



# **Management Registry, Inc.**

## **State of Nebraska**

**RFP 6322 Z1**

Temporary Medical Staffing Services

**Technical Proposal**

Presented by:  
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## Table of Contents

II. TERMS AND CONDITIONS.....	2
III. CONTRACTOR DUTIES .....	11
IV. PAYMENT .....	20
V. PROJECT DESCRIPTION AND SCOPE OF WORK .....	23
VI. CORPORATE OVERVIEW .....	27
VII. COST PROPOSAL REQUIREMENTS .....	37

## Attachments

Form A – Contactor Proposal Point of Contact  
Form B – NDCS Supplemental Contract Information  
Request for Proposal for Contractual Services Form

## Exhibits

Financial Statements  
Account Team Resumes

## II. TERMS AND CONDITIONS

### II. TERMS AND CONDITIONS

Bidders should complete Sections II through VII as part of their proposal. Bidder is expected to read the Terms and Conditions and should initial either accept, reject, or reject and provide alternative language for each clause. The bidder should also provide an explanation of why the bidder rejected the clause or rejected the clause and provided alternate language. By signing the Request for Proposal, bidder is agreeing to be legally bound by all the accepted terms and conditions, and any proposed alternative terms and conditions submitted with the proposal. The State reserves the right to negotiate rejected or proposed alternative language. If the State and bidder fail to agree on the final Terms and Conditions, the State reserves the right to reject the proposal. The State of Nebraska is soliciting proposals in response to this Request for Proposal. The State of Nebraska reserves the right to reject proposals that attempt to substitute the bidder's commercial contracts and/or documents for this Request for Proposal.

The bidders should submit with their proposal any license, user agreement, service level agreement, or similar documents that the bidder wants incorporated in the Contract. The State will not consider incorporation of any document not submitted with the bidder's proposal as the document will not have been included in the evaluation process. These documents shall be subject to negotiation and will be incorporated as addendums if agreed to by the Parties.

If a conflict or ambiguity arises after the Addendum to Contract Award have been negotiated and agreed to, the Addendum to Contract Award shall be interpreted as follows:

1. If only one Party has a particular clause then that clause shall control;
2. If both Parties have a similar clause, but the clauses do not conflict, the clauses shall be read together;
3. If both Parties have a similar clause, but the clauses conflict, the State's clause shall control.

#### A. GENERAL

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
SD			

1. The contract resulting from this Request for Proposal shall incorporate the following documents:
  - a. Request for Proposal and Addenda;
  - b. Amendments to the Request for Proposal;
  - c. Questions and Answers;
  - d. Bidder's proposal (Request for Proposal and properly submitted documents);
  - e. The executed Contract and Addendum One to Contract, if applicable; and,
  - f. Amendments/Addendums to the Contract.

These documents constitute the entirety of the contract.

2. Unless otherwise specifically stated in a future contract amendment, in case of any conflict between the incorporated documents, the documents shall govern in the following order of preference with number one (1) receiving preference over all other documents and with each lower numbered document having preference over any higher numbered document:
  - a. Amendment to the executed Contract with the most recent dated amendment having the highest priority,
  - b. Addendum One to the executed Contract,
  - c. The executed Contract and any additional attached Addenda;
  - d. Amendments to Request for Proposal and any Questions and Answers,
  - e. The original Request for Proposal document and any Addenda, and
  - f. The Contractor's submitted Proposal.

Any ambiguity or conflict in the contract discovered after its execution, not otherwise addressed herein, shall be resolved in accordance with the rules of contract interpretation as established in the State of Nebraska.

**B. NOTIFICATION**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
SD			

Contractor and State shall identify the contract manager who shall serve as the point of contact for the executed contract.

Communications regarding the executed contract shall be in writing and shall be deemed to have been given if delivered personally or mailed, by U.S. Mail, postage prepaid, return receipt requested, to the parties at their respective addresses set forth below, or at such other addresses as may be specified in writing by either of the parties. All notices, requests, or communications shall be deemed effective upon personal delivery or five (5) calendar days following deposit in the mail.

Either party may change its address for notification purposes by giving notice of the change, and setting forth the new address and an effective date.

**C. BUYER'S REPRESENTATIVE**

The State reserves the right to appoint a Buyer's Representative to manage [or assist the Buyer in managing] the contract on behalf of the State. The Buyer's Representative will be appointed in writing, and the appointment document will specify the extent of the Buyer's Representative authority and responsibilities. If a Buyer's Representative is appointed, the Contractor will be provided a copy of the appointment document, and is expected to cooperate accordingly with the Buyer's Representative. The Buyer's Representative has no authority to bind the State to a contract, amendment, addendum, or other change or addition to the contract.

**D. GOVERNING LAW (Statutory)**

Notwithstanding any other provision of this contract, or any amendment or addendum(s) entered into contemporaneously or at a later time, the parties understand and agree that, (1) the State of Nebraska is a sovereign state and its authority to contract is therefore subject to limitation by the State's Constitution, statutes, common law, and regulation; (2) this contract will be interpreted and enforced under the laws of the State of Nebraska; (3) any action to enforce the provisions of this agreement must be brought in the State of Nebraska per state law; (4) the person signing this contract on behalf of the State of Nebraska does not have the authority to waive the State's sovereign immunity, statutes, common law, or regulations; (5) the indemnity, limitation of liability, remedy, and other similar provisions of the final contract, if any, are entered into subject to the State's Constitution, statutes, common law, regulations, and sovereign immunity; and, (6) all terms and conditions of the final contract, including but not limited to the clauses concerning third party use, licenses, warranties, limitations of liability, governing law and venue, usage verification, indemnity, liability, remedy or other similar provisions of the final contract are entered into specifically subject to the State's Constitution, statutes, common law, regulations, and sovereign immunity.

The Parties must comply with all applicable local, state and federal laws, ordinances, rules, orders, and regulations.

**E. BEGINNING OF WORK**

The contractor shall not commence any billable work until a valid contract has been fully executed by the State and the successful bidder. The awarded bidder will be notified in writing when work may begin.

**F. AMENDMENT**

This Contract may be amended in writing, within scope, upon the agreement of both parties.

**G. CHANGE ORDERS OR SUBSTITUTIONS**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
SD			

The State and the Contractor, upon the written agreement, may make changes to the contract within the general scope of the Request for Proposal. Changes may involve specifications, the quantity of work, or such other items as the State may find necessary or desirable. Corrections of any deliverable, service, or work required pursuant to the contract shall not be deemed a change. The Contractor may not claim forfeiture of the contract by reasons of such changes.

The Contractor shall prepare a written description of the work required due to the change and an itemized cost sheet for the change. Changes in work and the amount of compensation to be paid to the Contractor shall be determined in accordance with applicable unit prices if any, a pro-rated value, or through negotiations. The State shall not incur a price increase for changes that should have been included in the Contractor's proposal, were foreseeable, or result from difficulties with or failure of the Contractor's proposal or performance.

No change shall be implemented by the Contractor until approved by the State, and the Contract is amended to reflect the change and associated costs, if any. If there is a dispute regarding the cost, but both parties agree that immediate implementation is necessary, the change may be implemented, and cost negotiations may continue with both Parties retaining all remedies under the contract and law.

**\*\*\*Contractor will not substitute any item that has been awarded without prior written approval of SPB\*\*\***

**H. VENDOR PERFORMANCE REPORT(S)**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
SD			

The State may document any instance(s) of products or services delivered or performed which exceed or fail to meet the terms of the purchase order, contract, and/or Request for Proposal specifications. The State Purchasing Bureau may contact the Vendor regarding any such report. Vendor performance report(s) will become a part of the permanent record of the Vendor.

**I. NOTICE OF POTENTIAL CONTRACTOR BREACH**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
SD			

If Contractor breaches the contract or anticipates breaching the contract, the Contractor shall immediately give written notice to the State. The notice shall explain the breach or potential breach, a proposed cure, and may include a request for a waiver of the breach if so desired. The State may, in its discretion, temporarily or permanently waive the breach. By granting a waiver, the State does not forfeit any rights or remedies to which the State is entitled by law or equity, or pursuant to the provisions of the contract. Failure to give immediate notice, however, may be grounds for denial of any request for a waiver of a breach.

**J. BREACH**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
SD			

Either Party may terminate the contract, in whole or in part, if the other Party breaches its duty to perform its obligations under the contract in a timely and proper manner. Termination requires written notice of default and a thirty (30) calendar day (or longer at the non-breaching Party's discretion considering the gravity and nature of the default) cure period. Said notice shall be delivered by Certified Mail, Return Receipt Requested, or in person with proof of delivery. Allowing time to cure a failure or breach of contract does not waive the right to immediately terminate the contract for the same or different contract breach which may occur at a different time. In case of default of the Contractor, the State may contract the service from other sources and hold the Contractor responsible for any excess cost occasioned thereby. OR In case of breach by the Contractor, the State may, without unreasonable delay, make a good faith effort to make a reasonable purchase or contract to purchased goods in substitution of those due from the contractor. The State may recover from the Contractor as damages the difference between the costs of covering the breach. Notwithstanding any clause to the contrary, the State may also recover the contract price together with any incidental or consequential damages defined in UCC Section 2-715, but less expenses saved in consequence of Contractor's breach.

The State's failure to make payment shall not be a breach, and the Contractor shall retain all available statutory remedies and protections.

**K. NON-WAIVER OF BREACH**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
SD			

The acceptance of late performance with or without objection or reservation by a Party shall not waive any rights of the Party nor constitute a waiver of the requirement of timely performance of any obligations remaining to be performed.

**L. SEVERABILITY**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
SD			

If any term or condition of the contract is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and conditions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the contract did not contain the provision held to be invalid or illegal.

**M. INDEMNIFICATION**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
SD			

**1. GENERAL**

The Contractor agrees to defend, indemnify, and hold harmless the State and its employees, volunteers, agents, and its elected and appointed officials ("the indemnified parties") from and against any and all third party claims, liens, demands, damages, liability, actions, causes of action, losses, judgments, costs, and expenses of every nature, including investigation costs and expenses, settlement costs, and attorney fees and expenses ("the claims"), sustained or asserted against the State for personal injury, death, or property loss or damage, arising out of, resulting from, or attributable to the willful misconduct, negligence, error, or

omission of the Contractor, its employees, Subcontractors, consultants, representatives, and agents, resulting from this contract, except to the extent such Contractor liability is attenuated by any action of the State which directly and proximately contributed to the claims.

**2. PERSONNEL**

The Contractor shall, at its expense, indemnify and hold harmless the indemnified parties from and against any claim with respect to withholding taxes, worker's compensation, employee benefits, or any other claim, demand, liability, damage, or loss of any nature relating to any of the personnel, including subcontractor's and their employees, provided by the Contractor.

**3. SELF-INSURANCE**

The State of Nebraska is self-insured for any loss and purchases excess insurance coverage pursuant to Neb. Rev. Stat. § 81-8,239.01 (Reissue 2008). If there is a presumed loss under the provisions of this agreement, Contractor may file a claim with the Office of Risk Management pursuant to Neb. Rev. Stat. §§ 81-8,829 – 81-8,306 for review by the State Claims Board. The State retains all rights and immunities under the State Miscellaneous (Section 81-8,294), Tort (Section 81-8,209), and Contract Claim Acts (Section 81-8,302), as outlined in Neb. Rev. Stat. § 81-8,209 et seq. and under any other provisions of law and accepts liability under this agreement to the extent provided by law.

**4. ATTORNEY GENERAL**

The Parties acknowledge that Attorney General for the State of Nebraska is required by statute to represent the legal interests of the State, and that any provision of this indemnity clause is subject to the statutory authority of the Attorney General.

**N. ATTORNEY'S FEES**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
SD			

In the event of any litigation, appeal, or other legal action to enforce any provision of the contract, the Parties agree to pay all expenses of such action, as permitted by law and if ordered by the court, including attorney's fees and costs, if the other Party prevails.

**O. LIQUIDATED DAMAGES**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
SD			

Failure for any temporary professional staff to appear for a scheduled shift without the Contractor providing a proper notice according to Section V.I.1-2., prior to the start of their shift shall result in the agency assessing liquidated damages to the Contractor in the amount of the full extended cost of the temporary professional staff's shift. Contractor will be notified in writing when liquidated damages are imposed.

**P. ASSIGNMENT, SALE, OR MERGER**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
SD			

Either Party may assign the contract upon mutual written agreement of the other Party. Such agreement shall not be unreasonably withheld.

The Contractor retains the right to enter into a sale, merger, acquisition, internal reorganization, or similar transaction involving Contractor's business. Contractor agrees to cooperate with the State in executing amendments to the contract to allow for the transaction. If a third party or entity is involved in the transaction, the Contractor will remain responsible for performance of the contract until such time as the person or entity involved in the transaction agrees in writing to be contractually bound by this contract and perform all obligations of the contract.

**Q. CONTRACTING WITH OTHER NEBRASKA POLITICAL SUB-DIVISIONS OF THE STATE OR ANOTHER STATE**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
SD			

The Contractor may, but shall not be required to, allow agencies, as defined in Neb. Rev. Stat. §81-145, to use this contract. The terms and conditions, including price, of the contract may not be amended. The State shall not be contractually obligated or liable for any contract entered into pursuant to this clause. A listing of Nebraska political subdivisions may be found at the website of the Nebraska Auditor of Public Accounts.

The Contractor may, but shall not be required to, allow other states, agencies or divisions of other states, or political subdivisions of other states to use this contract. The terms and conditions, including price, of this contract shall apply to any such contract, but may be amended upon mutual consent of the Parties. The State of Nebraska shall not be contractually or otherwise obligated or liable under any contract entered into pursuant to this clause. The State shall be notified if a contract is executed based upon this contract.

**R. FORCE MAJEURE**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
SD			

Neither Party shall be liable for any costs or damages, or for default resulting from its inability to perform any of its obligations under the contract due to a natural or manmade event outside the control and not the fault of the affected Party ("Force Majeure Event"). The Party so affected shall immediately make a written request for relief to the other Party, and shall have the burden of proof to justify the request. The other Party may grant the relief requested; relief may not be unreasonably withheld. Labor disputes with the impacted Party's own employees will not be considered a Force Majeure Event.



**S. CONFIDENTIALITY**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
SD			

All materials and information provided by the Parties or acquired by a Party on behalf of the other Party shall be regarded as confidential information. All materials and information provided or acquired shall be handled in accordance with federal and state law, and ethical standards. Should said confidentiality be breached by a Party, the Party shall notify the other Party immediately of said breach and take immediate corrective action.

It is incumbent upon the Parties to inform their officers and employees of the penalties for improper disclosure imposed by the Privacy Act of 1974, 5 U.S.C. 552a. Specifically, 5 U.S.C. 552a (l)(1), which is made applicable by 5 U.S.C. 552a (m)(1), provides that any officer or employee, who by virtue of his/her employment or official position has possession of or access to agency records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established thereunder, and who knowing that disclosure of the specific material is prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than \$5,000.

**T. PERSONAL HEALTH INFORMATION (PHI)**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
SD			

Contractor agrees to:

1. To use and disclose PHI only as permitted or required by this Contract or as required by law.
2. Use reasonable safeguards to prevent use or disclosure of PHI not otherwise provided for by this Contract.
3. Immediately report to agency any unauthorized use or disclosure of PHI not otherwise provided for by this Agreement once Contractor becomes aware of such unauthorized use or disclosure, including any remedial action taken or proposed to be taken by Contractor with respect to such unauthorized use or disclosure. Contractor shall cooperate with NDCS to mitigate any harmful effects of such unauthorized use or disclosure.
4. To require any subcontractors and agents, to whom Contractor provides PHI obtained under this Agreement, to agree in writing to the same restrictions and conditions on the use and/or disclosure of PHI that apply to Contractor. Such agreement shall include a provision requiring the subcontractor and/or agent to notify Contractor of any instances of unauthorized use or disclosure of PHI provided by Contractor/Provider.
5. To disclose to Contractor's subcontractors, agents or other third parties only the minimum necessary PHI necessary to perform or fulfill their obligations under this Contract.
6. Comply with patient rights conferred by HIPAA, to include, allowing patient's access to their own PHI, making PHI available for amendment and incorporating any amendments to the PHI in accordance with HIPAA and accounting for disclosures of PHI as required under HIPAA.
7. Make Contractor's internal practices, books and records relating to the use and disclosure of PHI received from or created or received by Contractor on behalf of NDCS available to the Secretary of the Department of Health and Human Services (HHS) for purposes of determining Contractor's compliance with HIPAA. Contractor shall immediately notify NDCS upon receipt by Contractor of any such request, and shall provide NDCS with copies of any such materials.
8. At termination of this Contract, return to NDCS or destroy all PHI received from or created or received by Contractor on behalf of NDCS which Contractor or its subcontractor/agent still maintains in any form and retain no copies of such PHI. If Contractor is unable to return or destroy such PHI, the terms of this section shall apply to such PHI for as long as Contractor or subcontractor/agent has possession or access to PHI.

9. Notwithstanding any other provision of this Contract and in addition to any other remedies NDCS may have, NDCS may immediately terminate this Contract without penalty if it determines, in its sole discretion that Contractor or its subcontractors or agents have violated a material term of this section. The parties agree to amend this Contract as necessary to comply with HIPAA and any regulations that may be promulgated thereunder. The parties further agree to execute such other agreements as may be required by law. The parties' obligations and rights under this section shall survive termination of this Contract.

**U. OFFICE OF PUBLIC COUNSEL (Statutory) (DHHS USE ONLY)**

If it provides, under the terms of this contract and on behalf of the State of Nebraska, health and human services to individuals; service delivery; service coordination; or case management, Contractor shall submit to the jurisdiction of the Office of Public Counsel, pursuant to Neb. Rev. Stat. §§ 81-8,240 et seq. This section shall survive the termination of this contract.

**V. LONG-TERM CARE OMBUDSMAN (Statutory) (DHHS & NDVA USE )**

Contractor must comply with the Long-Term Care Ombudsman Act, per Neb. Rev. Stat. §§ 81-2237 et seq. This section shall survive the termination of this contract.

**W. EARLY TERMINATION**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
SD			

The contract may be terminated as follows:

1. The State and the Contractor, by mutual written agreement, may terminate the contract at any time.
2. The State, in its sole discretion, may terminate the contract for any reason upon thirty (30) calendar day's written notice to the Contractor. Such termination shall not relieve the Contractor of warranty or other service obligations incurred under the terms of the contract. In the event of termination the Contractor shall be entitled to payment, determined on a pro rata basis, for products or services satisfactorily performed or provided.
3. The State may terminate the contract immediately for the following reasons:
  - a. if directed to do so by statute;
  - b. Contractor has made an assignment for the benefit of creditors, has admitted in writing its inability to pay debts as they mature, or has ceased operating in the normal course of business;
  - c. a trustee or receiver of the Contractor or of any substantial part of the Contractor's assets has been appointed by a court;
  - d. fraud, misappropriation, embezzlement, malfeasance, misfeasance, or illegal conduct pertaining to performance under the contract by its Contractor, its employees, officers, directors, or shareholders;
  - e. an involuntary proceeding has been commenced by any Party against the Contractor under any one of the chapters of Title 11 of the United States Code and (i) the proceeding has been pending for at least sixty (60) calendar days; or (ii) the Contractor has consented, either expressly or by operation of law, to the entry of an order for relief; or (iii) the Contractor has been decreed or adjudged a debtor;
  - f. a voluntary petition has been filed by the Contractor under any of the chapters of Title 11 of the United States Code;
  - g. Contractor intentionally discloses confidential information;
  - h. Contractor has or announces it will discontinue support of the deliverable; and,
  - i. In the event funding is no longer available.

**X. CONTRACT CLOSEOUT**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
SD			

Upon contract closeout for any reason the Contractor shall within 30 days, unless stated otherwise herein:

1. Transfer all completed or partially completed deliverables to the State;
2. Transfer ownership and title to all completed or partially completed deliverables to the State;
3. Return to the State all information and data, unless the Contractor is permitted to keep the information or data by contract or rule of law. Contractor may retain one copy of any information or data as required to comply with applicable work product documentation standards or as are automatically retained in the course of Contractor's routine back up procedures;
4. Cooperate with any successor Contractor, person or entity in the assumption of any or all of the obligations of this contract;
5. Cooperate with any successor Contractor, person or entity with the transfer of information or data related to this contract;
6. Return or vacate any state owned real or personal property; and,
7. Return all data in a mutually acceptable format and manner.

Nothing in this Section should be construed to require the Contractor to surrender intellectual property, real or personal property, or information or data owned by the Contractor for which the State has no legal claim.

### III. CONTRACTOR DUTIES

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##### A. INDEPENDENT CONTRACTOR / OBLIGATIONS

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
SD			

It is agreed that the Contractor is an independent contractor and that nothing contained herein is intended or should be construed as creating or establishing a relationship of employment, agency, or a partnership.

