questions for Cook Children's Managers

Cook Children's has been working on a program to ensure that we manage our contingent workforce in the most efficient way. As part of that program, we have partnered with RightSourcing to:

- Manage the payroll services for all Cook Children's direct sourced contingent workers.
- Manage the staffing suppliers for sourcing of contingent workers across all Cook Children's locations.
- Review and screening of Cook Children's sourced Independent Contractors to validate appropriate classification under current IRS standards.

RightSourcing will be utilizing Magnit VMS, a renowned global Vendor Management System, which will be the system of record for the procurement and management of our contingent workforce.

We would like to take this opportunity to provide the following FAQs regarding RightSourcing and the implementation of the new contingent workforce program.

Q: Who is RightSourcing?

A: RightSourcing is a contingent workforce management firm who will be performing the following services for Cook Children's:

- Payroll Services for Contingent Workers
- Purely Vendor Neutral Staffing Supplier Management for Contingent Workers
- Single Point of Contact for All Contingent Worker Needs
- Co-Employment Management and Manager Education
- Business validation for independent contractor engagements
- A web-based tool for requisitions, time and expense reporting, and approvals
- Real-time reporting and consolidated staffing agency supplier billing

For more information about RightSourcing, visit their website at www.rightsourcingusa.com

Q: What is RightSourcing's payroll service?

A: If a Cook Children's manager identifies a contingent worker on their own without the use of a staffing supplier, RightSourcing will process the weekly payroll for the worker. The worker becomes a W2 employee of RightSourcing and can qualify for state and federal employment benefits such as worker's compensation, FMLA, unemployment, etc. Further, RightSourcing offers section 125 medical, dental and vision benefits and 401k that workers may qualify for and contribute to. RightSourcing charges a reduced mark-up percentage to cover this service. Independent Contractors that do not meeting the business validation requirements as an Independent Contractor can also be engaged using the professional payrolling service.

Q: What is RightSourcing's purely vendor neutral staffing supplier management service?

A: RightSourcing is not a staffing agency and they do not recruit or place candidates. Rather, RightSourcing impartially manages a pool of Cook Children's approved staffing suppliers to help Cook Children's identify the best talent for the best price to fulfill contingent worker positions. When a request is submitted through RightSourcing's web-based system (Magnit VMS), it is routed for approval and then released to the preferred suppliers who compete against each other to place contingent workers at Cook Children's. The competitive bidding results in lower cost, increased candidate submittal times and higher quality candidates.

Q: What is RightSourcing's business validation service?

A: RightSourcing provides a screening process using the federal IRS standards to determine if an individual or entity can be Cook Children's approved as an independent contractor (1099). This process reduces misclassification of a worker while educating Cook Children's managers to properly engage with different worker populations to reduce risk. RightSourcing manages the approval tracking and badge access for Independent Contractors and ensures all Cook Children's required screening has been completed prior to starting their Cook Children's assignment.

Q: Why are we changing from the current process to hire a contingent/temporary worker?

A: There are several key drivers that drove the business case and decision to develop the program:

- Automate the contingent workforce procurement process
- Streamline tasks
- Provide cost savings for the contingent workforce engagements
- Ensure full visibility into contingent labor resources and spend

Q: As a hiring manager, how will I benefit from the new program?

A: As a hiring manager of contingent workers, there are numerous benefits:

- Managers' time spent on the process will decrease. This will allow you to focus your time on assessing the quality of candidates rather than administering processes to meet the needs of your business more quickly and efficiently.
- You will have one point of contact for your contingent workforce needs. RightSourcing will have an Account Representative that will coordinate with hiring managers on program activities and will be the liaison to the preferred staffing agency supplier network.
- Lowered rates on future contingent workforce needs.
- Flexible process to accommodate existing/future policy changes.
- A web-based tool (Magnit VMS) that provides transparency and real-time reporting capability into contingent worker usage and spend.

Q: What are the key activities/timeline associated with the RightSourcing Program implementation?

A: Beginning 5/17, any new contingent worker needs should be requested through the RightSourcing Program in Magnit VMS. This includes the following worker types:

- Staff Aug- temporary worker sourced by supplier/agency and paid on a time/expense basis
- Payroll- client identified resource
- IC/1099- client identified independent contractor

A: Beginning 6/21, current Staff Aug & Payroll workers on assignment at Cook will transition into the RightSourcing Program.

- Our intent is to have all existing staffing agencies/suppliers and their temporary workers transitioned into the RightSourcing program.
 - If the supplier agrees to the program terms, these workers will stay employed by the staffing supplier and will be tracked in Magnit VMS managed by the RightSourcing Client Services team.
 - If the supplier declines to participate in the program, we will execute a contingency plan which includes the following options: transition worker to participating supplier/RightSourcing payroll or backfill position with a new worker.

Q: What action do I need to take now?

A: If you have current contingent workers through a staffing supplier, RightSourcing may reach out to you to confirm your worker's details to ensure that data entered into RightSourcing's system is correct for invoicing and reporting. When RightSourcing reaches out to validate the data, we ask in advance for your prompt response to assist in facilitating a smooth transition.

Q: How will the new program affect our current suppliers?

A: Many of the current suppliers, who are already doing a great job for Cook Children's, will be asked to become a Supplier in the RightSourcing program. All suppliers who have been identified by Cook Children's as providing staff aug services have been contacted regarding the vendor contract and on-boarding requirements. Suppliers have been reviewed for inclusion in the program and will receive requirements for the skill sets and geographies they support. In essence, the program will be vendor neutral.