The Contractor is solely responsible for fulfilling the contract. The Contractor or the Contractor's representative shall be the sole point of contact regarding all contractual matters.

The Contractor shall secure, at its own expense, all personnel required to perform the services under the contract. The personnel the Contractor uses to fulfill the contract shall have no contractual or other legal relationship with the State; they shall not be considered employees of the State and shall not be entitled to any compensation, rights or benefits from the State, including but not limited to, tenure rights, medical and hospital care, sick and vacation leave, severance pay, or retirement benefits.

By-name personnel commitments made in the Contractor's proposal shall not be changed without the prior written approval of the State. Replacement of these personnel, if approved by the State, shall be with personnel of equal or greater ability and qualifications.

All personnel assigned by the Contractor to the contract shall be employees of the Contractor or a subcontractor, and shall be fully qualified to perform the work required herein. Personnel employed by the Contractor or a subcontractor to fulfill the terms of the contract shall remain under the sole direction and control of the Contractor or the subcontractor respectively.

With respect to its employees, the Contractor agrees to be solely responsible for the following:

1. Any and all pay, benefits, and employment taxes and/or other payroll withholding;
2. Any and all vehicles used by the Contractor's employees, including all insurance required by state law;
3. Damages incurred by Contractor's employees within the scope of their duties under the contract;
4. Maintaining Workers' Compensation and health insurance that complies with state and federal law and submitting any reports on such insurance to the extent required by governing law;
5. Determining the hours to be worked and the duties to be performed by the Contractor's employees; and,
6. All claims on behalf of any person arising out of employment or alleged employment (including without limit claims of discrimination alleged against the Contractor, its officers, agents, or subcontractors or subcontractor's employees)

If the Contractor intends to utilize any subcontractor, the subcontractor's level of effort, tasks, and time allocation should be clearly defined in the contractor's proposal. The Contractor shall agree that it will not utilize any subcontractors not specifically included in its proposal in the performance of the contract without the prior written authorization of the State.

The State reserves the right to require the Contractor to reassign or remove from the project any Contractor or subcontractor employee.

Contractor shall insure that the terms and conditions contained in any contract with a subcontractor does not conflict with the terms and conditions of this contract.

The Contractor shall include a similar provision, for the protection of the State, in the contract with any Subcontractor engaged to perform work on this contract.

**B. EMPLOYEE WORK ELIGIBILITY STATUS**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
SD			

The Contractor is required and hereby agrees to use a federal immigration verification system to determine the work eligibility status of employees physically performing services within the State of Nebraska. A federal immigration verification system means the electronic verification of the work authorization program authorized by the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, 8 U.S.C. 1324a, known as the E-Verify Program, or an equivalent federal program designated by the United States Department of Homeland Security or other federal agency authorized to verify the work eligibility status of an employee.

If the Contractor is an individual or sole proprietorship, the following applies:

1. The Contractor must complete the United States Citizenship Attestation Form, available on the Department of Administrative Services website at <http://das.nebraska.gov/materiel/purchasing.html>
2. The completed United States Attestation Form should be submitted with the Request for Proposal response.
3. If the Contractor indicates on such attestation form that he or she is a qualified alien, the Contractor agrees to provide the US Citizenship and Immigration Services documentation required to verify the Contractor's lawful presence in the United States using the Systematic Alien Verification for Entitlements (SAVE) Program.
4. The Contractor understands and agrees that lawful presence in the United States is required and the Contractor may be disqualified or the contract terminated if such lawful presence cannot be verified as required by Neb. Rev. Stat. §4-108.

**C. COMPLIANCE WITH CIVIL RIGHTS LAWS AND EQUAL OPPORTUNITY EMPLOYMENT / NONDISCRIMINATION (Statutory)**

The Contractor shall comply with all applicable local, state, and federal statutes and regulations regarding civil rights laws and equal opportunity employment. The Nebraska Fair Employment Practice Act prohibits Contractors of the State of Nebraska, and their Subcontractors, from discriminating against any employee or applicant for employment, with respect to hire, tenure, terms, conditions, compensation, or privileges of employment because of race, color, religion, sex, disability, marital status, or national origin (Neb. Rev. Stat. §48-1101 to 48-1125). The Contractor guarantees compliance with the Nebraska Fair Employment Practice Act, and breach of this provision shall be regarded as a material breach of contract. The Contractor shall insert a similar provision in all Subcontracts for goods and services to be covered by any contract resulting from this Request for Proposal.

**D. COOPERATION WITH OTHER CONTRACTORS**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
SD			

Contractor may be required to work with or in close proximity to other contractors or individuals that may be working on same or different projects. The Contractor shall agree to cooperate with such other contractors or individuals, and shall not commit or permit any act which may interfere with the performance of work by any other contractor or individual. Contractor is not required to compromise Contractor's intellectual property or proprietary information unless expressly required to do so by this contract.

**E. DISCOUNTS**

Prices quoted shall be inclusive of ALL trade discounts. Cash discount terms of less than thirty (30) days will not be considered as part of the proposal. Cash discount periods will be computed from the date of receipt of a properly executed claim voucher or the date of completion of delivery of all items in a satisfactory condition, whichever is later.

**F. PRICES**

Prices quoted shall be net, including transportation, travel and delivery charges fully prepaid by the contractor, F.O.B. destination named in the Request for Proposal. No additional charges will be allowed for packing, packages, or partial delivery costs. When an arithmetic error has been made in the extended total, the unit price will govern.

Prices submitted on the cost proposal form, once accepted by the State, shall remain fixed for the Initial Term Year 1 (first year) of the contract. Any yearly request for a price increase for the wages for any staffing position subsequent to the first year of the contract shall not exceed the annual percentage of change of the Producer Price Index of the preceding 12-month period- # PCU561380561380104, Temporary help services, medical, not seasonally adjusted, unless documentation is provided to substantiate a greater amount. Increases will be cumulative across the remaining periods of the contract. The request for a price increase must be submitted in writing to the State Purchasing Bureau a minimum of ninety (90) days prior to the end of the year preceding the year for which the price increase is sought. Documentation may be required by the State to support the price increase. Acceptable documentation includes but is not limited to wage information in Nebraska from the Bureau of Labor Statistics and/or Producer Price Index (PPI) Industry data for staffing services (except PEOs) – Temporary help services, medical, not seasonally adjusted - # PCU561380561380104.

Price increase requests must also include the wage paid directly to the temporary staff provided by the Contractor and administrative fees of the Contractor. Any price increase shall be at the sole discretion of the State.

**State reserves the right to deny any requested price increase. No price increases are to be billed to any State Agencies prior to written amendment of the contract by the parties.**

**The State will be given full proportionate benefit of any decreases for the term of the contract.**

**G. COST CLARIFICATION**

The State reserves the right to review all aspects of cost for reasonableness and to request clarification of any proposal where the cost component shows significant and unsupported deviation from industry standards or in areas where detailed pricing is required.

**H. PERMITS, REGULATIONS, LAWS**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
SD			

The contract price shall include the cost of all royalties, licenses, permits, and approvals, whether arising from patents, trademarks, copyrights or otherwise, that are in any way involved in the contract. The Contractor shall obtain and pay for all royalties, licenses, and permits, and approvals necessary for the execution of the contract. The Contractor must guarantee that it has the full legal right to the materials, supplies, equipment, software, and other items used to execute this contract.

**I. OWNERSHIP OF INFORMATION AND DATA / DELIVERABLES**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
SD			

The State shall have the unlimited right to publish, duplicate, use, and disclose all information and data developed or obtained by the Contractor on behalf of the State pursuant to this contract.

The State shall own and hold exclusive title to any deliverable developed as a result of this contract. Contractor shall have no ownership interest or title, and shall not patent, license, or copyright, duplicate, transfer, sell, or exchange, the design, specifications, concept, or deliverable.

**J. INSURANCE REQUIREMENTS**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
SD			

The Contractor shall throughout the term of the contract maintain insurance as specified herein and provide the State a current Certificate of Insurance/Acord Form (COI) verifying the coverage. The Contractor shall not commence work on the contract until the insurance is in place. If Contractor subcontracts any portion of the Contract the Contractor must, throughout the term of the contract, either:

1. Provide equivalent insurance for each subcontractor and provide a COI verifying the coverage for the subcontractor;
2. Require each subcontractor to have equivalent insurance and provide written notice to the State that the Contractor has verified that each subcontractor has the required coverage; or,
3. Provide the State with copies of each subcontractor's Certificate of Insurance evidencing the required coverage.

The Contractor shall not allow any Subcontractor to commence work until the Subcontractor has equivalent insurance. The failure of the State to require a COI, or the failure of the Contractor to provide a COI or require subcontractor insurance shall not limit, relieve, or decrease the liability of the Contractor hereunder.

In the event that any policy written on a claims-made basis terminates or is canceled during the term of the contract or within one (1) year of termination or expiration of the contract, the contractor shall obtain an extended discovery or reporting period, or a new insurance policy, providing coverage required by this contract for the term of the contract and one (1) year following termination or expiration of the contract.

If by the terms of any insurance a mandatory deductible is required, or if the Contractor elects to increase the mandatory deductible amount, the Contractor shall be responsible for payment of the amount of the deductible in the event of a paid claim.

Notwithstanding any other clause in this Contract, the State may recover up to the liability limits of the insurance policies required herein.

**1. WORKERS' COMPENSATION INSURANCE**

The Contractor shall take out and maintain during the life of this contract the statutory Workers' Compensation and Employer's Liability Insurance for all of the contractors' employees to be engaged in work on the project under this contract and, in case any such work is sublet, the Contractor shall require the Subcontractor similarly to provide Worker's Compensation and Employer's Liability Insurance for all of the Subcontractor's employees to be engaged in such work. This policy shall be written to meet the statutory requirements for the state in which the work is to be performed, including Occupational Disease. The policy shall include a waiver of subrogation in favor of the State. The COI shall contain the mandatory COI subrogation waiver language found hereinafter. The amounts of such insurance shall not be less than the limits stated hereinafter. For employees working in the State of Nebraska, the policy must be written by an entity authorized by the State of Nebraska Department of Insurance to write Workers' Compensation and Employer's Liability Insurance for Nebraska employees.

**2. COMMERCIAL GENERAL LIABILITY INSURANCE AND COMMERCIAL AUTOMOBILE LIABILITY INSURANCE**

The Contractor shall take out and maintain during the life of this contract such Commercial General Liability Insurance and Commercial Automobile Liability Insurance as shall protect Contractor and any Subcontractor performing work covered by this contract from claims for damages for bodily injury, including death, as well

as from claims for property damage, which may arise from operations under this contract, whether such operation be by the Contractor or by any Subcontractor or by anyone directly or indirectly employed by either of them, and the amounts of such insurance shall not be less than limits stated hereinafter.

The Commercial General Liability Insurance shall be written on an **occurrence basis**, and provide Premises/Operations, Products/Completed Operations, Independent Contractors, Personal Injury, and Contractual Liability coverage. **The policy shall include the State, and others as required by the contract documents, as Additional Insured(s). This policy shall be primary, and any insurance or self-insurance carried by the State shall be considered secondary and non-contributory. The COI shall contain the mandatory COI liability waiver language found hereinafter.** The Commercial Automobile Liability Insurance shall be written to cover all Owned, Non-owned, and Hired vehicles.

<b>REQUIRED INSURANCE COVERAGE</b>	
<b>COMMERCIAL GENERAL LIABILITY</b>	
General Aggregate	\$2,000,000
Products/Completed Operations Aggregate	\$2,000,000
Personal/Advertising Injury	\$1,000,000 per occurrence
Bodily Injury/Property Damage	\$1,000,000 per occurrence
Medical Payments	\$10,000 any one person
Damage to Rented Premises (Fire)	\$300,000 each occurrence
Contractual	Included
Independent Contractors	Included
Abuse & Molestation	Included
<i>If higher limits are required, the Umbrella/Excess Liability limits are allowed to satisfy the higher limit.</i>	
<b>WORKER'S COMPENSATION</b>	
Employers Liability Limits	\$500K/\$500K/\$500K
Statutory Limits- All States	Statutory - State of Nebraska
Voluntary Compensation	Statutory
<b>COMMERCIAL AUTOMOBILE LIABILITY</b>	
Bodily Injury/Property Damage	\$1,000,000 combined single limit
Include All Owned, Hired & Non-Owned Automobile liability	Included
Motor Carrier Act Endorsement	Where Applicable
<b>UMBRELLA/EXCESS LIABILITY</b>	
Over Primary Insurance	\$5,000,000 per occurrence
<b>PROFESSIONAL LIABILITY</b>	
Professional liability (Medical Malpractice)	Limits consistent with Nebraska Medical Malpractice Cap
Qualification Under Nebraska Excess Fund	
All Other Professional Liability (Errors & Omissions)	\$1,000,000 Per Claim / Aggregate
<b>COMMERCIAL CRIME</b>	
Crime/Employee Dishonesty Including 3rd Party Fidelity	\$1,000,000
<b>MANDATORY COI SUBROGATION WAIVER LANGUAGE</b>	
"Workers' Compensation policy shall include a waiver of subrogation in favor of the State of Nebraska."	
<b>MANDATORY COI LIABILITY WAIVER LANGUAGE</b>	
"Commercial General Liability & Commercial Automobile Liability policies shall name the State of Nebraska as an Additional Insured and the policies shall be primary and any insurance or self-insurance carried by the State shall be considered secondary and non-contributory as additionally insured."	

**3. EVIDENCE OF COVERAGE**

The Contractor shall furnish the State Purchasing Buyer, with a certificate of insurance coverage complying with the above requirements prior to beginning work at:

State Purchasing Bureau  
RFP#: 6322 Z1  
Attn: Dianna Gilliland  
1526 K Street, Suite 130  
Lincoln, NE 68508  
[Dianna.gilliland@nebraska.gov](mailto:Dianna.gilliland@nebraska.gov)

These certificates or the cover sheet shall reference the RFP number, and the certificates shall include the name of the company, policy numbers, effective dates, dates of expiration, and amounts and types of coverage afforded. If the State is damaged by the failure of the Contractor to maintain such insurance, then the Contractor shall be responsible for all reasonable costs properly attributable thereto.



Reasonable notice of cancellation of any required insurance policy must be submitted to the contract manager as listed above when issued and a new coverage binder shall be submitted immediately to ensure no break in coverage.

**4. DEVIATIONS**

The insurance requirements are subject to limited negotiation. Negotiation typically includes, but is not necessarily limited to, the correct type of coverage, necessity for Workers' Compensation, and the type of automobile coverage carried by the Contractor.

**K. NOTICE OF POTENTIAL CONTRACTOR BREACH**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
SD			

If Contractor breaches the contract or anticipates breaching the contract the Contractor shall immediately give written notice to the State. The notice shall explain the breach or potential breach, and may include a request for a waiver of the breach if so desired. The State may, at its discretion, temporarily or permanently waive the breach. By granting a temporary waiver, the State does not forfeit any rights or remedies to which the State is entitled by law or equity, or pursuant to the provisions of the contract. Failure to give immediate notice, however, may be grounds for denial of any request for a waiver of a breach.

**L. ANTITRUST**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
SD			

The Contractor hereby assigns to the State any and all claims for overcharges as to goods and/or services provided in connection with this contract resulting from antitrust violations which arise under antitrust laws of the United States and the antitrust laws of the State.

**M. CONFLICT OF INTEREST**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
SD			

By submitting a proposal, bidder certifies that no relationship exists between the bidder and any person or entity which either is, or gives the appearance of, a conflict of interest related to this Request for Proposal or project.

Bidder further certifies that bidder will not employ any individual known by bidder to have a conflict of interest nor shall bidder take any action or acquire any interest, either directly or indirectly, which will conflict in any manner or degree with the performance of its contractual obligations hereunder or which creates an actual or appearance of conflict of interest.

If there is an actual or perceived conflict of interest, bidder shall provide with its proposal a full disclosure of the facts describing such actual or perceived conflict of interest and a proposed mitigation plan for consideration. The State

will then consider such disclosure and proposed mitigation plan and either approve or reject as part of the overall bid evaluation.

**N. STATE PROPERTY**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
SD			

The Contractor shall be responsible for the proper care and custody of any State-owned property which is furnished for the Contractor's use during the performance of the contract. The Contractor shall reimburse the State for any loss or damage of such property; normal wear and tear is expected. For any temporary professional staff provided by Contractor that does not return their facility keys, access badges, or other state property upon vacating or completing their assignment, the agency will deduct the amount of the unreturned keys, access badges, or other state property from the Contractor's subsequent payment. The agency will notify the Contractor of the amount that will be deducted from the subsequent payment which will be based on the actual cost to replace the item(s).

**O. SITE RULES AND REGULATIONS**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
SD			

The Contractor shall use its best efforts to ensure that its employees, agents, and Subcontractors comply with site rules and regulations while on State premises. If the Contractor must perform on-site work outside of the daily operational hours set forth by the State, it must make arrangements with the State to ensure access to the facility and the equipment has been arranged. No additional payment will be made by the State on the basis of lack of access, unless the State fails to provide access as agreed to in writing between the State and the Contractor.

Contractor's personnel must comply with all agency and facility location requirements or policies, including personnel carrying proper identification upon their person. All personnel shall comply with agency rules and regulations and policies related to security.

Contraband shall not be introduced into any state facility; such items include, but are not limited to firearms, ammunition, drugs, tobacco, alcohol, etc. All personnel may be subject to search upon entering and exiting facility grounds.

**P. NDCS SECURITY**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
SD			

- Contractor's personnel shall be subject to Nebraska Department of Correctional Services' (NDCS) background security checks prior to their arrival on site, and will carry proper identification with them at all times while on facility grounds.
- Contractor shall make its employees aware of the provisions of Neb. Rev. Stat. § 28-322.01, which state that a person commits the offense of sexual abuse of an inmate or parolee if such person subjects an

inmate or parolee to sexual penetration or sexual contact, because an inmate or parolee is not legally capable of giving consent to any such relationship. Neb. Rev. Stat. § 28-322 states that individuals "working under contract with the department" are included in the list of persons prohibited from having sexual relations with one or more of NDCS' inmates. Contractor will promptly notify NDCS if allegations of sexual abuse or contact become known.

3. Contractor shall make his/her employees aware of the Nebraska Department of Correctional Services, Policy 112.31 (Code of Ethics and Conduct). Contractor may be required to sign and return documentation showing receipt of NDCS Policy 112.31 (Code of Ethics and Conduct).
4. Contractor shall inform his/her personnel of the Nebraska Department of Correctional Services Tobacco Policy, which states that tobacco and tobacco-related products are contraband and must not be carried into any NDCS-owned or controlled property. Such products must remain in Contractor's locked vehicle while on NDCS-owned or controlled property.
5. The Contractor and his/her personnel may be subject to pat searches and tool inventory upon arrival and departure from NDCS facilities.
6. Wireless devices and/or cellular phones are prohibited at NDCS facilities unless prior approval is given. If wireless devices are necessary for use on site at NDCS, Contractor will seek prior approval to carry such devices by requesting the Cellular Device Institutional Use Report form. All persons are prohibited from providing a cellphone/electronic communication device to an inmate of any facility, per PD 104.06.

**Q. ADVERTISING**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
SD			

The Contractor agrees not to refer to the contract award in advertising in such a manner as to state or imply that the company or its goods or services are endorsed or preferred by the State. Any publicity releases pertaining to the project shall not be issued without prior written approval from the State.

**R. NEBRASKA TECHNOLOGY ACCESS STANDARDS (Statutory)**

Contractor shall review the Nebraska Technology Access Standards, found at <http://nita.nebraska.gov/standards/2-201.html> and ensure that products and/or services provided under the contract are in compliance or will comply with the applicable standards to the greatest degree possible. In the event such standards change during the Contractor's performance, the State may create an amendment to the contract to request the contract comply with the changed standard at a cost mutually acceptable to the parties.

**S. DISASTER RECOVERY/BACK UP PLAN**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
SD			

The Contractor shall have a disaster recovery and back-up plan, of which a copy should be provided upon request to the State, which includes, but is not limited to equipment, personnel, facilities, and transportation, in order to continue delivery of goods and services as specified under the specifications in the contract in the event of a disaster.

**T. DRUG POLICY**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
SD			

Contractor certifies it maintains a drug free work place environment to ensure worker safety and workplace integrity. Contractor agrees to provide a copy of its drug free workplace policy at any time upon request by the State.

**U. WARRANTY**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
SD			

Despite any clause to the contrary, the Contractor represents and warrants that its services hereunder shall be performed by competent personnel and shall be of professional quality consistent with generally accepted industry standards for the performance of such services and shall comply in all respects with the requirements of this Agreement. For any breach of this warranty, the Contractor shall, for a period of ninety (90) days from performance of the service, perform the services again, at no cost to Customer, or if Contractor is unable to perform the services as warranted, Contractor shall reimburse Customer the fees paid to Contractor for the unsatisfactory services. The rights and remedies of the parties under this warranty are in addition to any other rights and remedies of the parties provided by law or equity, including, without limitation actual damages, and, as applicable and awarded under the law, to a prevailing party, reasonable attorneys' fees and costs.

# IV. PAYMENT

## IV. PAYMENT

### A. PROHIBITION AGAINST ADVANCE PAYMENT (Statutory)

Neb. Rev. Stat. §§81-2403 states, “[n]o goods or services shall be deemed to be received by an agency until all such goods or services are completely delivered and finally accepted by the agency.”

### B. TAXES (Statutory)

The State is not required to pay taxes and assumes no such liability as a result of this Request for Proposal. The Contractor may request a copy of the Nebraska Department of Revenue, Nebraska Resale or Exempt Sale Certificate for Sales Tax Exemption, Form 13 for their records. Any property tax payable on the Contractor's equipment which may be installed in a state-owned facility is the responsibility of the Contractor

### C. INVOICES

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
SD			

Invoices for payments must be submitted by the Contractor to the agency requesting the services with sufficient detail to support payment.

#### 1. Invoices shall include at a minimum:

- a. Staff's name;
- b. Position (provide a list of the abbreviations used);
- c. Hourly rate;
- d. Pay Code (i.e. Regular, OT or Holiday, etc.);
- e. Date(s) services were provided (billing week shall be Monday through Sunday);
- f. Number of hours worked, per date(s) of service, during invoice period;
- g. Facility where services were provided;
- h. Total invoice amount.

The work week shall be defined as Monday through Friday. The weekend, for the State's purposes is Saturday and Sunday.

Holidays are midnight to midnight; only if scheduled' Holiday pay is not a given for temporary staff.

The terms and conditions included in the Contractor's invoice shall be deemed to be solely for the convenience of the parties. No terms or conditions of any such invoice shall be binding upon the State, and no action by the State, including without limitation the payment of any such invoice in whole or in part, shall be construed as binding or estopping the State with respect to any such term or condition, unless the invoice term or condition has been previously agreed to by the State as an amendment to the contract.

#### 2. Invoices shall be sent to:

- a. Nebraska Department of Health and Human Services  
Addresses provided on Attachment One to the attention of the Business Office.
- b. Nebraska Department of Correctional Services  
Accounts Payable  
P.O. Box 94661  
Lincoln, NE 68509-4661  
  
Or via e-mail to: [DCS.AccountsPayable@nebraska.gov](mailto:DCS.AccountsPayable@nebraska.gov)  
Accounts Payable Contract: 402-479-5715
- c. Nebraska Department of Veterans' Affairs  
Accounting email addresses provided on Attachment One for each location.

**D. INSPECTION AND APPROVAL**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
SD			

Final inspection and approval of all work required under the contract shall be performed by the designated State officials.

The State and/or its authorized representatives shall have the right to enter any premises where the Contractor or Subcontractor duties under the contract are being performed, and to inspect, monitor or otherwise evaluate the work being performed. All inspections and evaluations shall be at reasonable times and in a manner that will not unreasonably delay work.

**E. PAYMENT (Statutory)**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
SD			

Payment will be made by the responsible agency in compliance with the State of Nebraska Prompt Payment Act (See Neb. Rev. Stat. §81-2403). The State may require the Contractor to accept payment by electronic means such as ACH deposit. In no event shall the State be responsible or liable to pay for any goods and services provided by the Contractor prior to the Effective Date of the contract, and the Contractor hereby waives any claim or cause of action for any such services.

**F. LATE PAYMENT (Statutory)**

The Contractor may charge the responsible agency interest for late payment in compliance with the State of Nebraska Prompt Payment Act (See Neb. Rev. Stat. §81-2401 through 81-2408).

**G. SUBJECT TO FUNDING / FUNDING OUT CLAUSE FOR LOSS OF APPROPRIATIONS (Statutory)**

The State's obligation to pay amounts due on the Contract for a fiscal years following the current fiscal year is contingent upon legislative appropriation of funds. Should said funds not be appropriated, the State may terminate the contract with respect to those payments for the fiscal year(s) for which such funds are not appropriated. The State will give the Contractor written notice thirty (30) calendar days prior to the effective date of termination. All obligations of the State to make payments after the termination date will cease. The Contractor shall be entitled to receive just and equitable compensation for any authorized work which has been satisfactorily completed as of the termination date. In no event shall the Contractor be paid for a loss of anticipated profit.

**H. RIGHT TO AUDIT (First Paragraph is Statutory)**

The State shall have the right to audit the Contractor's performance of this contract upon a thirty (30) days' written notice. Contractor shall utilize generally accepted accounting principles, and shall maintain the accounting records, and other records and information relevant to the contract (Information) to enable the State to audit the contract. (Neb. Rev. Stat. §84-304 et seq.) The State may audit and the Contractor shall maintain, the Information during the term of the contract and for a period of five (5) years after the completion of this contract or until all issues or litigation are resolved, whichever is later. The Contractor shall make the Information available to the State at Contractor's place of business or a location acceptable to both Parties during normal business hours. If this is not practical or the Contractor so elects, the Contractor may provide electronic or paper copies of the Information. The State reserves the right to examine, make copies of, and take notes on any Information relevant to this contract, regardless of the form or the Information, how it is stored, or who possesses the Information. Under no circumstance will the Contractor be required to create or maintain documents not kept in the ordinary course of contractor's business operations, nor will contractor be required to disclose any information, including but not limited to product cost data, which is confidential or proprietary to contractor.

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
SD			

The Parties shall pay their own costs of the audit unless the audit finds a previously undisclosed overpayment by the State. If a previously undisclosed overpayment exceeds one-half of one percent (.5%) of the total contract billings, or if fraud, material misrepresentations, or non-performance is discovered on the part of the Contractor, the Contractor shall reimburse the State for the total costs of the audit. Overpayments and audit costs owed to the State shall be paid within ninety (90) days of written notice of the claim. The Contractor agrees to correct any material weaknesses or condition found as a result of the audit.

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## V. PROJECT DESCRIPTION AND SCOPE OF WORK

*The bidder should provide the following information in response to this Request for Proposal.*

### A. PROJECT OVERVIEW

*The State of Nebraska, DHHS, NDCS and NDVA are soliciting proposals from qualified bidders to provide temporary medical staffing services at its 24- hour facilities.*

Management Registry, Inc. has thoroughly reviewed the State's RFP and understands your project requirements and scope of work. We are qualified to deliver the temporary medical staffing services for each of your 24-hour facilities. Please refer to Section VI. CORPORATE OVERVIEW for comprehensive details on our approach to the State's project.

### B. OPERATING FACILITY DETAILS BY AGENCY LOCATIONS

#### 1. NEBRASKA DEPARTMENT OF HEALTH AND HUMAN SERVICES LOCATIONS

*DHHS facility locations and Addresses are provided in Attachment One.*

- a. Lincoln Regional Center and Whitehall campus (LRC)*
- b. Norfolk Regional Center (NRC)*
- c. Hasting Regional Center (HRC)*
- d. Youth Rehabilitation and Treatment Center in Geneva (YRTC-G)*
- e. Youth Rehabilitation and Treatment Center in Kearney (YRTC-K)*
- f. Youth Rehabilitation and Treatment Center in Lincoln (YRTC-L)*
- g. Beatrice State Developmental Center (BSDC)*

#### 2. NEBRASKA DEPARTMENT OF CORRECTIONAL SERVICES LOCATIONS

*NDCS facility locations and addresses are provided in Attachment Two.*

#### 3. NEBRASKA DEPARTMENT OF VETERANS' AFFAIRS LOCATIONS

*NDVA facility locations and Addresses are provided in Attachment Three.*

- a. Eastern Nebraska Veterans' Home (ENVH)*
- b. Central Nebraska Veterans' Home (CNVH)*
- c. Norfolk Veterans' Home (NVH)*
- d. Western Nebraska Veterans' Home (WNVH)*

Management Registry, Inc. has reviewed the State's operating facility details and locations and is qualified to deliver services to each facility. Please refer to Section VI. CORPORATE OVERVIEW for comprehensive details on our approach to supporting the State's centers, correctional facilities, and veterans' homes.

### C. SCOPE OF WORK

- 1. Contractor must provide temporary staff members to fill the positions listed below in Section V.G. for job assignments for three agencies, DHHS, NDCS and NDVA.*
  - a. The Contractor must maintain continuity of staff, subject to availability.*
  - b. Contractor's personnel must have the necessary education, training, certification, registration and/or licensure for each position to be filled. Any documentation (licenses, certificates, etc.) necessary to demonstrate fitness for position(s) being filled must be made available to the DHHS*



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*Facilities Director/designee, NDCS Nurse Manager/designee or NDVA Clinical Nurse Trainer and/or Facility Scheduler at each facility/location upon request.*

- c. For those positions listed in Section V.G., for which a license or credential is necessary, any duty assigned to such temporary staff member must fall within the scope of practice of such occupation.*
- 2. The requesting agency may direct Contractor to replace or substitute, for any reason, any temporary staff member assigned to any agency facility or location. Contractor must substitute or replace any temporary staff member assigned to any agency facility or location at the direction of the agency no later than one (1) business day after receiving such direction. If no substitute or replacement is available, Contractor must notify the agency within one (1) business day.*
- 3. The requesting agency agrees to inform the Contractor of any disciplinary or performance problems with temporary staff and will provide copies of documentation of such situations available to the Contractor.*
- 4. The times and locations of all temporary staff provided by the Contractor must be documented on the time sheet. The procedures for completing the time sheet may vary between facilities. Temporary staff will be trained on these procedures.*
- 5. Any temporary staff member assigned by the Contractor shall adhere to his/her scheduled hours as established at each of the requesting agencies facilities.*
  - a. In order to account for the number of hours worked on any day, the temporary staff member must sign in at the beginning of each workday and to sign out at the end of each workday on all timesheets.*
  - b. The temporary staff member must leave a copy of each timesheet for each temporary staff member on site with the supervisor or designee.*
  - c. The requesting agency Facilities Director/Nurse Manager or designee will verify all time sheets as worked by the temporary staff member. The agency Facilities Director/Nurse Manager or designee will review, sign, and approve all time sheets or authorize electronically.*
  - d. The State may require, for the purpose of fiscal accountability and service transparency, that temporary staff personnel complete additional documentation. Such documentation may include, but is not limited to, such items as a list of patients/inmates seen during a shift and/or a list of tasks completed during a shift.*
- 6. If any of the requesting agencies property is broken or damaged during the normal performance of the services under this contract, the property shall be repaired or replaced at the Contractor's expense. This includes items of a personal nature, as well as state-owned property such as furniture, walls, office equipment, etc.*
- 7. Temporary staff provided by the Contractor are subject to a security background check prior to commencing work on-site.*
- 8. Temporary staff provided by the Contractor cannot drive state-owned or leased vehicles.*
- 9. Staff assigned by the Contractor to the ordering agency are employees of Contractor and are not employees or agents of the agency, regardless of whether the Contractor has employment relationships or other types of relationships, such as independent contractor relationships with the Staff.*
- 10. The agency assumes no responsibility or liability for visa, sponsorship, work status, or other items related to traveling for temporary staff assigned to the agency.*
- 11. Contractor must provide proof of appropriate licenses and certifications, if applicable per the job descriptions listed in Section V.F., for individuals serving as temporary professional staff within the requesting agencies facilities prior to the start of the individual's assignment.*
- 12. Temporary staff provided by the Contractor for the requested position assignment shall be billed for that corresponding rate. If in the event that same assigned person is qualified to perform requested duties of a position of a lesser qualification/certification/license the contractor shall bill for original*

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*requested position assignment billing rate. The temporary staff cannot be billed at a higher rate than what they were requested for assignment based solely on their higher qualification/certification/licensing.*

- 13. Contractor shall have all the necessary qualifications, certifications, and/or licenses pursuant to Federal and State law and regulations to provide the services required.**
- 14. Contractor shall notify the agency within twenty-four (24) hours, in writing, if any adverse action is taken against the license of any temporary staff provided by the Contractor.**

Management Registry, Inc. has reviewed the State's scope of work and agrees to deliver on all requirements. Please refer to Section VI. CORPORATE OVERVIEW for comprehensive details on our approach to the State's project.

#### **D. BIDDER REQUIREMENTS**

***Bidder should be capable of providing at least three (3) temporary staffing positions per City/Geographic location.***

Management Registry, Inc. confirms. We leverage our pre-built healthcare staffing pool, comprised of thousands of medical professionals, as well as advanced recruiting to provide the staff the State requires across all modalities, facilities, and geographic locations.

#### **E. ELECTRONIC TIMEKEEPING**

***If the bidder has an electronic timekeeping system or portal which they use, the ordering agency staff would need access to approve on-site hours at a facility, if that agency wishes to process electronic timekeeping. NDCS prefers to use electronic timekeeping.***

Management Registry, Inc. can provide electronic timekeeping, including all necessary information and appropriate State approval access.

#### **F. CLASSIFICATION/JOB DESCRIPTIONS**

- 1. AGENCY UTILIZATION REVIEW – RN**
- 2. CERTIFIED MASTER SOCIAL WORKER**
- 3. CHEMICAL DEPENDENCY COUNSELOR**
- 4. DENTAL ASSISTANT**
- 5. DENTAL HYGIENIST**
- 6. DENTIST**
- 7. LABORATORY SCIENTIST II**
- 8. LICENSED DRUG AND ALCOHOL COUNSELOR**
- 9. LICENSED MENTAL HEALTH PRACTITIONER**
- 10. LICENSED MENTAL HEALTH PRACTITIONER II**
- 11. LICENSED PRACTICAL NURSE (LPN)**
- 12. MEDICAL RADIOGRAPHER (X-RAY TECHNICIAN)**
- 13. MEDICAL RECORDS CLERK**
- 14. MEDICATION AIDE**
- 15. MENTAL HEALTH SECURITY SPECIALIST II**
- 16. NURSE PRACTITIONER (Advanced Practice Registered Nurse)**
- 17. NURSE SUPERVISOR**
- 18. OCCUPATIONAL THERAPIST**
- 19. OPHTHALMOLOGIST**
- 20. OPTOMETRIC AIDE**

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- 21. OPTOMETRIST**
  - 22. PHARMACIST**
  - 23. PHARMACY TECHNICIAN**
  - 24. PHLEBOTOMIST**
  - 25. PHYSICAL THERAPIST**
  - 26. PHYSICIAN**
  - 27. PHYSICIAN ASSISTANT**
  - 28. PSYCHIATRIST**
  - 29. PSYCHOLOGIST/LICENSED (CLINICAL)**
  - 30. REGISTERED NURSE (RN)**
  - 31. RESPIRATORY THERAPIST**
  - 32. SPEECH PATHOLOGIST**
  - 33. STAFF CARE TECHNICIAN I/CERTIFIED NURSING AIDE/MEDICAL ASSISTANT**

Management Registry, Inc. has reviewed the State's job descriptions. Leveraging our pre-built staffing pool as well as proven screening and recruiting methodologies, we are well positioned to deliver qualified staff to fill your open positions.

#### **G. QUALIFIED PERSONNEL – NDCS**

Management Registry, Inc. has reviewed the State's qualified personnel requirements and confirms no candidates will be presented for consideration without meeting these conditions.

#### **H. ORIENTATION/TRAINING**

Management Registry, Inc. has reviewed the State's orientation/training conditions and agrees to deliver on all requirements.

#### **I. SCHEDULING**

Management Registry, Inc. has reviewed the State's scheduling conditions and agrees to deliver on all requirements.

#### **J. ESTIMATED USAGE**

Management Registry, Inc. has reviewed the State's estimated usage information.

#### **K. PAYMENT SCHEDULE**

Management Registry, Inc. has reviewed the State's payment schedule conditions and agrees to deliver on all requirements.

#### **L. AGENCY RESPONSIBILITIES**

Management Registry, Inc. has reviewed and understands the agency's responsibilities.

#### **M. DELIVERABLES**

Management Registry, Inc. has reviewed and understands the State's deliverables.

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## VI. CORPORATE OVERVIEW

*This section documents the requirements that should be met by bidders in preparing the Corporate Overview.*

### A. BIDDER IDENTIFICATION AND INFORMATION

*The contractor should provide the full company or corporate name, address of the company's headquarters, entity organization (corporation, partnership, proprietorship), state in which the contractor is incorporated or otherwise organized to do business, year in which the contractor first organized to do business and whether the name and form of organization has changed since first organized.*

- **Company name:** Management Registry, Inc.
- **Headquarters address:** 1868 Campus Place, Louisville, KY 40299
- **Entity organization:** S-Corporation
- **State incorporated:** Kentucky
- **Year organized to do business:** 1969
- **Name change:** Not applicable

### B. FINANCIAL STATEMENTS

*The contractor should provide financial statements applicable to the firm. If publicly held, the contractor should provide a copy of the corporation's most recent audited financial reports and statements, and the name, address, and telephone number of the fiscally responsible representative of the contractor's financial or banking organization.*

*If the contractor is not a publicly held corporation, either the reports and statements required of a publicly held corporation, or a description of the organization, including size, longevity, client base, areas of specialization and expertise, and any other pertinent information, should be submitted in such a manner that proposal evaluators may reasonably formulate a determination about the stability and financial strength of the organization. Additionally, a non-publicly held firm should provide a banking reference.*

*The contractor must disclose any and all judgments, pending or expected litigation, or other real or potential financial reversals, which might materially affect the viability or stability of the organization, or state that no such condition is known to exist.*

*The State may elect to use a third party to conduct credit checks as part of the corporate overview evaluation.*

Please refer to the Exhibits section of our proposal for financial statements.

Please see below for banking reference information:

Shelby Huber, AVP  
BB&T Payment Solutions  
(502) 562-5467  
[shuber@bbandt.com](mailto:shuber@bbandt.com)

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**C. CHANGE OF OWNERSHIP**

*If any change in ownership or control of the company is anticipated during the twelve (12) months following the proposal due date, the contractor should describe the circumstances of such change and indicate when the change will likely occur. Any change of ownership to an awarded contractor(s) will require notification to the State.*

Management Registry, Inc. does not anticipate any ownership changes during the 12 months following the proposal due date.

**D. OFFICE LOCATION**

*The contractor's office location responsible for performance pursuant to an award of contract with the State of Nebraska should be identified.*

Should Malone Workforce Solutions be awarded the State's business, you will be supported by our dedicated Healthcare and Government Division, located at 13218 Cottner Street, Omaha, NE 68137.

**E. RELATIONSHIP WITH THE STATE**

*The contractor should describe any dealings with the State over the previous five (5) years. If the organization, its predecessor, or any Party named in the contractor's proposal response has contracted with the State, the contractor should identify the contract number(s) and/or any other information available to identify such contract(s). If no such contracts exist, so declare.*

Client	Contract Dates	Contract Details	Services
State of Nebraska Department of Corrections	6/1/14 – 11/30/20	Two additional two-year periods	Temporary Medical Services at NDCS Facilities and Locations; 60812 O4 REN2 REV1
State of Nebraska Eastern Nebraska Veterans Home	2/22/19 – 2/20/21	Base plus four one-year	Eastern NE Veterans Home Front-Desk Reception Area; Service Contract Award 7048504
Douglas County, Nebraska Douglas County Health Center Douglas County Community Mental Health Center	1/17/19 – 1/16/22	Three years from execution with two-year additional years	Temporary Nursing Staff
Douglas County, Nebraska Douglas County Health Center Douglas County Community Mental Health Center	11/18/18 – 11/17/21	Three years from execution with two-year additional years	Temporary Labor

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## F. BIDDER'S EMPLOYEE RELATIONS TO THE STATE

***If any Party named in the contractor's proposal response is or was an employee of the State within the past twenty-four (24) months, identify the individual(s) by name, State agency with whom employed, job title or position held with the State, and separation date. If no such relationship exists or has existed, so declare.***

Not applicable. No such relationship has or does exist.

***If any employee of any agency of the State of Nebraska is employed by the contractor or is a Subcontractor to the contractor, as of the due date for proposal submission, identify all such persons by name, position held with the contractor, and position held with the State (including job title and agency). Describe the responsibilities of such persons within the proposing organization. If, after review of this information by the State, it is determined that a conflict of interest exists or may exist, the contractor may be disqualified from further consideration in this proposal. If no such relationship exists, so declare.***

Not applicable. No such relationship has or does exist.

## G. CONTRACT PERFORMANCE

***If the bidder or any proposed Subcontractor has had a contract terminated for default during the past five (5) years, all such instances must be described as required below. Termination for default is defined as a notice to stop performance delivery due to the contractor's non-performance or poor performance, and the issue was either not litigated due to inaction on the part of the contractor or litigated and such litigation determined the contractor to be in default.***

Not applicable. Management Registry, Inc. has experienced no such termination for default.