The list of preferred suppliers is expected to provide quality candidates and more than enough capacity to fill Cook Children's requirement for contingent workforce resources. The list of preferred suppliers will be reviewed on a periodic basis with input from the corporate and regional stakeholders. In the future, Cook Children's may consider the addition of new contingent workforce suppliers to the program.

Q: What happens to my current contingent workers on assignment?

A: For contingent workers who were placed at Cook Children's by a staffing supplier, our intent is to onboard the supplier to be a part of the program and sign a contract with RightSourcing. As long as the supplier agrees to the program terms, these workers will stay employed by the staffing supplier and will be tracked in RightSourcing's Magnit VMS system. The only change for the contingent worker placed by a staffing supplier is to submit their timecards in Magnit VMS beginning 6/21.

For contingent workers that were sourced by Cook Children's and sent to a supplier for payroll service, these Cook Children's-sourced workers will transition to RightSourcing for payroll service and RightSourcing will become their employer of record beginning 6/21.

Q. When will my contingent workers be contacted?

A. Suppliers will be instructed to release communications to their workers no later than 1-week prior to go-live/worker transition. The suppliers are the employer of record and are responsible for communication to their workers.

Q: How will the approval of time and expense happen?

A: Managers will have access to Magnit VMS, a single web-based system to approve time and expenses for contingent workers. The worker will enter in their time and business expenses into Magnit VMS by Sunday midnight each week. Magnit VMS will lock the item down and send a reminder to the manager that they have pending time and/or expenses to approve. The manager has until EOD Tuesday to approve in the Magnit VMS system.

Q: What happens if the manager of the contingent worker is traveling or on vacation? How will the time and business expenses be approved so that there is no delay in processing?

A: Magnit VMS is web-based. Managers who are on travel with internet access can approve the time as long as they have internet access. Approvals can also be done through e-mail. If internet access is not available, Magnit VMS allows the manager to select a delegate to approve on their behalf.

Q: I have relationships with a couple of the temporary staffing agencies. What do I say if one of the firms I have done business with calls me?

A: If a valued supplier calls you, communicate the following:

- Cook Children's values our partnership with you and looks forward to continuing our relationship.
- Cook Children's is moving to a Managed Service Program (MSP) model and has chosen RightSourcing as our MSP supplier. RightSourcing's model is vendor neutral which will enable Cook Children's to continue to partner through RightSourcing with our preferred suppliers.
- If you have questions about the program and/or timeline for launch, contact RightSourcing- Ben Preiss, Benjamin.preiss@rightsourcingusa.com

Q: I have staffing agencies call me all the time that I have not done business with. What do I say if one of these firms calls me?

A: If an agency that you have not previously done business with contacts you, and it is a vendor you feel can provide quality service for your contingent workforce needs, communicate the following:

- Cook Children's is moving to a Managed Service Program (MSP) model and has chosen RightSourcing as our MSP supplier.
- If you are interested in participating in the program, contact RightSourcing- Ben Preiss, Benjamin.preiss@rightsourcingusa.com

Q: How often is RightSourcing going to invoice Cook Children's?

A: RightSourcing will invoice Cook Children's weekly.

Q: Is there going to be reporting capabilities within RightSourcing's MAGNIT VMS system?

A: Yes, there are many reports available to you within Magnit VMS.

Q: What is the work week within the Magnit VMS system?

A: The work week will be Sunday through Saturday.

Q: Will there be training offered on the new Contingent Workforce program and what will the training cover?

A: RightSourcing will conduct training and provide quick reference guides prior to the launch of the program. Manager training will be directed to Cook Children's managers who utilize contingent workers. The training will cover how to submit a job posting for contingent workers, process for receiving resumes and scheduling interviews, on-boarding and off-boarding procedures, how to approve time and business expenses, generating reports and co-employment mitigation.

- RightSourcing will hold 2 training sessions prior to the 5/17 Net-New go-live, and additional training sessions prior to the 6/21 worker transition.

Q: What happens if I don't have an active contingent worker now and don't attend any of the trainings, but six months from now I have a need to bring someone in?

A: The training will be recorded and will be available for review when you need it. RightSourcing will also have a program representative who will be happy to help you and discuss your needs.

Q. What should I do if I need a contingent worker before the implementation of this Program?

A. Your process will remain the same in the interim. Prior to the RightSourcing program launch, RightSourcing will work with the suppliers on any new or pending requisitions and/or potential candidates to transition them into the program. Our existing agencies will continue to submit resumes for review.

Q. What types of contactors/consultants will be included in the RightSourcing Program?

A. There will be several phases to the program, as RightSourcing & Cook Children's work to have all non-FTE's managed in 1 centralized system, Magnit VMS.

- Phase 1 (5/17-Net New, 6/21-Staff Aug & Payroll Transition)
 - Staff Aug- temporary worker sourced by supplier/agency and paid on a time/expense basis.
 - Payroll- client identified worker
 - IC/1099- client identified independent contractor
- Phase 2 (TBD- targeting to begin discussions in June/July)
 - Project/SOW- temporary worker/consultant that is paid based on milestones & deliverables.
- Phase 3/Out of Scope (TBD)
 - Outsourced Services- Service provider working under contract for a fixed period or for a specific outsourced service/function.
 - Service Vendors (called in as needed)- maintenance, servicing of office equipment, etc.
 - Outsourced Services
 - Usually staff aug work in nature, but the entire function is outsourced.
 - Work activities are supervised and directed by the service provider, and not by Cook directly.