***It is mandatory that the contractor submit full details of all termination for default experienced during the past five (5) years, including the other Party's name, address, and telephone number. The response to this section must present the contractor's position on the matter. The State will evaluate the facts and will score the contractor's proposal accordingly. If no such termination for default has been experienced by the contractor in the past five (5) years, so declare.***

Not applicable. Management Registry, Inc. has experienced no such termination for default in the past five years.

***If at any time during the past five (5) years, the contractor has had a contract terminated for convenience, nonperformance, non-allocation of funds, or any other reason, describe fully all circumstances surrounding such termination, including the name and address of the other contracting Party.***

Not applicable. Management Registry, Inc. has experienced no such termination for convenience, nonperformance, non-allocation of funds, or any other reason surrounding such termination in the past five years.

## H. SUMMARY OF CONTRACTOR'S CORPORATE EXPERIENCE

***The contractor should provide a summary matrix listing the contractor's previous projects similar to this Request for Proposal in size, scope, and complexity. The State will use no more than three (3) narrative project descriptions submitted by the contractor during its evaluation of the proposal. The contractor should address the following:***

- 1. Provide narrative descriptions to highlight the similarities between the contractor's experience and this Request for Proposal. These descriptions should include:***

- a. *The time period of the project;*
  - b. *The scheduled and actual completion dates;*
  - c. *The Contractor's responsibilities;*
  - d. *For reference purposes, a customer name (including the name of a contact person, a current telephone number, a facsimile number, and e-mail address); and*
  - e. *Each project description should identify whether the work was performed as the prime Contractor or as a Subcontractor. If a contractor performed as the prime Contractor, the description should provide the originally scheduled completion date and budget, as well as the actual (or currently planned) completion date and actual (or currently planned) budget.*
2. *Contractor and Subcontractor(s) experience should be listed separately. Narrative descriptions submitted for Subcontractors should be specifically identified as Subcontractor projects.*
  3. *If the work was performed as a Subcontractor, the narrative description should identify the same information as requested for the Contractors above. In addition, Subcontractors should identify what share of contract costs, project responsibilities, and time period were performed as a Subcontractor.*

<b>Client 1</b>	Nebraska Department of Corrections
<b>Project time period</b>	2014 – Current
<b>Scheduled and actual completion dates and budget</b>	2014 – Current \$154,123.77
<b>Contractor's responsibilities</b>	Temporary Medical Services at NDCS Facilities and Locations
<b>Reference information</b>	Name: Teresa Royer Telephone number: (402) 479-6331 Fax number: Not applicable Email address: <a href="mailto:Teresa.Royer@nebraska.gov">Teresa.Royer@nebraska.gov</a>
<b>Prime or subcontractor</b>	Prime contractor

<b>Client 2</b>	Mildred Mitchell Bateman Hospital
<b>Project time period</b>	2017 – Current
<b>Scheduled and actual completion dates and budget</b>	2017 – Current \$3,361,467.53
<b>Contractor's responsibilities</b>	RN, LPN, and CNA staffing
<b>Reference information</b>	Name: Susan Shields Telephone number: (304) 525-7801 Fax number: Not applicable Email address: <a href="mailto:Olivia.S.Shields@wv.gov">Olivia.S.Shields@wv.gov</a>
<b>Prime or subcontractor</b>	Prime contractor

<b>Client 3</b>	Clarksburg Nursing Facility
<b>Project time period</b>	2017 – Current
<b>Scheduled and actual completion dates and budget</b>	2017 – Current \$2,008,494.75
<b>Contractor's responsibilities</b>	RN, LPN, and CNA staffing
<b>Reference information</b>	Name: Marianne Helm Telephone number: (304) 626-1600 Ext. 3030 Fax number: Not applicable Email address: <a href="mailto:Marianne.S.Helm@wv.gov">Marianne.S.Helm@wv.gov</a>

## I. SUMMARY OF CONTRACTOR'S PROPOSED PERSONNEL/MANAGEMENT APPROACH

*The contractor should present a detailed description of its proposed approach to the management of the project.*

Management Registry, Inc. has extensive experience providing temporary medical staffing services to public-sector centers, correctional facilities, and veterans' homes. Our full-service offering is comprised of recruiting, screening, selection, retention, application, credentialing, orientation, and employee satisfaction components:

### Recruiting, Screening, Selection, and Retention

**Recruiting.** Our recruitment efforts are ongoing to support new or surge requirements as the State needs. We use a variety of sources to recruit candidates, including:

- Management Registry, Inc.'s database containing thousands of healthcare providers.
- Local community resources and partnerships with higher education institutions.
- Regional job fairs.
- National conferences.
- Classified advertising.
- Job boards, such as CareerBuilder, Indeed, and Monster,
- Posting on Management Registry, Inc.'s Twitter, Facebook, and LinkedIn platforms.
- Employee referrals, with referral bonuses for Management Registry, Inc. employees.
- Client referrals.

**Screening and selection.** Once a qualified candidate is identified, he or she is thoroughly screened based on Management Registry, Inc. and State specifications and requirements.

**Retention.** Our retention program was developed from our extensive experience providing similar services for comparable projects requiring fluctuating workloads and demanding schedules. We deliver a work-life balance through complete transparency and a comprehensive benefits program. We communicate regularly with associates regarding performance, goals, and compensation, offering incremental pay increases based on service and position longevity. We offer affordable healthcare options for our temporary employees, including medical, dental, and vision plans, and the opportunity for short-term disability, term life, and accidental insurance. Our associates accrue paid time off based on assignments and company tenure, and we offer paid holidays. Depending on position, Management Registry, Inc. also offers education/licensing stipends. In addition, we provide ongoing training and continuing education units to support our associates' growth and success.

### Application Process

Our application process is built on Joint Commission standards. We use Healthcaresource and Relias for skills, competency, and medication assessments. We conduct primary source education, license and/or certification(s), physical and immunizations, E-Verify, and reference checks. We perform structured interviews and online behavioral assessments to gauge an applicant's soft skills, including his or her interpersonal skills, ability to effectively collaborate, social sensitivity, leadership and listening skills, and crisis management capabilities, including his or her ability to maintain professionalism during stressful situations. All our providers complete an online application, which our staffing specialists and account managers use to build our standard applicant profile. Completed application files contain credentialing documents, discussed below.



## Credentialing

Before being presented to the State, all candidates meet the criteria outlined in the following table. Management Registry, Inc. associates do not provide service if they are not appropriately licensed/certified in their respective skill.

<b>Experience</b>	At least one to two years of work experience in the specialty for which the healthcare provider is applying.
<b>Licensure</b>	A current professional state license for all licensed healthcare providers.
<b>Certification</b>	A current certification on all non-licensed healthcare providers.
<b>Verification</b>	Verification of licensure and certification is conducted initially and annually.
<b>Education</b>	Nurses must provide documentation from nursing school attended, licensure documentation, and date state licensure was obtained. Non-licensed providers must provide documentation of education and proof of certification or registration, if applicable.
<b>Healthcare Provider Certification cards</b>	Cards must be provided for specialty, including CPR, BLS, ACLS, NPR, according to application.
<b>References</b>	Two references covering employment from past year in current specialty are obtained from a unit manager, house supervisor, or individual in leadership role.
<b>OIG Exclusion Search/LEIE Record Check</b>	Conducted initially and annually.
<b>EPLS</b>	Conducted initially and annually.
<b>E-Verify</b>	Conducted initially on hire.
<b>Physical</b>	A physical form must be completed and signed by a licensed physician, physician's assistant, or nurse practitioner initially and annually. Form must indicate that the healthcare provider is in good health without restrictions.
<b>Hepatitis B</b>	Healthcare providers must complete a Hepatitis B consent/declination form and/or provide Hepatitis titer.
<b>Titers and PPD</b>	Rubella, Rubeola, Varicella – healthcare provider must provide official lab report documentation for titers or MMR.
<b>Skills Checklist</b>	Healthcare providers must complete a skills checklist specific to the professional's practice area. We use a confidential third-party web-based source for each user.
<b>Competency Testing</b>	The healthcare provider must complete competency testing with a score of 80 percent or higher in the specialty for which he or she is applying. Our competency systems also enable healthcare providers to use a one-time remediation process, using a confidential third-party web-based source for each user. Management Registry, Inc. Account Managers and Credentialing Specialists are emailed the results.
<b>Medication Test</b>	All licensed healthcare providers, including RNs and LPNs, must pass a medication test with an 80 percent or higher. We use a confidential third-party web-based source for each user.

	Management Registry, Inc. Account Managers and Credentialing Specialists are emailed the results.
<b>Core Mandatories</b>	Healthcare providers must complete the caregiver safety series, initially and annually, which meet the mandatory standards set by state boards and accrediting and regulatory agencies, such as Joint Commission, CDC, and OSHA.
<b>Drug Screening</b>	Management Registry, Inc. requires all applicants to pass a 10-panel drug screening test.
<b>Criminal Records/Background Screening</b>	We have a non-felony position for any applicant to be considered for employment. All healthcare providers undergo a national criminal background check. We also use the OIG for exclusions and a national sex offender registry for all applicants. Our background screenings are conducted without regard to race, creed, sexual orientation, age, or handicap in accordance with state and federal regulations.

Management Registry, Inc. is committed to maintaining compliance when entering into all staffing agreements, exhibited by having copies of all necessary licenses, credentials, and certifications in a provider's file prior to the professional being sent on assignment. Proactively monitoring credential expirations, we review compliance reports to identify credentials set to expire at a minimum of 30 days. Our credentialing specialist contacts employees to update documents prior to expiration, as employees are prohibited to work with expired credentials.

## Orientation

Management Registry, Inc. provides all new employees with an orientation to review company policies and procedures. We supply all nursing support staff with a customized orientation packet containing basic information, such as what to wear, proper personal protective equipment, work hours, pay rates, detailed position specifications, and other administrative elements. In addition, as assigned personnel must attend a State-conducted orientation, we ensure this is complete before their first shift.

## Employee Satisfaction

Valuing our associates, we have developed highly competitive retention packages and programs. With an average employee retention rate of 93 percent, we have found that the key to our success is engaged employees. Our associates ignite performance because Management Registry, Inc. creates a climate that fosters employee satisfaction and retention, the three pillars of which are outlined below:

- **Team environment.** Our corporate team remains with the employee throughout his or her service period. At every opportunity, our team seeks to progress the individual toward higher professional and personal goals. We listen to our employees to ensure they have a voice in the process. Our account managers facilitate open communication through emails, phone calls, weekly and/or monthly virtual team meetings, and an ongoing open-door policy.
- **Employee recognition.** We take every opportunity to identify, recognize, and showcase our employees for their excellent performance, as many of the best improvement ideas originate with our talent. Monetary, personal awards, increased responsibility, and promotions are some of the benefits we provide our loyal associates. As we commit to talent recognition, our employees:
  - Increase loyalty to our team and customer.
  - Boost moral across the operation line.

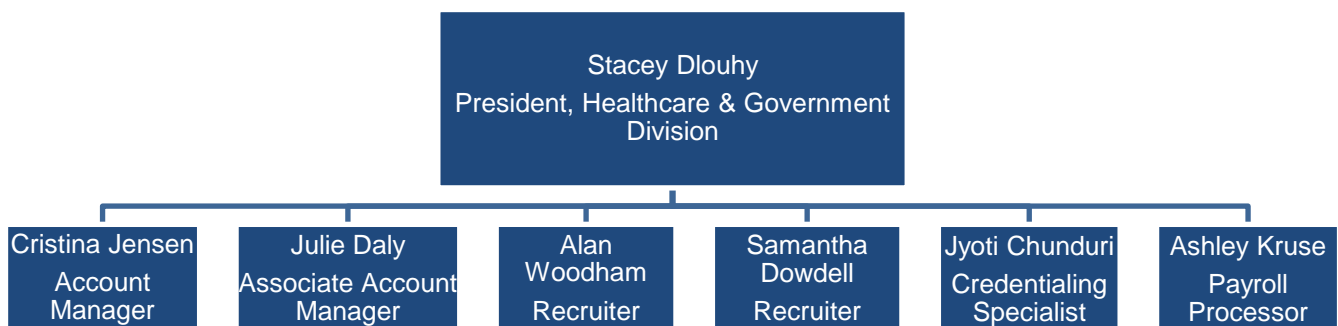
- Decrease team turnover.
- Improve performance.
- Reduce accidents and increase safety.
- Improve overall employee wellness.
- **Professionalism and personal growth.** Recognizing that individuals bring a shared success to the team, we recommend each individual expand professional and personnel qualifications and seek every opportunity to reach his or her goals. We provide ongoing training and continuing education units to support our associates' growth and success.

Our performance plan, outlined below, has been developed from our extensive experience providing similar level personnel for comparable projects requiring fluctuating workloads and demanding schedules. Additionally, we provide a work-life balance through complete transparency and a comprehensive benefits program.

Performance and Compensation Reviews
<ul style="list-style-type: none"> <li>• Performance and development evaluation statement.</li> <li>• Dispute resolution.</li> <li>• Disciplinary procedure for any employee logged by a group leader.</li> <li>• Updated, accurate personnel records and personal information.</li> <li>• Rehiring opportunities offered for successfully completed assignments.</li> <li>• Incremental pay increases based on position performance and longevity.</li> <li>• Referral bonuses.</li> </ul>

***The contractor should identify the specific professionals who will work on the State's project if their company is awarded the contract resulting from this Request for Proposal. The names and titles of the team proposed for assignment to the State project should be identified in full, with a description of the team leadership, interface and support functions, and reporting relationships. The primary work assigned to each person should also be identified.***

The account management team assigned to support the State provides healthcare industry best practices gleaned from extensive experience delivering services across numerous clients like you. Spearheaded by Stacey Dlouhy, President, Government & Healthcare Division, this dedicated, knowledgeable team, presented below in the organizational chart, is prepared to meet your requirements and anticipated staffing needs.



**Stacey Dlouhy, President, Government & Healthcare Division.** Stacey leverages considerable experience across numerous correctional and healthcare agencies to provide executive support and oversee your assigned Management Registry, Inc. account management team. She possesses a complete working knowledge of recruiting and staffing methods and processes for the government, healthcare, professional, and general labor

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workforce. Her expertise spans residential facilities, state hospitals, state and federal correctional institutions, and DoD medical facilities.

**Cristina Jensen, Account Manager.** A tenured account manager, Cristina leverages deep government knowledge to support the State. With your satisfaction at top of mind, Cristina ensures goal alignment and performance to meet your needs.

**Julie Daly, Associate Account Manager.** Julie brings her knowledge of recruiting processes and her organizational skills to deliver account management services to our clients. She ensures company policies and process are followed and local, state, and federal regulations are met.

**Alan Woodham, Recruiter.** A seasoned recruiter, Alan has a proven track record of recruiting quality associates. Alan works closely with facility stakeholders to develop tailored recruiting and scheduling plans, ensuring ongoing satisfaction and program success.

**Samantha Dowdell, Recruiter.** Leveraging an extensive background in recruiting, customer care, and human resources, Samantha is an expert at sourcing and attracting the right candidates for our clients based on their unique needs and requirements. She deploys best practice strategies and has vast Joint Commission experience.

**Jyoti Chunduri, Credentialing Specialist.** Jyoti ensures employee qualification compliance across education, certification, licensing, vaccination/health documentation, and continuing education. She has vast experience maintaining electronic medical records to meet HIPAA regulations.

**Ashley Kruse, Payroll Processor.** Ashley has full lifecycle staffing industry experience. Starting her career as a healthcare recruiter, she thoroughly understands variable schedule billing. Ashley oversees invoicing, payroll, and reporting for the State.

***The contractor should provide resumes for all personnel proposed by the contractor to work on the project. The State will consider the resumes as a key indicator of the contractor's understanding of the skill mixes required to carry out the requirements of the Request for Proposal in addition to assessing the experience of specific individuals.***

Please refer to the Exhibits section of our proposal for account team resumes.

***Resumes should not be longer than three (3) pages. Resumes should include, at a minimum, academic background and degrees, professional certifications, understanding of the process, and at least three (3) references (name, address, and telephone number) who can attest to the competence and skill level of the individual. Any changes in proposed personnel shall only be implemented after written approval from the State.***

Please refer to the Exhibits section of our proposal for account team resumes.

## **J. SUBCONTRACTORS**

***If the contractor intends to subcontract any part of its performance hereunder, the contractor should provide:***

- 1. Name, address, and telephone number of the Subcontractor(s);***
- 2. Specific tasks for each Subcontractor(s);***
- 3. Percentage of performance hours intended for each Subcontract; and***

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**4. Total percentage of Subcontractor(s) performance hours.**

Not applicable. Management Registry, Inc. does not intend to subcontract any element of performance should we be awarded the State's business.

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## VII. COST PROPOSAL REQUIREMENTS

***This section describes the requirements to be addressed by bidders in preparing the State's Cost Proposal. The bidder must use the State's Cost Proposal. The bidder should submit the State's Cost Proposal in accordance with Section I Submission of Proposal.***

Please refer to Management Registry, Inc.'s Cost Proposal for pricing details.

***THE STATE'S COST PROPOSAL AND ANY OTHER COST DOCUMENT SUBMITTED WITH THE PROPOSAL SHALL NOT BE CONSIDERED CONFIDENTIAL OR PROPRIETARY AND IS CONSIDERED A PUBLIC RECORD IN THE STATE OF NEBRASKA AND WILL BE POSTED TO A PUBLIC WEBSITE.***

Management Registry, Inc. acknowledges and confirms. Please refer to our Cost Proposal for pricing details.

### **A. COST PROPOSAL**

***This summary shall present the total fixed price to perform all of the requirements of the RFP. The bidder must include details in the State's Cost Proposal supporting any and all costs.***

Management Registry, Inc. acknowledges and confirms. Please refer to our Cost Proposal for pricing details.

***The State reserves the right to review all aspects of cost for reasonableness and to request clarification of any proposal where the cost component shows significant and unsupported deviation from industry standards or in areas where detailed pricing is required.***

Management Registry, Inc. acknowledges and confirms. Please refer to our Cost Proposal for pricing details.

### **B. PRICES**

***Prices quoted shall be net, including transportation and delivery charges fully prepaid by the bidder, F.O.B. destination named in the RFP. No additional charges will be allowed for packing, packages, or partial delivery costs. When an arithmetic error has been made in the extended total, the unit price will govern.***

Management Registry, Inc. acknowledges and confirms. Please refer to our Cost Proposal for pricing details.

## Attachments

**Form A**  
**Contractor Proposal Point of Contact**  
**Request for Proposal Number 6322 Z1**

Form A should be completed and submitted with each response to this Request for Proposal. This is intended to provide the State with information on the contractor's name and address, and the specific person(s) who are responsible for preparation of the contractor's response.

Preparation of Response Contact Information	
Contractor Name:	Management Registry, Inc.
Contractor Address:	13218 Cottner Street Omaha, NE 68137
Contact Person & Title:	Stacey Dlouhy, President, Healthcare & Government Division
E-mail Address:	Stacey.Dlouhy@managementregistry.com
Telephone Number (Office):	(888) 851-3588
Telephone Number (Cellular):	(402) 415-8378
Fax Number:	(888) 873-7106

Each contractor should also designate a specific contact person who will be responsible for responding to the State if any clarifications of the contractor's response should become necessary. This will also be the person who the State contacts to set up a presentation/demonstration, if required.

Communication with the State Contact Information	
Contractor Name:	Management Registry, Inc.
Contractor Address:	13218 Cottner Street Omaha, NE 68137
Contact Person & Title:	Stacey Dlouhy, President, Healthcare & Government Division
E-mail Address:	Stacey.Dlouhy@managementregistry.com
Telephone Number (Office):	(888) 851-3588
Telephone Number (Cellular):	(402) 415-8378
Fax Number:	(888) 873-7106



**Form B**  
**NDCS Supplemental Contract Information**  
**Request for Proposal Number 6322 Z1**

The Nebraska Department of Correctional Services (NDCS) is committed to the open and fair process for selection of contractual services; additionally, we are committed to upholding the laws of the State of Nebraska, the NDCS Code of Ethics and Conduct, and internal recommendations for improving best business practices.

Please complete the questions below and submit with your bid documents. Responding "yes" to any question will not disqualify you from consideration, but may necessitate a follow-up information request.

Company Name: Management Registry, Inc.

PO Box Address: N/A

Physical Address: 13218 Cottner Street

City/State/Zip: Omaha, NE 68137

Phone Number: (888) 851-3588

Name/Title of Contact: Stacey Dlouhy

		YES	NO
1.	To your knowledge do you have any relatives, employees, contractors, sub-contractors, or a personal relationship with anyone who is currently employed by the Nebraska Department of Correctional Services?		X
	If yes, who?		
2.	Has an employee of the Department of Correctional Services performed work for you under your current contract with the NDCS?		X
	If yes, who, how long, and in what capacity?		
3.	Does an employee of the Department of Correctional Services (past or present) hold any corporate position in your company?		X
	If yes, who and what position?		
4.	Incorporated companies, please provide the following information: Name of Corporate Entity: <u>Management Registry, Inc.</u> Principle Office Address: <u>1868 Campus Place, Louisville, KY 40299</u> Registered Agent and Office Address: <u>13218 Cottner Street, Omaha, NE 68137</u>		
5.	Non-Incorporated Companies please provide the following information: Owner: <u>Not applicable.</u>		

By my signature below, I attest that neither I, nor my company, nor any primary officer or employee in my company has a known conflict of interest with the Nebraska Department of Correctional Services.

Stacey K Dlouhy  
Company President Signature

7/18/20  
Date

## REQUEST FOR PROPOSAL FOR CONTRACTUAL SERVICES FORM

### CONTRACTOR MUST COMPLETE THE FOLLOWING

By signing this Request for Proposal for Contractual Services form, the contractor guarantees compliance with the procedures stated in this Request for Proposal, and agrees to the terms and conditions unless otherwise indicated in writing and certifies that contractor maintains a drug free work place.


Per Nebraska's Transparency in Government Procurement Act, Neb. Rev Stat § 73-603 DAS is required to collect statistical information regarding the number of contracts awarded to Nebraska Contractors. This information is for statistical purposes only and will not be considered for contract award purposes.

NEBRASKA CONTRACTOR AFFIDAVIT: Bidder hereby attests that bidder is a Nebraska Contractor. "Nebraska Contractor" shall mean any bidder who has maintained a bona fide place of business and at least one employee within this state for at least the six (6) months immediately preceding the posting date of this Request for Proposal.

\_\_\_\_\_ I hereby certify that I am a Resident disabled veteran or business located in a designated enterprise zone in accordance with Neb. Rev. Stat. § 73-107 and wish to have preference, if applicable, considered in the award of this contract.

\_\_\_\_\_ I hereby certify that I am a blind person licensed by the Commission for the Blind & Visually Impaired in accordance with Neb. Rev. Stat. §71-8611 and wish to have preference considered in the award of this contract.

### FORM MUST BE SIGNED USING AN INDELIBLE METHOD (OR VIA DOCUSIGN)

FIRM:	Management Registry, Inc.
COMPLETE ADDRESS:	13218 Cottner Street, Omaha, NE 68137
TELEPHONE NUMBER:	(888) 851-3588
FAX NUMBER:	(888) 873-7106
DATE:	7/18/20
SIGNATURE:	
TYPED NAME & TITLE OF SIGNER:	Stacey Dlouhy, President, Healthcare & Government Division

## Exhibits

# Management Registry, Inc. Financial Statements

2018 Financial Statement

MANAGEMENT REGISTRY, INC. AND AFFILIATES

CONSOLIDATED AND COMBINED  
FINANCIAL REPORT

DECEMBER 31, 2018

DRAFT

## CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS	1-2
CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS	
Consolidated and combined balance sheet	3
Consolidated and combined statement of income	4
Consolidated and combined statement of stockholders' and members' equity	5
Consolidated and combined statement of cash flows	6-7
Notes to consolidated and combined financial statements	8-17
INDEPENDENT AUDITOR'S REPORT ON THE SUPPLEMENTARY INFORMATION	18
SUPPLEMENTARY INFORMATION	
Consolidated and combined schedule of general and administrative expenses	19

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Management Registry, Inc. and Affiliates  
Louisville, Kentucky

We have audited the accompanying consolidated and combined financial statements of Management Registry, Inc. and Affiliates, which comprise the consolidated and combined balance sheet as of December 31, 2018, and the related consolidated and combined statements of income, stockholders' and members' equity, and cash flows for the year then ended, and the related notes to the consolidated and combined financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated and combined financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated and combined financial statements that are free from material misstatements, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated and combined financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated and combined financial statements are free from material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated and combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated and combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated and combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated and combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the consolidated and combined financial statements referred to above present fairly, in all material respects, the financial position of Management Registry, Inc. and Affiliates as of December 31, 2018, and the results of their operations and their cash flows for year then ended in accordance with accounting principles generally accepted in the United States of America.

*Jones, Hale & Mattingly P.C.*

Louisville, Kentucky  
May XX, 2019

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**MANAGEMENT REGISTRY, INC. AND AFFILIATES**  
**CONSOLIDATED AND COMBINED BALANCE SHEET**  
**December 31, 2018**

ASSETS	
CURRENT ASSETS	
Cash	\$ 92,242
Trade receivables and unbilled revenue, net	40,792,515
Related party receivables	2,073,331
Prepaid expenses	2,169,492
Total current assets	<u>45,127,580</u>
PROPERTY AND EQUIPMENT	
Land	300,000
Building and improvements	1,192,785
Leasehold improvements	277,585
Vehicles	357,946
Office equipment and software	1,311,927
Furniture and fixtures	651,459
Construction in process	133,270
Less accumulated depreciation	<u>1,577,042</u>
	<u>2,647,930</u>
OTHER ASSETS	
Self-insurance fund deposits	1,937,981
Equity in LLC	454,184
Equity in affiliate	24,746
Goodwill, net	18,574,227
Deposits	144,149
	<u>21,135,287</u>
	<u><u>\$ 68,910,797</u></u>

The Notes to Consolidated and Combined Financial Statements are an integral part of this statement.



## LIABILITIES AND STOCKHOLDERS' AND MEMBERS' EQUITY

### CURRENT LIABILITIES

Checks issued in excess of bank deposits	\$ 478,185
Current maturities of long-term debt, net	5,489,135
Accounts payable	2,208,553
Accrued expenses	8,440,737
Total current liabilities	<u>16,616,610</u>

### LONG-TERM LIABILITIES

Line of credit, net	27,824,429
Long-term debt, less current maturities, net	8,665,617
Stockholder notes	1,166,928
	<u>37,656,974</u>

# DRAFT

### STOCKHOLDERS' AND MEMBERS' EQUITY

Common stock; no par value; 100 shares authorized, issued and outstanding	2,000
Retained earnings	14,104,224
	<u>14,106,224</u>
Members' equity	530,989
Total stockholders' and members' equity	<u>14,637,213</u>
	<u>\$ 68,910,797</u>

**MANAGEMENT REGISTRY, INC. AND AFFILIATES**  
**CONSOLIDATED AND COMBINED STATEMENT OF INCOME**  
**Year Ended December 31, 2018**

Revenues	\$ 315,194,436
Cost of revenues	<u>266,045,398</u>
Gross profit	49,149,038
General and administrative expenses	<u>43,819,724</u>
Operating income	<u>5,329,314</u>
Other income (expense)	
Interest expense	(2,526,245)
Interest income	13,179
Equity in loss of affiliate	(24,333)
Equity in loss of LLC	(9,213)
Loss on disposal of property and equipment	<u>(18,200)</u>
Total other expense	<u>(2,564,812)</u>
Net income	<u><u>\$ 2,764,502</u></u>

The Notes to Consolidated and Combined Financial Statements are an integral part of this statement.

MANAGEMENT REGISTRY, INC. AND AFFILIATES

CONSOLIDATED AND COMBINED STATEMENT OF  
STOCKHOLDERS' AND MEMBERS' EQUITY

Year Ended December 31, 2018

	<u>Common Stock</u>	<u>Retained Earnings</u>	<u>Members' Equity</u>	<u>Total</u>
December 31, 2017	\$ 2,000	\$ 11,489,589	\$ 447,527	\$ 11,939,116
Net income	--	2,641,640	122,862	2,764,502
Distributions	<u>--</u>	<u>(27,005)</u>	<u>(39,400)</u>	<u>(66,405)</u>
December 31, 2018	<u>\$ 2,000</u>	<u>\$ 14,104,224</u>	<u>\$ 530,989</u>	<u>\$ 14,637,213</u>

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The Notes to Consolidated and Combined Financial Statements are an integral part of this statement.

**MANAGEMENT REGISTRY, INC. AND AFFILIATES**

**CONSOLIDATED AND COMBINED STATEMENT OF CASH FLOWS**

**Year Ended December 31, 2018**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net income	\$ 2,764,502
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization	2,585,910
Allowance for doubtful accounts	17,500
Amortization of loan costs included in interest expense	93,709
Equity in loss of LLC	9,213
Equity in loss of affiliate	24,333
Loss on disposal of property and equipment	18,200
Changes in assets and liabilities, net of the effects of investing and financing activities:	
Trade receivables	(377,284)
Related party receivables	(132,620)
Prepaid expenses	(983,232)
Self-insurance fund deposits	218,933
Deposits paid	(10,067)
Accounts payable	(1,527,893)
Accrued expenses	(1,825,426)
Net cash provided by operating activities	875,778

**CASH FLOWS FROM INVESTING ACTIVITIES**

Contributions to investment in LLC	(78,700)
Distributions from investment in affiliate	80,000
Purchase of property and equipment	(352,444)
Net cash (used in) investing activities	(351,144)

**CASH FLOWS FROM FINANCING ACTIVITIES**

Checks issued in excess of bank deposits	478,185
Net changes on line of credit	2,202,479
Principal payments on long-term debt	(3,889,128)
Principal payments on stockholder notes	(80,260)
Distributions paid to stockholders and members	(66,405)
Net cash (used in) financing activities	(1,355,129)

Net (decrease) in cash (830,495)

Cash:

Beginning	922,737
Ending	\$ 92,242

The Notes to Consolidated and Combined Financial Statements are an integral part of this statement.

**MANAGEMENT REGISTRY, INC. AND AFFILIATES**

**CONSOLIDATED AND COMBINED STATEMENT OF CASH FLOWS (CONTINUED)**  
**Year Ended December 31, 2018**

SUPPLEMENTAL DISCLOSURES OF CASH FLOW  
INFORMATION

Cash payments for interest

\$ 2,322,268

**DRAFT**

The Notes to Consolidated and Combined Financial Statements are an integral part of this statement.

## MANAGEMENT REGISTRY, INC. AND AFFILIATES

### NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS

#### Note 1. Significant Accounting Policies

##### Nature of operations

The consolidated and combined financial statements include the accounts of Management Registry, Inc. (MRI); Maloncore, LLC (Maloncore); MRI Holdings, LLC (MRI Holdings); Professional Selection Services, LLC (PSS); M.M.D., Inc. (MMD); AllStaff Recruiting, Inc. (ARI); and M.Z.M., Inc. (MZM), collectively known as “the Companies.” MRI has 100% ownership in Maloncore, MMD, ARI, and MZM and have been consolidated in these financial statements. The stockholders of MRI together own 100% of MRI Holdings and have elected to combine their operations in these financial statements. The sole owner of PSS is a related party to one of the owners of MRI and has elected to combine their operations in these financial statements. All significant intercompany transactions and balances have been eliminated.

As an LLC, the liability of the members of MRI Holdings and PSS are limited to their capital contributions.

Management Registry, Inc. and Affiliates is a nationwide staffing and recruiting firm specializing in providing high quality and reliable personnel in the areas of light manufacturing, logistics, automotive, government, IT and healthcare industries, with business operations concentrated in Kentucky, Illinois, Georgia, Indiana, and Wisconsin.

##### Use of estimates

The preparation of consolidated and combined financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated and combined financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

##### Cash

The Companies maintain cash balances with a financial institution which, at times may exceed federally insured limits. The Companies have not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its bank deposits.

##### Trade receivables and unbilled revenue

Trade receivables are carried at their estimated collectible amounts. Trade credit is generally extended on a short-term basis of 30 to 60 days and does not bear interest. The Companies' trade receivables are due from customers throughout the United States. Certain individual customer accounts are insured by a third-party insurer at December 31, 2018 with no policy deductible. Accounts will be written off as uncollectible after all collection efforts have been exhausted or when management determines it is no longer reasonable to expect payment from the customer. The Companies use the allowance method to account for uncollectible trade receivables. Management maintains an allowance for potential credit losses based on its assessment of the current status of the customer accounts. The allowance netted with receivables was \$83,479 as of December 31, 2018.

## NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS

### Note 1. Significant Accounting Policies (Continued)

#### Trade receivables and unbilled revenue (continued)

Unbilled revenue represents temporary staffing services provided as of December 31, 2018, but not yet billed. The unbilled service revenue was approximately \$3,400,000 as of December 31, 2018.

#### Property and equipment and depreciation

Property and equipment is recorded at cost. Depreciation is computed by the straight line method over the following estimated useful lives:

Buildings and improvements	15-39 years
Leasehold improvements	15-39 years
Furniture and fixtures	5-7 years
Office equipment and software	3-5 years
Vehicles	5 years

Depreciation expense for the year ended December 31, 2018 was \$430,664.

#### Goodwill

The Companies have classified \$21,568,428 excess of the purchase price of prior year acquisitions over the fair value of identifiable net assets acquired as goodwill. The goodwill is being amortized on a straight-line basis over a period of ten years. Amortization expense for the year ended December 31, 2018 was \$2,155,246 and is included in general and administrative expenses on the statement of income. Accumulated amortization totaled \$2,994,201 as of December 31, 2018. When a triggering event occurs, the Companies are required to evaluate goodwill for any impairment and adjust it to reflect any impairment losses. Management tests for impairment by comparing the fair value of the entity to the carrying value (book value). Fair value is determined based on the history and nature of the business; the economic outlook for the entity and the industry; and the earnings capacity and financial condition of the entity compared to industry standards, all of which include significant unobservable inputs. For the year ended December 31, 2018, there was an event to trigger the testing for goodwill impairment (see Note 5).

#### Deferred financing costs

Deferred financing costs are reported as a direct deduction from the face amount of the related debt on the balance sheet and amortization of such costs are reported as interest expense in the income statement.

#### Investment in affiliate and LLC

Investments in affiliate and LLC are accounted for using the equity method of accounting because the investment gives the Companies' the ability to exercise significant influence, but not control, over an investee. Under the equity method, the investment is increased by the Companies' resources invested and the Companies' share of net income of the entity and is decreased by distributions and the Companies' share of net (loss) of the entity.

## NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS

### Note 1. Significant Accounting Policies (Continued)

#### Revenue recognition

Revenue is recognized when services are performed by personnel for customers.

#### Income taxes

MRI is taxed as an S corporation, MRI Holdings is taxed as a partnership, and PSS is a disregarded entity as defined in the Internal Revenue Code. The entities file income tax returns in the U.S. federal jurisdiction and various state and local jurisdictions. Accordingly, no income taxes are provided in the consolidated and combined financial statements since the taxable income is reported by the stockholders and members on their individual tax returns.

The Company's accounting policy provides that a tax expense/benefit from an uncertain position may be recognized when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on the technical merits. Management believes the Company has no uncertain tax positions resulting in an accrual of tax expense or benefit.

The Company recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. The Company did not recognize any interest or penalties during the year ended December 31, 2018.

The Company's federal and state income tax returns are subject to examination by the taxing authorities until the expiration of the related statutes of limitations on those returns. In general, the federal income tax returns have a three year statute of limitations, and the state income tax returns have a four year statute of limitations.

#### Advertising costs

Advertising costs are expensed as incurred and are included in general and administrative expenses. Advertising costs for the year ended December 31, 2018 were \$1,693,248.

#### Compensated absences

Employees of the Companies are entitled to paid time off depending on job classification, length of service, and other factors. It is impracticable to estimate the amount of compensation for future absences, and accordingly, no liability has been recorded in the accompanying consolidated and combined financial statements. The Companies' policy is to recognize the costs of compensated absences when actually paid to employees.



## NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS

### Note 1. Significant Accounting Policies (Continued)

#### Recent accounting pronouncements

On May 28, 2014, the FASB issued Accounting Standards Update (“ASU”) No. 2014-09, Revenue from Contracts with Customers. The standard’s core principle is that a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. This standard also includes expanded disclosure requirements that result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing, and uncertainty of revenue and cash flows arising from the Company’s contracts with customers. This standard will be effective for the year ending December 31, 2019.

In February 2016, the FASB issued ASU 2016-02, Leases. The standard requires all leases with lease terms over 12 months to be capitalized as a right-of-use asset and lease liability on the balance sheet at the date of lease commencement. Leases will be classified as either finance or operating. This distinction will be relevant for the pattern of expense recognition in the statement of income. This standard will be effective for the year ending December 31, 2020.

Management is currently in the process of evaluating the impact of the adoption of these ASUs on the financial statements.

#### Subsequent events

Management has evaluated subsequent events through May \_\_, 2019, the date the financial statements were available to be issued.

### Note 2. Business Combinations

On March 10, 2017, the Companies acquired the goodwill of additional branches of Omnisource Integrated Supply, LLC for \$800,000. The goodwill consists of client relationships expected to generate future revenues and is deductible for tax purposes over 15 years. In exchange, the Companies agreed to pay Omnisource Integrated Supply, LLC for a period of eight quarters following the closing date of March 10, 2017 based on the following formula:

- a. Combined Office Calculation: 100% of the gross margin generated from transferred customers who are parties to an assigned contract by a seller office less actual expenses of the combined office (subject to a maximum actual expense of 11.25% of gross revenue) less 1.5% of gross revenue of the combined office.
- b. Synergies Calculation: 50% of the difference between the baseline SG&A expenses (11.25% of Gross Revenue) and the actual realized SG&A expenses of the combined offices.
- c. Stand Alone Office Calculation: 100% of the Gross Margin generated from transferred customers who are parties to an assigned contract by a seller office less actual expenses of the stand-alone office (subject to a maximum actual expense of 10.59% of gross revenue) less 1.5% of gross revenue of the stand-alone office.

## NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS

### Note 2. Business Combinations (Continued)

The Companies estimated the fair value of the generated business over that period to be \$800,000 and allocated the estimated fair value of the generated business to goodwill. A related liability was recorded for the same amount and is reduced quarterly over the agreed upon period by the payment made to the seller based on the quarterly purchase price calculation. The balance of the amount due to the sellers is approximately \$441,000 and is included in accrued expenses at December 31, 2018.

The carrying amount of the goodwill and accrued payable at closing was established as follows:

Goodwill	\$ 800,000
Accrued Expenses	<u>(800,000)</u>
	<u>\$ --</u>

On July 29, 2016, the Companies acquired the goodwill of Omnisource Integrated Supply, LLC for \$360,000. The goodwill consists of client relationships expected to generate future revenues and is deductible for tax purposes over 15 years. In exchange, the Companies agreed to pay Omnisource Integrated Supply, LLC 50% of gross profits generated by the client relationships for a period of 24 months from September 5, 2016 to September 5, 2018. The Companies estimated the fair value of the generated business over that period to be \$360,000 and allocated the estimated fair value of the generated business to goodwill. A related liability was recorded for the same amount and was reduced monthly over the agreed upon period by 50% of the gross profits generated by the client list. During 2018 the final payment was made to Omnisource Integrated Supply, LLC. The total payments made were \$255,977. Goodwill was remeasured by \$104,023 from \$360,000 to \$255,977 and the related accrued expenses were reduced to zero.

### Note 3. Fair Value Measurements

As of December 31, 2018, we estimated the fair value of the acquisition-related contingent consideration using a probability-weighted discounted cash flow model. This fair value measurement was based on significant inputs not observed in the market and thus represents a Level 3 measurement. Level 3 measurements are valued based on unobservable inputs that are supported by little or no market activity and reflect our own assumptions in measuring value.

The fair value of the acquisition-related contingent consideration decreased from \$1,160,000 to \$1,055,977 based on the achievement of generated business through December 31, 2018. As of December 31, 2018, there were significant unobservable inputs in the valuation of this liability, and it therefore represents an instrument measured using a Level 3 fair value measurement. This liability is subject to remeasurement in future periods based on the final calculation of the actual generated business achieved.

## NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS

### Note 4. Equity in Affiliate and LLC

The Companies have a 50% ownership interest in Affiliated Nursing Services, Inc., which is accounted for under the equity method of accounting because management believes that it has the ability to exercise significant influence, but not control, over this entity. At December 31, 2018, equity in Affiliated Nursing Services, Inc. totaled \$24,746.

The Companies have a 25% interest in G & R Aviation, LLC, which is accounted for under the equity method of accounting because management believes that it has the ability to exercise significant influence, but not control, over this entity. At December 31, 2018, equity in G & R Aviation, LLC, totaled \$454,184.

### Note 5. Goodwill

Goodwill consists of the following as of December 31, 2018:

Balance, beginning of year	\$ 20,833,496
Remeasurement	(104,023)
Amortization expense	<u>(2,155,246)</u>
Balance, end of year	<u>\$ 18,574,227</u>

Estimated future amortization expense related to goodwill for the years ending December 31 is as follows:

2019	\$ 2,155,243
2020	2,155,243
2021	2,155,243
2022	2,155,243
2023	2,136,043
Thereafter	<u>7,817,212</u>
	<u>\$ 18,574,227</u>

During the year ended December 31, 2018, the Companies entered into litigation on the business combinations that occurred on September 7, 2017 where the Companies acquired 100 percent of the common stock of M.M.D., Inc. (MMD), AllStaff Recruiting, Inc. (ARI), and M.Z.M., Inc. (MZM) and agreed to purchase 100 percent of the assets of Allstaff, Inc., MelMarie, Inc., MMDK, Inc., Andrews Staffing, Inc., Selectec, Inc., M.B.M. Assoc. Inc., Digital Staffing, Inc., Andrews Staffing of Wisconsin Inc., and Employability Group of Arizona, Inc. This litigation is considered an event to trigger the testing for goodwill impairment. The Companies did a qualitative assessment of events and circumstances and determined that due to the uncertainty of the outcome of the litigation they could not determine that it was more likely than not that the fair value of the reporting unit is less than its carrying amount; therefore, the goodwill obtained in the business combinations was not impaired at December 31, 2018.

## NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS

### Note 6. Line of Credit

The Companies have a line of credit agreement with a bank that matures on September 7, 2020. The aggregate principal amount borrowed under the line of credit is limited to the lesser of (1) the maximum commitment of \$40,000,000 less the letters of credit outstanding or (2) 90% of eligible accounts receivable through November 30, 2018 and 85% of eligible accounts receivable beginning December 1, 2018 and continuing thereafter. Interest on borrowings under this agreement accrues based on an adjusted LIBOR rate plus 2.25% (4.64% at December 31, 2018). The balance outstanding on the line of credit was \$27,824,429 at December 31, 2018, which is net of unamortized financing costs of \$77,796. Included in the line of credit is an irrevocable standby letter of credit for \$2,250,000 issued to an insurance company. There have not been any draws on the irrevocable standby letter of credit as of December 31, 2018.

The line of credit is collateralized by substantially all assets of the Companies and is personally guaranteed by the stockholders. The line of credit is subject to certain financial and restrictive covenants that were either met or waived at December 31, 2018.

### Note 7. Long-Term Debt

Note payable to bank with monthly installments of \$217,758, including interest at a rate of LIBOR plus 3% (5.56%) at December 31, 2018. The note matures on September 7, 2019. The note is collateralized by all business assets and is personally guaranteed by the stockholders. The note payable is subject to certain financial and restrictive covenants that were met or waived. The note payable is shown net of unamortized financing costs of \$4,349.

\$ 1,943,472

Note payable to Project Solutions SPV, LLC with monthly interest installments of \$88,958 until March 2020 with a payment-in-kind interest payment of \$245,000 on September 7, 2019. The interest rate resets annually on the anniversary date and is Prime plus 11% (16.00% at December 31, 2018). A principal only payment of \$350,000 was made on March 7, 2019. Principal and interest payments begin in March 2020 with a balloon payment due on the maturity date of October 7, 2020. The note is collateralized by all business assets, subject to certain financial and restrictive covenants that were met or waived, and is considered junior debt. The note payable is shown net of unamortized financing costs of \$60,613.

6,939,387

## NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS

### Note 7. Long-Term Debt (Continued)

Note payable to bank with monthly installments of \$11,232, including interest at a rate of 4.47%. The note matures on December 9, 2023. The note is personally guaranteed by the members of MRI Holdings and is collateralized by a building and land of MRI Holdings with a carrying value of \$1,169,672. The note payable is shown net of unamortized financing costs of \$1,343. 601,081

Secured subordinated note payable to Sellers resulting from prior year business combination. The note requires monthly installments of \$174,487, including interest at a rate of 3.00% and matures on October 1, 2020. The note is personally guaranteed by the stockholders and all related entities and is collateralized by substantially all assets of the entities. 4,445,538

Unsecured notes payable to two executives related to a deferred compensation plan with monthly installments of \$26,000, including interest at a variable rate based on the interest rates of the other outstanding debt (9.83% at December 31, 2018). The notes mature on September 1, 2019. 225,274

Subordinate notes payable to stockholders with quarterly interest installments due at the AFR for December 2017 (1.52% at December 31, 2018). Principal and accrued interest is due on September 7, 2020. These notes are subordinate to all bank debt and junior debt with Project Solutions SPV, LLC and is in a standstill provision until otherwise noted by the bank and junior debt. 1,166,928

Total long-term debt 15,321,680

Less amount due within one year 5,489,135

\$ 9,832,545

#### Years ending December 31:

2019	\$ 5,489,135
2020	9,456,146
2021	120,095
2022	125,587
2023	130,717
Long-term debt	<u><u>\$ 15,321,680</u></u>

## NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS

### Note 8. Related Party Transactions

The Companies have a 50% ownership interests in Affiliated Nursing Services, Inc. The Companies administer payroll for the entity and are reimbursed on a regular basis. As of December 31, 2018, the Companies have a receivable with Affiliated Nursing Services, Inc. totaling \$244,264 in relation to payroll expenses incurred.

The Companies provide professional employer and staffing services to Malone Nextaff, LLC, a related party, through common ownership. Included in revenues during the year ended December 31, 2018 is income of \$12,233,549. The receivable balance due from the related party at December 31, 2018 was \$1,829,067.

### Note 9. Deferred Compensation Plan

The Companies have an unfunded deferred compensation plan for two executives. The plan was effective September 7, 2017 with the plan year based on the twelve-month period subsequent to the effective date. The potential payout varies based on retirement date, length of service, and reason for termination. As of December 31, 2018, there was no accrual required to be recorded.

### Note 10. Self-Insurance Programs

The Companies were a member in captive insurance funds through August 2015 that self-insures for workers' compensation claims up to a stop-loss level of \$400,000 and \$500,000 per claim per year. The Companies were also required to make collateral deposits that, in total, amounted to \$1,937,981 as of December 31, 2018. The Companies will be responsible for any remaining future assessments for the open period January 1, 2013 through August 31, 2015. The collateral deposit will serve as collateral for any future assessments relating to these open dates. Management believes any future assessments will be minimal therefore no accrual has been made for any future assessments under the open period.

The Companies are self-insured for workers compensation claims up to \$350,000 per year per incident. Any claims exceeding \$350,000 are covered under a stop-loss insurance policy. The maximum claims per year are also limited to \$6,000,000 in aggregate. An estimated liability for claims incurred as of December 31, 2018, was \$1,317,674 and is included in accrued expenses. Total claims expense, net of recoveries, was approximately \$2,050,000 for the year ended December 31, 2018.

The Companies are self-insured for employee health claims up to \$75,000 per year per employee or dependent. Any claims exceeding \$75,000 are covered under a stop-loss insurance policy. Total claims expense, net of recoveries, was approximately \$2,675,000 for the year ended December 31, 2018.

## NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS

### Note 11. Concentrations

The Companies' customer base includes locally-based and national/international customers with locations across the United States. Concentrations of credit risk with respect to trade receivables are limited due to the number of customers comprising the Companies' customer base and their dispersion across different industries. As of December 31, 2018, the Companies did not have any significant concentrations of credit risk.

The Companies perform credit investigations before extending credit and require no collateral from their customers. In addition, the Companies have credit insurance on substantially all customers that indemnifies them against losses due to insolvency or protracted default. The credit insurance covers 90% of individual losses in excess of \$2,500, subject to an overall policy limit of \$8,500,000.

### Note 12. Profit-Sharing Plan

The Companies have a 401(k) retirement plan covering employees that are at least 21 years of age and have completed six months of service as defined by the plan. Employees may contribute up to IRS deferral limits each plan year. The Companies make a safe-harbor matching contribution equal to 100% of salary deferrals up to 3% of compensation plus 50% of salary deferrals between 3% and 5% of compensation. The Companies may make a discretionary matching contribution. Employer contributions to the plan were \$320,381 for the year ended December 31, 2018.

### Note 13. Lease Commitments

The Companies lease office space under month-to-month and long-term lease agreements. Rental expense for all operating leases was \$1,783,653 for the year ended December 31, 2018. The following is a schedule of future minimum lease payments:

Year ending December 31,	2019	\$ 994,481
	2020	446,011
	2021	217,674
	2022	96,048
	2023	<u>41,364</u>
		<u>\$ 1,795,578</u>

### Note 14. Commitments and Contingencies

The Companies are party to various legal actions arising in the ordinary course of its business. In management's opinion, the Companies have sufficient contract rights and/or adequate legal defenses regarding these actions and does not believe they will materially affect the Companies' operations or financial position.

## INDEPENDENT AUDITOR'S REPORT ON THE SUPPLEMENTARY INFORMATION

To the Board of Directors of  
Management Registry, Inc. and Affiliates  
Louisville, Kentucky

We have audited the consolidated and combined financial statements of Management Registry, Inc. and Affiliates as of and for the year ended December 31, 2018, and our report thereon dated May \_\_, 2019, which expressed an unmodified opinion on those consolidated and combined financial statements, appears on pages 1 and 2. Our audit was conducted for the purpose of forming an opinion on the consolidated and combined financial statements as a whole. The supplementary information on page 19 is presented for purposes of additional analysis and is not a required part of the consolidated and combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated and combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated and combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated and combined financial statements or to the consolidated and combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated and combined financial statements as a whole.

*Jones, Male & Mattingly P.C.*

Louisville, Kentucky  
May \_\_, 2019



MANAGEMENT REGISTRY, INC. AND AFFILIATES

CONSOLIDATED AND COMBINED SCHEDULE OF  
GENERAL AND ADMINISTRATIVE EXPENSES

Year Ended December 31, 2018

Salaries and wages	\$ 24,465,756
Employee benefits	2,290,434
Depreciation and amortization	2,585,910
Professional fees	2,068,216
Rent	1,783,653
Payroll taxes	1,705,286
Advertising	1,693,248
Travel and entertainment	1,485,468
Office supplies, software, and equipment expense	1,471,993
Employment expense	1,425,558
Insurance	644,576
Telephone and internet	609,241
Contract labor	385,860
Bank processing fees	254,534
Utilities	252,513
Dues and subscriptions	137,216
Repairs and maintenance	119,555
Miscellaneous	85,096
Taxes and licenses	106,219
Auto expense	90,260
Training	79,811
Postage and delivery	56,642
Bad debt expense	17,500
Contributions	5,179
	<hr/>
	<u>\$ 43,819,724</u>

**MANAGEMENT REGISTRY, INC. AND AFFILIATES**

**CONSOLIDATED AND COMBINED  
FINANCIAL REPORT**

**DECEMBER 31, 2017**

## CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS	1-2
CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS	
Consolidated and combined balance sheet	3
Consolidated and combined statement of income	4
Consolidated and combined statement of stockholders' and members' equity	5
Consolidated and combined statement of cash flows	6-7
Notes to consolidated and combined financial statements	8-18
INDEPENDENT AUDITOR'S REPORT ON THE SUPPLEMENTARY INFORMATION	19
SUPPLEMENTARY INFORMATION	
Consolidated and combined schedule of general and administrative expenses	20



*Jones, Nale & Mattingly PLC*

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
Management Registry, Inc. and Affiliates  
Louisville, Kentucky

We have audited the accompanying consolidated and combined financial statements of Management Registry, Inc. and Affiliates, which comprise the consolidated and combined balance sheet as of December 31, 2017, and the related consolidated and combined statements of income, stockholders' and members' equity and cash flows for the year then ended, and the related notes to the consolidated and combined financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated and combined financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated and combined financial statements that are free from material misstatements, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated and combined financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated and combined financial statements are free from material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated and combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated and combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated and combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated and combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the consolidated and combined financial statements referred to above present fairly, in all material respects, the financial position of Management Registry, Inc. and Affiliates as of December 31, 2017, and the results of their operations and their cash flows for year then ended in accordance with accounting principles generally accepted in the United States of America.

*Jones, Nale & Mattingly P.C.*

Louisville, Kentucky  
July 26, 2018

**MANAGEMENT REGISTRY, INC. AND AFFILIATES**  
**CONSOLIDATED AND COMBINED BALANCE SHEET**  
**December 31, 2017**

ASSETS

CURRENT ASSETS

Cash	\$ 922,737
Trade receivables and unbilled revenue, net	40,432,731
Related party receivables	1,940,711
Prepaid expenses	1,518,448
Total current assets	<u>44,814,627</u>

PROPERTY AND EQUIPMENT

Land	300,000
Building and improvements	1,192,785
Leasehold improvements	205,564
Vehicles	358,574
Office equipment and software	1,763,213
Furniture and fixtures	677,372
	<u>4,497,508</u>
Less accumulated depreciation	1,753,158
	<u>2,744,350</u>

OTHER ASSETS

Self-insurance fund deposits	2,156,914
Equity in LLC	342,722
Equity in affiliate	129,079
Goodwill, net	20,833,496
Deposits	134,082
	<u>23,596,293</u>
	<u>\$ 71,155,270</u>

The Notes to Consolidated and Combined Financial Statements are an integral part of this statement.

## LIABILITIES AND STOCKHOLDER'S AND MEMBERS' EQUITY

### CURRENT LIABILITIES

Current maturities of long-term debt	\$ 4,718,347
Accounts payable	4,068,634
Accrued expenses	9,986,142
Deferred compensation	342,069
Total current liabilities	<u>19,115,192</u>

### LONG-TERM LIABILITIES

Line of credit	25,568,800
Long-term debt, net of current maturities	13,284,974
Stockholder notes	1,247,188
	<u>40,100,962</u>

### STOCKHOLDERS' AND MEMBERS' EQUITY

Common stock; no par value; 100 shares authorized, issued and outstanding	2,000
Retained earnings	11,489,589
	<u>11,491,589</u>
Members' equity	447,527
Total stockholders' and members' equity	<u>11,939,116</u>
	<u>\$ 71,155,270</u>

**MANAGEMENT REGISTRY, INC. AND AFFILIATES**  
**CONSOLIDATED AND COMBINED STATEMENT OF INCOME**  
**Year Ended December 31, 2017**

Revenues	\$ 220,568,242
Cost of revenues	<u>185,368,434</u>
Gross profit	35,199,808
General and administrative expenses	<u>29,789,281</u>
Operating income	<u>5,410,527</u>
Other income (expense)	
Interest expense	(822,704)
Interest income	7,553
Equity in earnings of affiliate	11,103
Equity in loss of LLC	(38,433)
Gain on sale of assets	13,693
Other income	<u>3,900</u>
Total other expense	<u>(824,888)</u>
Net income	<u><u>\$ 4,585,639</u></u>

The Notes to Consolidated and Combined Financial Statements are an integral part of this statement.



**MANAGEMENT REGISTRY, INC. AND AFFILIATES**

**CONSOLIDATED AND COMBINED STATEMENT OF  
STOCKHOLDERS' AND MEMBERS' EQUITY**

**Year Ended December 31, 2017**

	Common Stock	Retained Earnings	Members' Equity	Total
December 31, 2016	\$ 2,000	\$ 10,188,376	\$ 1,756,869	\$ 11,947,245
Net income	--	4,471,203	114,436	4,585,639
Distributions	--	(3,169,990)	(1,423,778)	(4,593,768)
December 31, 2017	<u>\$ 2,000</u>	<u>\$ 11,489,589</u>	<u>\$ 447,527</u>	<u>\$ 11,939,116</u>

The Notes to Consolidated and Combined Financial Statements are an integral part of this statement.

**MANAGEMENT REGISTRY, INC. AND AFFILIATES**

**CONSOLIDATED AND COMBINED STATEMENT OF CASH FLOWS**

**Year Ended December 31, 2017**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Net income	\$ 4,585,639
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization	1,111,014
Allowance for doubtful accounts	(72,242)
Amortization of loan costs included in interest expense	50,010
Equity in loss of LLC	38,433
Equity in earnings of affiliate	(11,103)
Gain from sale of property and equipment	(13,693)
Changes in assets and liabilities, net of the effects of investing and financing activities:	
Trade receivables	(20,486,251)
Related party receivables	17,127
Prepaid expenses	287,547
Deposits paid	179,111
Accounts payable	2,099,303
Accrued expenses	5,383,778
Deferred compensation	(377,951)
Net cash (used in) operating activities	<u>(7,209,278)</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Contributions to investment in LLC	(65,762)
Distributions from investment in LLC	204,106
Proceeds from sale of property and equipment	97,694
Purchase of property and equipment	(324,485)
Net cash (used in) investing activities	<u>(88,447)</u>
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Net changes on line of credit	11,671,109
Principal payments on long-term debt	(1,283,473)
Distributions paid to stockholders and members	(2,810,835)
Net cash provided by financing activities	<u>7,576,801</u>
 Net increase in cash	 279,076
 Cash:	
Beginning	<u>643,661</u>
Ending	<u><u>\$ 922,737</u></u>

The Notes to Consolidated and Combined Financial Statements are an integral part of this statement.

MANAGEMENT REGISTRY, INC. AND AFFILIATES

CONSOLIDATED AND COMBINED STATEMENT OF CASH FLOWS (CONTINUED)

Year Ended December 31, 2017

SUPPLEMENTAL DISCLOSURES OF CASH FLOW  
INFORMATION

Cash payments for interest	<u>\$ 772,694</u>
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NON-CASH INVESTING AND FINANCING ACTIVITIES

On March 10, 2017, the Companies acquired the goodwill of an entity for \$800,000 and recorded an accrued liability for the same amount that is to be paid over a period of eight quarters from March 10, 2017 to March 10, 2019.

On September 7, 2017, the Companies acquired the assets of nine entities for \$17,934,000. The Companies funded the acquisition with line of credit proceeds of \$3,668,721 and long-term debt of \$14,934,000. Payments for acquisition costs were \$668,721 and included deposits, debt issuance costs, and legal fees related to the acquisition.

On September 7, 2017, the Companies acquired the stock of three entities for \$3,066,000. The Companies funded the acquisition with long-term debt proceeds of \$3,066,000

During the year, the Companies had distributions of \$1,782,933 related to following stockholder transactions:

Payments due from stockholder receivables	\$ 405,745
Payments on stockholder loan	130,000
Issuance of stockholder notes	<u>1,247,188</u>
	<u>\$ 1,782,933</u>

During the year, the Companies converted \$586,133 of deferred compensation to long-term debt payable.

The Notes to Consolidated and Combined Financial Statements are an integral part of this statement.

## MANAGEMENT REGISTRY, INC. AND AFFILIATES

### NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS

#### Note 1. Significant Accounting Policies

##### Nature of operations

The consolidated and combined financial statements include the accounts of Management Registry, Inc. (MRI); Malone Staffing Georgia, LLC (MSG); Maloncore, LLC (Maloncore); MRI Holdings, LLC (MRI Holdings); Professional Selection Services, LLC (PSS); M.M.D., Inc. (MMD); AllStaff Recruiting, Inc. (ARI); and M.Z.M., Inc. (MZM), collectively known as “the Companies.” MRI has 100% ownership in Maloncore, MMD, ARI, and MZM and have been consolidated in these financial statements. The stockholders of MRI together own 100% of MSG and MRI Holdings and have elected to combine their operations in these financial statements. The sole owner of PSS is a related party to one of the owners of MRI and has elected to combine their operations in these financial statements. During the current year MSG was dissolved.

As an LLC, the liability of the members of MSG, MRI Holdings, and PSS are limited to their capital contributions. All significant intercompany transactions and balances have been eliminated.

Management Registry, Inc. and Affiliates is a nationwide staffing and recruiting firm specializing in providing high quality and reliable personnel in the areas of light manufacturing, logistics, automotive, government, IT and healthcare industries, with business operations concentrated in Kentucky, Illinois, Georgia, Indiana, Alabama, and Michigan.

##### Use of estimates

The preparation of consolidated and combined financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated and combined financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

##### Cash

The Company maintains cash balances with a financial institution which, at times may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its bank deposits.

##### Trade receivables and unbilled revenue

Trade receivables are carried at their estimated collectible amounts. Trade credit is generally extended on a short-term basis of 30 to 60 days and does not bear interest. The Companies’ trade receivables are due from customers throughout the United States. Certain individual customer accounts are insured by a third-party insurer at December 31, 2017 with no policy deductible. Accounts will be written off as uncollectible after all collection efforts have been exhausted or when management determines it is no longer reasonable to expect payment from the customer. The Companies use the allowance method to account for uncollectible trade receivables. Management maintains an allowance for potential credit losses based on its assessment of the current status of the customer accounts. The allowance netted with receivables was \$65,979 as of December 31, 2017.

## NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS

### Note 1. Significant Accounting Policies (Continued)

#### Trade receivables and unbilled revenue (continued)

Unbilled revenue represents temporary staffing services provided as of December 31, 2017, but not yet billed. The unbilled service revenue was approximately \$3,900,000 as of December 31, 2017.

#### Property and equipment and depreciation

Property and equipment is recorded at cost. Depreciation is computed by the straight line method over the following estimated useful lives:

Buildings and improvements	15-39 years
Leasehold improvements	15-39 years
Furniture and fixtures	5-7 years
Office equipment and software	3-5 years
Vehicles	5 years

Depreciation expense for the year ended December 31, 2017 was \$380,089.

#### Goodwill

The Companies have classified \$21,672,451 excess of the purchase price of current and prior year acquisitions over the fair value of identifiable net assets acquired as goodwill. The goodwill is being amortized on a straight-line basis over a period of ten years. Amortization expense for the year ended December 31, 2017 was \$730,914 and is included in general and administrative expenses on the statement of income. Accumulated amortization totals \$838,955 as of December 31, 2017. When a triggering event occurs, the Companies are required to evaluate goodwill for any impairment and adjust it to reflect any impairment losses. Management tests for impairment by comparing the fair value of the entity to the carrying value (book value). Fair value is determined based on the history and nature of the business; the economic outlook for the entity and the industry; and the earnings capacity and financial condition of the entity compared to industry standards, all of which include significant unobservable inputs. For the year ended December 31, 2017, there have been no events to trigger the testing for goodwill impairment.

#### Deferred financing costs

Deferred financing costs are reported as a direct deduction from the face amount of the related debt on the balance sheet and amortization of such costs are reported as interest expense in the income statement.

#### Investment in affiliate and LLC

Investments in affiliate and LLC are accounted for using the equity method of accounting because the investment gives the Companies' the ability to exercise significant influence, but not control, over an investee. Under the equity method, the investment is increased by the Companies' resources invested and the Companies' share of net income of the entity and is decreased by distributions and the Companies' share of net earnings (loss) of the entity.

## NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS

### Note 1. Significant Accounting Policies (Continued)

#### Revenue recognition

Revenue is recognized when services are performed by personnel for customers.

#### Income taxes

MRI and MSG are taxed as an S corporation, MRI Holdings is taxed as a partnership, and PSS is a disregarded entity as defined in the Internal Revenue Code. The entities file income tax returns in the U.S. federal jurisdiction and various state and local jurisdictions. Accordingly, no income taxes are provided in the consolidated and combined financial statements since the taxable income is reported by the stockholders and members on their individual tax returns.

As of December 31, 2017, the Company did not have any accrued interest or penalties related to income tax liabilities, and no interest or penalties have been charged to operations for the year then ended.

The Company's federal and state income tax returns are subject to examination by the taxing authorities until the expiration of the related statutes of limitations on those returns. In general, the federal income tax returns have a three year statute of limitations, and the state income tax returns have a four year statute of limitations.

#### Advertising costs

Advertising costs are expensed as incurred and are included in general and administrative expenses. Advertising costs for the year ended December 31, 2017 were \$1,185,807.

#### Compensated absences

Employees of the Companies are entitled to paid time off depending on job classification, length of service, and other factors. It is impracticable to estimate the amount of compensation for future absences, and accordingly, no liability has been recorded in the accompanying consolidated and combined financial statements. The Companies' policy is to recognize the costs of compensated absences when actually paid to employees.

#### Recent accounting pronouncements

On May 28, 2014, the FASB issued Accounting Standards Update ("ASU") No. 2014-09, Revenue from Contracts with Customers. The standard's core principle is that a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. This standard also includes expanded disclosure requirements that result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing, and uncertainty of revenue and cash flows arising from the Company's contracts with customers. This standard will be effective for the year ending December 31, 2019.

## NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS

### Note 1. Significant Accounting Policies (Continued)

#### Recent accounting pronouncements (continued)

In February 2016, the FASB issued ASU 2016-02, Leases. The standard requires all leases with lease terms over 12 months to be capitalized as a right-of-use asset and lease liability on the balance sheet at the date of lease commencement. Leases will be classified as either finance or operating. This distinction will be relevant for the pattern of expense recognition in the statement of income. This standard will be effective for the year ending December 31, 2020.

Management is currently in the process of evaluating the impact of the adoption of these ASUs on the financial statements.

#### Subsequent events

Management has evaluated subsequent events through July 26, 2018, the date the financial statements were available to be issued.

### Note 2. Business Combinations

On September 7, 2017 the Companies acquired 100 percent of the common stock of M.M.D., Inc. (MMD), AllStaff Recruiting, Inc. (ARI), and M.Z.M., Inc. (MZM), primarily to obtain additional client relationships to generate future revenues. The goodwill obtained is fully deductible for tax purposes over 15 years. The accompanying financial statements include MMD, ARI, and MZM's financial results for the period from the purchase date through December 31, 2017, which is approximately four months. The consideration for acquiring MMD, ARI, and MZM's stock totaled \$3,066,000, which, based on fair values at the acquisition date, was allocated to:

	MMD	ARI	MZM	Total
Property and equipment	\$ 11,392	\$ 209,492	\$ --	\$ 220,884
Goodwill	597,608	2,205,508	42,000	2,845,116
	\$ 609,000	\$ 2,415,000	\$ 42,000	\$ 3,066,000

The Companies funded \$2,190,000 of the costs of the acquisition through the proceeds of a financing arrangement with a bank that provided the Companies with long-term financing. The remaining costs of the acquisition were funded through seller-financed debt and is payable to the former owners over a 36 month period from the purchase date.

Also on September 7, 2017, the Companies entered into an agreement to purchase 100 percent of the assets of Allstaff, Inc., MelMarie, Inc., MMDK, Inc., Andrews Staffing, Inc., Selectec, Inc., M.B.M. Assoc. Inc., Digital Staffing, Inc., Andrews Staffing of Wisconsin Inc., and Employability Group of Arizona, Inc., collectively referred to as the "Sellers", as well as the shareholders of the Sellers, primarily to obtain additional client relationships to generate future revenues. The goodwill obtained is fully deductible for tax purposes over 15 years.

## NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS

### Note 2. Business Combinations (Continued)

The consideration for acquiring the Sellers assets totaled \$17,934,000, which, based on fair values at the acquisition date was allocated to:

Property and equipment	\$ 715,000
Goodwill	17,219,000
	<u>\$ 17,934,000</u>
Proceeds from:	
Long-term junior debt	\$ 7,000,000
Seller-financed debt	5,124,000
Long-term senior debt	2,810,000
Line of credit	3,668,721
Total borrowings related to acquisition	<u>18,602,721</u>
Payments for:	
Deposits	(258,886)
Debt issuance costs	(217,500)
Legal fees (added to Goodwill)	(192,335)
Additional acquisition costs	(668,721)
	<u>\$ 17,934,000</u>

On March 10, 2017, the Companies acquired the goodwill of additional branches of Omnisource Integrated Supply, LLC for \$800,000. The goodwill consists of client relationships expected to generate future revenues and is deductible for tax purposes over 15 years. In exchange, the Companies agreed to pay Omnisource Integrated Supply, LLC for a period of eight quarters following the closing date of March 10, 2017 based on the following formula:

- a. Combined Office Calculation: 100% of the gross margin generated from transferred customers who are parties to an assigned contract by a seller office less actual expenses of the combined office (subject to a maximum actual expense of 11.25% of gross revenue) less 1.5% of gross revenue of the combined office.
- b. Synergies Calculation: 50% of the difference between the baseline SG&A expenses (11.25% of Gross Revenue) and the actual realized SG&A expenses of the combined offices.
- c. Stand Alone Office Calculation: 100% of the Gross Margin generated from transferred customers who are parties to an assigned contract by a seller office less actual expenses of the stand-alone office (subject to a maximum actual expense of 10.59% of gross revenue) less 1.5% of gross revenue of the stand-alone office.

The Companies estimated the fair value of the generated business over that period to be \$800,000, and allocated the estimated fair value of the generated business to goodwill. A related liability was recorded for the same amount, and is reduced quarterly over the agreed upon period by the payment made to the seller based on the quarterly purchase price calculation. The balance of the amount due to the sellers is approximately \$516,000 and is included in accrued expenses at December 31, 2017.

The carrying amount of the goodwill and accrued payable at closing was established as follows:

Goodwill	\$ 800,000
Accrued Expenses	(800,000)
	<u>\$ --</u>



## NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS

### Note 2. Business Combination (Continued)

On July 29, 2016, the Companies acquired the goodwill of Omnisource Integrated Supply, LLC for \$360,000. The goodwill consists of client relationships expected to generate future revenues and is deductible for tax purposes over 15 years. In exchange, the Companies agreed to pay Omnisource Integrated Supply, LLC 50% of gross profits generated by the client relationships for a period of 24 months from September 5, 2016 to September 5, 2018. The Companies estimated the fair value of the generated business over that period to be \$360,000, and allocated the estimated fair value of the generated business to goodwill. A related liability was recorded for the same amount, and is reduced monthly over the agreed upon period by 50% of the gross profits generated by the client list. The balance of the amount due to the sellers is approximately \$181,000 and is included in accrued expenses at December 31, 2017. The carrying amount of the goodwill and accrued payable at closing was established as follows:

Goodwill	\$ 360,000
Accrued Expenses	(360,000)
	<u>\$ --</u>

### Note 3. Fair Value Measurements

As of December 31, 2017, we estimated the fair value of the acquisition-related contingent consideration using a probability-weighted discounted cash flow model. This fair value measurement was based on significant inputs not observed in the market and thus represents a Level 3 measurement. Level 3 measurements are valued based on unobservable inputs that are supported by little or no market activity and reflect our own assumptions in measuring value.

The fair value of the acquisition-related contingent consideration remains unchanged at \$1,160,000, based on the achievement of generated business through December 31, 2017. As of December 31, 2017, there were significant unobservable inputs in the valuation of this liability, and it therefore represents an instrument measured using a Level 3 fair value measurement. This liability is subject to remeasurement in future periods based on the final calculation of the actual generated business achieved.

### Note 4. Equity in Affiliate and LLC

The Companies have a 50% ownership interest in Affiliated Nursing Services, Inc., which is accounted for under the equity method of accounting because management believes that it has the ability to exercise significant influence, but not control, over this entity. At December 31, 2017, equity in Affiliated Nursing Services, Inc. totaled \$129,079.

The Companies have a 25% interest in G & R Aviation, LLC, which is accounted for under the equity method of accounting because management believes that it has the ability to exercise significant influence, but not control, over this entity. At December 31, 2017, equity in G & R Aviation, LLC, totaled \$342,722.

## NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS

### Note 5. Goodwill

Goodwill consists of the following as of December 31, 2017:

Balance, beginning of year	\$ 508,000
Goodwill acquired	21,056,410
Amortization expense	<u>(730,914)</u>
Balance, end of year	<u>\$ 20,833,496</u>

Estimated future amortization expense related to intangible assets for the years ending December 31 is as follows:

2018	\$ 2,167,246
2019	2,167,246
2020	2,167,246
2021	2,167,246
2022	2,167,246
Thereafter	<u>9,997,266</u>
	<u>\$ 20,833,496</u>

### Note 6. Line of Credit

The Companies have a line of credit agreement with a bank that matures on September 7, 2020. The aggregate principal amount borrowed under the line of credit is limited to the lesser of (1) the maximum commitment of \$40,000,000 less the letters of credit outstanding or (2) 90% of eligible accounts receivable through September 6, 2018 and 85% of eligible accounts receivable beginning September 7, 2018 and continuing thereafter. Interest on borrowings under this agreement accrues based on an adjusted LIBOR rate plus 2.25% (3.68% at December 31, 2017). The balance outstanding on the line of credit was \$25,568,800 at December 31, 2017, which is net of unamortized financing costs of \$102,590. Included in the line of credit is an irrevocable standby letter of credit for \$1,750,000 issued to an insurance company. There have not been any draws on the irrevocable standby letter of credit as of December 31, 2017.

The line of credit is collateralized by substantially all assets of the Companies and is personally guaranteed by the stockholders. The line of credit is subject to certain financial and restrictive covenants that were either met or waived at December 31, 2017.

Subsequent to year end the irrevocable standby letter of credit was increased to \$2,000,000. The accounts receivable of AllStaff Recruiting, Inc. were also added to the line of credit borrowing base calculation as eligible accounts receivable.

## NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS

### Note 7. Long-Term Debt

Note payable to bank with monthly installments of \$217,758, including interest at a rate of LIBOR plus 3% (4.44%) at December 31, 2017. The note matures on September 7, 2019. The note is collateralized by all business assets and is personally guaranteed by the stockholders. The note payable is subject to certain financial and restrictive covenants that were met or waived. The note payable is shown net of unamortized financing costs of \$10,599.

\$ 4,387,690

Note payable to Project Solutions SPV, LLC with monthly interest installments of \$88,958 until March 2020 with a payment-in-kind interest payment of \$245,000 on September 7, 2019. The interest rate resets annually on the anniversary date and is Prime plus 11% (15.25% at December 31, 2017). A principal only payment of \$350,000 is due on March 7, 2019. Principal and interest payments begin in March 2020 with a balloon payment due on the maturity date of October 7, 2020. The note is collateralized by all business assets, subject to certain financial and restrictive covenants that were met or waived, and is considered junior debt. The note payable is shown net of unamortized financing costs of \$94,650.

6,905,350

Note payable to bank with monthly installments of \$11,232, including interest at a rate of 4.47%. The note matures on December 9, 2023. The note is personally guaranteed by the members and is collateralized by a building and land with a carrying value of \$1,196,849. The note payable is shown net of unamortized financing costs of \$1,635.

705,681

Secured subordinated note payable to Sellers resulting from current year business combination. The note requires monthly installments of \$174,487, including interest at a rate of 3.00% and matures on October 1, 2020. The note is personally guaranteed by the stockholders and all related entities and is collateralized by substantially all assets of the entities.

5,504,316

## NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS

### Note 7. Long-Term Debt (Continued)

Unsecured notes payable to two executives related to a deferred compensation plan with monthly installments of \$26,000, including interest at a variable rate based on the interest rates of the other outstanding debt (9.83% at December 31, 2017). The notes mature on September 1, 2019. 500,284

Subordinate notes payable to stockholders with quarterly interest installments due at the Wall Street Journal Prime Rate (4.25% at December 31, 2017). Principal and accrued interest is due on September 7, 2020. These notes are subordinate to all bank debt and junior debt with Project Solutions SPV, LLC and is in a standstill provision until otherwise noted by the bank and junior debt. 1,247,188

Total long-term debt 19,250,509

Less amount due within one year 4,718,347

\$ 14,532,162

#### Years ending December 31:

2018	\$ 4,718,347
2019	4,619,808
2020	9,536,408
2021	120,116
2022	125,609
Thereafter	<u>130,221</u>
Long-term debt	<u><u>\$ 19,250,509</u></u>

### Note 8. Related Party Transactions

The Companies have a 50% ownership interests in Affiliated Nursing Services, Inc. The Companies administer payroll for the entity and are reimbursed on a regular basis. As of December 31, 2017, the Companies have a receivable with Affiliated Nursing Services, Inc. totaling \$323,188 in relation to payroll expenses incurred.

The Companies provide professional employer and staffing services to Malone Nextaff, LLC, a related party, through common ownership. Included in revenues during the year ended December 31, 2017 is income of \$8,655,997. The receivable balance due from the related party at December 31, 2017 was \$1,617,523.

## NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS

### Note 9. Deferred Compensation Plan

The Companies had an unfunded deferred compensation plan for two executives based on the fair market value of the consolidated and combined companies that ended on December 31, 2017. The deferred compensation is calculated at a maximum of 5% of fair market value. Fair market value was determined based on the economic outlook for the entity and the industry, and the earnings capacity and financial condition of the entity compared to industry standards, all of which include significant unobservable inputs. All payments under this plan will be paid out of the general operating assets of the Companies. During 2017, \$586,133 was paid to the executives related to the deferred compensation plan and an additional \$586,133 was converted to long-term debt payable over a 24-month period. The remaining balance will be paid during 2018.

During the current year, the Companies entered into a new unfunded deferred compensation plan for two executives. The plan was effective September 7, 2017 with the plan year based on the twelve-month period subsequent to the effective date. The potential payout varies based on retirement date, length of service, and reason for termination. As of December 31, 2017, there was no accrual required to be recorded under the new plan.

### Note 10. Self-Insurance Programs

The Companies were a member in captive insurance funds through August 2015 that self-insures for workers' compensation claims up to a stop-loss level of \$400,000 and \$500,000 per claim per year. The Companies were also required to make collateral deposits that, in total, amounted to \$2,156,914 as of December 31, 2017. The Companies will be responsible for any remaining future assessments for the open period January 1, 2013 through August 31, 2015. The collateral deposit will serve as collateral for any future assessments relating to these open dates. Management believes any future assessments will be minimal therefore no accrual has been made for any future assessments under the open period.

The Companies are self-insured for workers compensation claims up to \$250,000 per year per incident. Any claims exceeding \$250,000 are covered under a stop-loss insurance policy. The maximum claims per year are also limited to \$3,000,000 in aggregate. An estimated liability for claims incurred as of December 31, 2017, was \$1,966,858 and is included in accrued expenses. Total claims expense, net of recoveries, was approximately \$1,290,000 for the year ended December 31, 2017.

The Companies are self-insured for employee health claims up to \$75,000 per year per employee or dependent. Any claims exceeding \$75,000 are covered under a stop-loss insurance policy. Total claims expense, net of recoveries, was approximately \$1,900,000 for the year ended December 31, 2017.

## NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS

### Note 11. Concentrations

The Companies' customer base includes locally-based and national/international customers with locations across the United States. Concentrations of credit risk with respect to trade receivables are limited due to the number of customers comprising the Companies' customer base and their dispersion across different industries. As of December 31, 2017, the Companies did not have any significant concentrations of credit risk.

The Companies perform credit investigations before extending credit and require no collateral from their customers. In addition, the Companies have credit insurance on substantially all customers that indemnifies them against losses due to insolvency or protracted default. The credit insurance covers 90% of individual losses in excess of \$2,500, subject to an overall policy limit of \$13,500,000.

### Note 12. Profit-Sharing Plan

The Companies have a 401(k) retirement plan covering employees that are at least 21 years of age and have completed six months of service as defined by the plan. Employees may contribute up to IRS deferral limits each plan year. The Companies make a safe-harbor matching contribution equal to 100% of salary deferrals up to 3% of compensation plus 50% of salary deferrals between 3% and 5% of compensation. The Companies may make a discretionary matching contribution. Employer contributions to the plan were \$161,535 for the year ended December 31, 2017.

### Note 13. Lease Commitments

The Companies lease office space under month-to-month and long-term lease agreements. Rental expense for all operating leases was \$1,062,744 for the year ended December 31, 2017. The following is a schedule of future minimum lease payments:

Year ending December 31,	2018	1,267,077
	2019	870,642
	2020	348,574
	2021	63,550
	2022	41,250
		<u>41,250</u>
		<u>\$ 2,591,093</u>

### Note 14. Commitments and Contingencies

The Companies are party to various legal actions arising in the ordinary course of its business. In management's opinion, the Companies have sufficient contract rights and/or adequate legal defenses regarding these actions and does not believe they will materially affect the Companies' operations or financial position.



*Jones, Nale & Mattingly PLC*

**INDEPENDENT AUDITOR'S REPORT ON THE SUPPLEMENTARY INFORMATION**

To the Board of Directors of  
Management Registry, Inc. and Affiliates  
Louisville, Kentucky

We have audited the consolidated and combined financial statements of Management Registry, Inc. and Affiliates as of and for the year ended December 31, 2017, and our report thereon dated July 26, 2018, which expressed an unmodified opinion on those consolidated and combined financial statements, appears on pages 1 and 2. Our audit was conducted for the purpose of forming an opinion on the consolidated and combined financial statements as a whole. The supplementary information on page 20 is presented for purposes of additional analysis and is not a required part of the consolidated and combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated and combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated and combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated and combined financial statements or to the consolidated and combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated and combined financial statements as a whole.

*Jones, Nale & Mattingly PLC*

Louisville, Kentucky  
July 26, 2018

MANAGEMENT REGISTRY, INC. AND AFFILIATES

GENERAL AND ADMINISTRATIVE EXPENSES

Year Ended December 31, 2017

Salaries and wages	\$ 16,769,145
Professional fees	1,599,374
Advertising	1,185,807
Employee benefits	1,440,066
Payroll taxes	1,273,910
Employment expense	1,321,460
Rent	1,062,744
Office supplies, software and equipment expense	1,033,864
Depreciation and amortization	1,111,014
Travel and entertainment	849,333
Insurance	471,257
Telephone and internet	382,161
Auto expense	214,203
Contract labor	183,436
Training	125,908
Utilities	170,603
Bank processing fees	162,910
Taxes and licenses	138,451
Dues and subscriptions	99,219
Bad debt expense	65,509
Repairs and maintenance	62,797
Postage and delivery	43,917
Miscellaneous	17,143
Contributions	5,050
	<hr/>
	\$ 29,789,281
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## **Stacey L. Dlouhy – President, Government Division**

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### **SUMMARY OF QUALIFICATIONS**

- 26+ years' experience in B2B and government consultative sales, marketing, business development, management and post-award program operations. Management & supervisor experience within corporate environments.
- 16 years operations & budget experience
- 11+ years in Organizational Development and Team Building
- Excellent knowledge of Microsoft Office, Excel, PowerPoint, Lotus Notes, WebEx, Act, Maximizer, Salesforce, API, and Avionte

### **PROFESSIONAL EXPERIENCE**

#### **President – Government Division**

**Feb. 2018 – Present**

#### ***Malone Healthcare Solutions***

#### ***Louisville, Kentucky***

- Aligned newly acquired offices to company and Joint Commission processes and procedures
- Opened new flagship healthcare office in Omaha Nebraska
- Coordinates healthcare staffing opportunities with branch offices in Phoenix, AZ, Omaha, NE, Fort Wayne, IN, Oakbrook, IL, and Louisville, KY
- Manages Branch Managers and provides office staffing management oversight
- Developed marketing strategy to expand the division's footprint in the facility and non-profit sectors
- Expanded the division's partnerships with other healthcare staffing agencies
- Oversees the Quality Management Process in coordination with Director of Nursing

#### **President – Government Solutions**

**Oct. 2015 – Present**

#### ***Management Registry, Inc.***

#### ***Louisville, Kentucky***

- Maintains complete Profit & Loss responsibility; develops and administers budget, including marketing, operations and payroll
- Planned and coordinated marketing events resulting in additional applicants for awarded projects
- Analyzed operations, business and staff performance; initiated new management and operational systems that improved communication, performance measurements and job satisfaction
- Spearheaded Joint Commission certification (awarded in May 2018).
- Oversees Capture Strategy to identify strategic opportunities
- Coordinates strategic pricing for new opportunities and for re-compete contracts.
- Oversees training of new personnel
- Provides oversight for the management of the overall operations of state and local, federal and commercial clients within administrative, healthcare and general labor verticals.
- Oversees healthcare, administrative, and general labor accounts to include Veterans Homes in Idaho and West Virginia, the State of West Virginia's psychiatric hospital, the State of Nebraska's Department of Correctional Services, Douglass County's DCHC & CMHC, State of Louisiana's Huey P. Long Medical Center, Louisville Regional Airport Authority, the University of Louisville, and Department of Defense accounts to include Offutt Air Force Base, and state contracts to include the State of Kentucky's Department of Juvenile Justice facilities & the Commonwealth of Kentucky
- Oversight of recruiting and onboarding processes in order to meet The Joint Commission standards, local, state and federal requirements

- Continually maintains open communication and dialogue with client stakeholders through setting up touch base meetings and onsite visits which are convenient to the client
- Leads weekly and monthly internal account reviews accessing recruiting endeavors, projects timelines and makes adjustments as needed to include using specialist recruiters and adjusting division budget allocations

**Director – Government Solutions**  
***Management Registry, Inc.***  
***Louisville, Kentucky***

**Oct. 2013 – Present**

- Maintained complete Profit & Loss responsibility; developed and administered budget, including marketing, operations and payroll
- Stepped in as Director of the Government Division and within three months the division recorded its first profitable month in 30 months
- Expanded the division's and the company's presence in the Mid-Atlantic and Midwest regions
- Oversees Business Development to identify strategic opportunities
- Provides strategic pricing for new opportunities and for re-compete contracts
- Reorganized the division bringing in a new team of personnel committed to excellence and serving our clients' needs
- Trained new personnel for recruiting and payroll positions
- Undertook the task to implement a new CRM and an industry recognized Workforce Management program
- Extensive knowledge managing the overall operations of state and local, federal and commercial clients within administrative, healthcare and general labor verticals
- Manages healthcare, administrative, and general labor accounts to include Veterans Homes in Idaho and West Virginia, the State of West Virginia's psychiatric hospital, the State of Nebraska's Department of Correctional Services, Douglass County's DCHC & CMHC, State of Louisiana's Huey P. Long Medical Center, Louisville Regional Airport Authority, the University of Louisville, and Department of Defense accounts to include Offutt Air Force Base, and state contracts to include the State of Kentucky's Department of Juvenile Justice facilities & the Commonwealth of Kentucky
- Successfully recruits, hires and onboards employees
- Maintains open communication and dialogue with client stakeholders through setting up touch base meetings and onsite visits which are convenient to the client
- Assess client staffing requests to build weekly and monthly recruiting plans

**Business Development Manager**  
***Management Registry, Inc.***  
***Louisville, Kentucky***

**Apr. 2012 – Oct. 2013**

- Spearheaded the GSA Schedule effort, resulting in the company's first GSA Schedule Award
- Team Development and Coaching of this newly formed company division by facilitating communication, maintaining complete transparency, and individual coaching of division personnel
- Oversaw capture and strategic teaming opportunities with prime and subcontractors
- Assisted partners with government account management
- Instituted a comprehensive evaluation system to include developing client and position specific surveys

**Government Business Development Executive**  
**FocusOne Solutions**  
**Omaha, Nebraska**

**Oct. 2010 – Mar. 2012**

- Responsible for identification, qualification, and closing new business with federal, state and local government clients/agencies
- Established partnerships for both FocusOne Solutions and Aureus Medical including teaming and subcontracting agreements enabling additional revenue opportunities
- Consulted government clients on vendor management solutions and healthcare staffing needs for medical treatment facilities improving operating efficiencies while offering high quality healthcare professionals to their hospitals and bases nationwide
- Complete knowledge and experience with procurement, RFP's and writing sales proposals to federal, state and local government using my extensive understanding of government terminology, GSA schedules and Set-Asides
- Assisted in the development of corporate teaming and subcontracting agreements
- Assisted in the development of marketing collateral for FocusOne Solutions
- Successfully met and exceeded annual quota and increased government business 100%
- Recognized for closing the first "Prime" and "Subcontractor" agreements for the company.
- Closed new business including Indian Health Services (I.H.S), Veteran Affairs (VA's), Dyess AFB and Eglin AFB

**Director, Sales & Government Services**  
**West Corporation**  
**Omaha, Nebraska**

**Oct. 2007 – Mar. 2010**

- Responsible for identification, qualification, and closing new business with B2B, federal, state and local government clients/agencies
- Consulted corporate and government clients on Technology-Driven Voice-Oriented Communications Solutions, Customized Hosted IT Solutions, Business Processing Outsourcing, Contact Center Services, Analytics and Workforce Management Solutions to improve clients cost structure and provide reliable, high-quality services
- Complete knowledge and experience with procurement, RFP's and writing sales proposals to federal, state and local government using my extensive understanding of government terminology, GSA schedules and Set-Asides
- Assisted in developing corporate teaming and subcontracting agreements
- Developed marketing collateral for government services division
- Closed new business including B2B, federal, state and local agencies including Federal Communication Commission (FCC), Amtrak, Section 8 Housing Authority, Commonwealth and Department of Energy

**EDUCATION AND TRAINING**

- B.S. Broadcast Journalism, Minor in Speech Communications, University of Nebraska at Omaha
- Crisis Prevention Institute (CPI) Certified Trainer #1021625 – April 2014

## **Alan Woodham – Recruiter**

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### **SUMMARY OF QUALIFICATIONS**

A seasoned Recruiter, Alan brings a proven track record of recruiting quality healthcare providers. Alan works closely with facility stakeholders to develop tailored recruiting and scheduling plans, ensuring ongoing satisfaction and program success.

### **PROFESSIONAL EXPERIENCE**

#### **Recruiter**

**Feb. 2015 – Present**

***Management Registry, Inc***

***Louisville, Kentucky***

- Manages government and healthcare clientele
- Recruits and onboards for multiple government/healthcare disciplines
- Provides full cycle recruiting for all placements
- Trains and develops internal personnel
- Collaborates with other team members to cross sell multiple lines of business
- Conducts interviews with candidates who meet employment qualifications
- Negotiates wages of newly hired staff
- Develops innovative recruiting strategies to maintain local and national candidate presence
- Maintains accurate files on all current employees to maintain Joint Commission certification standards
- Provides 24/hour on-call services to address client and employee needs
- Attends conventions/tradeshows throughout the U.S. to stay current on industry trends

#### **Sales Account Executive**

**Nov. 2014 – Apr. 2015**

***1926 Marketing***

***Louisville, Kentucky***

- Ensured territory achieved or exceeded required quota
- Ensured territory coverage to touch all opportunities as scheduled
- Independently developed processes to obtain leads via sourcing
- Identified prospects and contacted them to assess needs and demonstrate services
- Developed and submitted comprehensive proposals
- Maintained current sales pipeline and forecasts

#### **Senior Healthcare Recruiter**

**Sep. 2012 – Nov. 2014**

***Maxim Healthcare Services***

***Louisville, Kentucky***

- Recruited RNs, LPNs, and CNAs for pediatric home healthcare
- Conducted interviews with nurses who met employment qualifications
- Negotiated wages of newly hired nurses
- Coordinated monthly schedules to accommodate patient needs
- Trained and developed internal team members
- Orchestrated multiple marketing tools to obtain qualified candidates for hire
- Provided on-call services to patients and employees
- Processed payroll timely

**Orderly II**

*Baptist East Medical Center*

*Louisville, Kentucky*

**Mar. 2012 – Sep. 2014**

- Transported patients to and from surgery
- Collaborated with nurses on pre-op patient care
- Assisted surgeons with patient arrangement on operating table

**Commercial Electrician/Wireman Local**

*Melco Industries*

*Louisville, Kentucky*

**Oct. 2009 – Mar. 2011**

- Assisted Journeyman Electricians in wiring HVAC units in commercial buildings
- Mobilized/demobilized job sites
- Built electrical panels for job sites/HVAC units
- Programmed HVAC components
- Installed temperature control components on HVAC components
- Liaised between Account Manager and front office personnel

**Frontline Supervisor**

*United Parcel Services*

*Louisville, Kentucky*

**Mar. 2006 – Sep. 2009**

- Supervised approximately 50 employees nightly
- Managed operations for load belt
- Led UPS Regional Air Audit team
- Served as OSHA/KETER Hub Auditor
- Achieved production numbers within strict time constraints
- Performed payroll functions

**EDUCATION AND TRAINING**

**Associates – Arts and Sciences**

*Jefferson Community and Technical College*

*Louisville, KY*

**June 2005**

## **Julie Daly – Recruiter**

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### **PROFESSIONAL EXPERIENCE**

#### **Recruiter**

**Aug. 2017 – Present**

***Management Registry, Inc.***

***Omaha, NE***

- Develops a pool of qualified candidates in advance of need by utilizing information, technological, and advertising recourses to attract, recruit, screen and hire high quality nurses
- Prepares New Employee package through compiling and maintaining a supply of pre-employment documents, in preparation for on-going recruitment
- Documents in New Employee package must reflect continuous revision to maintain compliance with the most recent pre-employment screening and performance improvement standards.
- Ensures all credentials, health documents and competencies are current during pre-employment screening and re-activation process if the employee is actively working for Management Registry, Inc.
- Efficiently and effectively fills open positions by employing organizational and communication skills, a positive attitude, and ingenuity while utilizing the resources provided by the CEO to maintain and grow Management Registry, Inc.'s primary source of revenue

#### **Physician's Services Assistant**

**Jan. 2017 – Aug. 2017**

***Real Radiology***

***Omaha, NE***

- Accounts receivable: Receive payments, posting financial transactions, assisting with bank deposits
- Collection reports: weekly, mid-month and end of month reports. Excel reports and pivot tables
- Collection calls, sending invoices, bill reminders and statements to clients
- Customer service. Initial application and Re-application for Physicians: Evaluation of a Physician's qualifications and practice history
- Review of Physician's completed training, education, residency and licenses
- Maintain records of Physician's applications and verification letters
- Release of pertinent information to persons or agencies in accordance to regulations
- Medical records requests

#### **Community Associate**

**Jun. 2016 – Jan. 2017**

***Regus***

***Omaha, NE***

- Key Contact for customers and visitors
- Problem solving and customer satisfaction
- Multitasking with efficacy when answering phone lines, and insuring timely distribution of mail and package handling requests and services
- Assisting customers with key services
- Customer bookings
- Office and meeting room showings
- Creating ads and promotion of product sales

**Insurance Billing – Supervisor – PMAC**  
***Dr. Steven D. Meinhold, D.P.M.***  
***Omaha, NE***

**Mar. 2012 – Jul. 2015**

- Completed a variety of complex clerical and accounting functions, accounts receivable, payroll and accounts payable for patient billing
- Completed verification and invoice information and referencing third parties on submitted claims and patient billing
- Resolving problems by resubmitting and working through rejected claims
- Completed patient payment postings and resolution of patient billing complaints
- Patient care and physician's assistant
- Completing and processing of x-rays
- Phlebotomy
- Cleaning and sterilization of surgical instruments
- Assistant in surgical procedures
- Office managerial duties

**Patient Care Technician**  
***The Nebraska Medical Center***  
***Omaha, NE***

**Oct. 2010 – Feb. 2012**

- Perform and delegated patient activities as assigned by licensed nursing personnel for the complete of patient's plan of health care.

**Patient Care Technician**  
***Alegent Health Lakeside***  
***Omaha, NE***

**Apr. 2009 – Feb. 2010**

- Perform and delegated patient activities as assigned by licensed nursing personnel for the complete of patient's plan of health care.

**EDUCATION AND TRAINING**

**Associates of Science, Nursing**  
***College of St. Mary***  
***Metro Community College***

- CNA
- PMAC (Podiatric Medical Assistant Certified)
- Certified Medical Radiography on the ankle and foot
- BLS/CPR
- Patient wellbeing and infection control

## **Cristina A. Jensen – Account Manager**

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### **SUMMARY OF QUALIFICATIONS**

- Tailored recruiting for client specific needs with a 90% candidate acceptance rate
- Strong Networking Skills
- Conflict Resolution
- Excellent interpersonal skills and rapport building
- Client Specific Credentialing
- Account Operation Knowledge

### **PROFESSIONAL EXPERIENCE**

#### **Account Manager**

**Jun. 2015 – Present**

***Management Registry, Inc.***

***Louisville, KY***

- Develop a pool of qualified candidates in advance of need – Utilizes, information, technological, and advertising recourses to attract, recruit, screen and hire high quality nurses.
- Develops and maintains close working relationships with clients, vendors and clinical employees.
- Act as a liaison between the recruiters and the facilities to coordinate interviews, employment offers and start dates.
- Ensure that required background checks, drug tests and competency tests are ordered and completed.
- Assists with credentials, health documents and competencies are current during pre-employment screening and re-activation process' and as long as the employee is actively working for Management Registry, Inc.
- Coordinate and maintain master schedules for multiple nursing facilities.
- Coordinate on-call schedule within our office.
- Coordinate and execute quarterly reviews with the facilities and all current nursing staff.

#### **Staffing Specialist**

**2013 – Jun. 2015**

***Management Registry, Inc.***

***Louisville, KY***

- Maintain master schedule for PRN clients
- Proactively build candidate pools based on client historical needs.
- Conduct structured interviews to assess candidate's qualifications ensuring candidates meet and/or accede clients' needs.
- Conduct and review all background checks to include national, state and DMV records
- Administer and review all required skills testing
- Build and maintain open communications with clients to ensure candidates are meeting client's current needs
- Completed credentialing and gathered all documents for nurses' files to submit to hospitals. Active candidate calling from Career Builder and Indeed apps to bring in nurses.
- Recruited healthcare, administrative professionals, correctional officers, and general labor candidates to fill state and federal contracts.
- Oversees the daily, weekly, and monthly updating of the healthcare database
- Specialist Recruiter to target passive candidates for hard-to-fill modalities and rural locations to include Kentucky, Nebraska, Idaho, Ohio, and West Virginia.
- Maintain employee and client annual reviews
- Train junior Staffing Specialists in the areas of job board, social media and passive candidate techniques



**Senior Mortgage Closer** **2008 – 2013**  
*Bank of the West*  
*Omaha, NE*

- Review Mortgage Requirements and Determine if a file is clear to Close
- Prepare Mortgage Closing Instructions and Mortgage Loan Documents
- Prepare and Review HUD-1 for accuracy
- Disburse Loan Proceeds
- Review Closed Mortgage Documents

**Loan Document Specialist 2** **2006 – 2008**  
*Wells Fargo Home Mortgage*  
*Omaha, NE*

- Review Mortgage Requirements and Determine if a file is clear to Close
- Prepare Mortgage Closing Instructions and Mortgage Loan Documents
- Prepare and Review HUD-1 for accuracy
- Disburse Loan Proceeds
- Review Closed Mortgage Documents
- Training

**Loan Officer** **2004 – 2006**  
*Central States Mortgage*  
*Omaha, NE*

- Home Mortgage Origination
- Mortgage Loan Processing
- Credentialing Loan Applicants
- Customer Service
- Recruiting Real Estate Agents and Credit Unions

**Escrow Officer** **2003 – 2004**  
*First US Title & Escrow*  
*Omaha, NE*

- Residential refinance and purchase money lender closings
- Residential Real Estate Closings
- Closing Coordinator for Nebraska and Iowa
- Recruiting Real Estate Agents and Financial Institutions

**Escrow Officer** **2002 – 2003**  
*Missouri River Title*  
*Omaha, NE*

- Residential refinance and purchase money lender closings
- Residential and Commercial Real Estate Closings
- 1031 Exchange Closings
- Recruiting Real Estate Agents and Financial Institutions

**Escrow Officer**  
***LTS Title Services***  
***Omaha, NE***

**2001 – 2002**

- Residential refinance and purchase money lender closings
- Residential and Commercial Real Estate Closings
- Closing Coordinator for Nebraska and Iowa
- 1031 Exchange Closings
- Recruiting Real Estate Agents and Financial Institutions
- Training

**Office Assistant**  
***Empire Title and Crowne Closing***  
***Omaha, NE***

**1995 – 1996**

- Enter all title and closing orders
- Prep all title orders for the searchers
- Order all required closing inspections
- Cut all escrow closing checks
- Balance and enter all daily deposits

**CLIENT REFERENCES**

**Jennifer Saroka**  
***Director of Human Resources and Staff Development***  
***Kentucky Correctional Psychiatric Center***  
Office: 502 225-5256  
HR Fax: 502 222-0209  
Jennifer.saroka@ky.gov

**Dwight Sawyers**  
***Admin Services Asst.***  
***William R Sharp, Jr. Hospital***  
936 Sharpe Hospital Road  
Weston, WV 26452  
Office: 304-269-1210 Ext. 428  
Dwight.A.Sawyers@wv.gov

**Sheridan Adkins**  
***MMBH-Nursing Recruitment***  
***Mildred Mitchell Bateman Hospital***  
1530 Norway Ave.  
Huntington, WV 25705  
Office: 304-525-7801 ext. 734  
Sheridan.J.Adkins@wv.gov

## **Ashley Kruse – Payroll Processor**

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### **SUMMARY OF QUALIFICATIONS**

Ashley has full life-cycle staffing industry experience. Starting as a healthcare recruiter, Ashley possesses a keen understanding of variable schedules inherent in temporary staffing. With her degree in BA in Accounting, Ashley uses best industry practices when processing payroll.

### **PROFESSIONAL EXPERIENCE**

#### **Payroll Processor**

**Jul. 2016 – Present**

*Management Registry Inc.*

*Omaha, NE*

- Manage and process payroll, identify and resolve errors, and supervise others including preparation of data in order to calculate payrolls within a defined timeline
- Collaborate with A/R team to identify and correct invoicing and allocation errors
- Maintain & track PTO balances for employees serves as liaison with payroll, benefits, and talent management staff to enter and maintain up-to-date employee database information

#### **Senior Recruiter**

**May 2013 – Jun. 2016**

*RTG Medical*

*Fremont, NE*

- Qualified candidates to specific requirements of open positions including client expectations of performance, patient care setting, housing, pay, reimbursements, and benefits
- Processed payroll of employees in a timely and accurately manner by obtaining and verifying timecards, ensuring data is accurate and correct, and ensured individual and company reporting of wages and taxes are accurate
- Coached and counseled employees through the assignment, including targeted resolution of any concerns voiced by either the employee or client

#### **Recruiter**

**Jan. 2012 – May 2013**

*Aureus Medical*

*Omaha, NE*

- Source and review résumés of potential candidates by cold calling and online job boards
- Interviewed candidates seeking a change in employment throughout the United States
- Demonstrated leadership with my positive attitude, production levels, and customer service
- Facilitated the placement/assignment between hospitals, medical facilities, and candidates

#### **Sales Representative**

**May 2009 – Jan. 2012**

*State Farm*

*Omaha, NE*

- Interviewed prospective clients to obtain data about their financial resources and needs
- Sought out new clients and developed clientele by networking
- Developed marketing opportunities in the community to help drive clientele
- Interviewed, developed, and supervised new team members to the agency

**Specialty Shop Manager**  
*Scheels All Sports*  
*Omaha, NE*

**Feb. 2005 – Aug. 2009**

- Increased shop sales from \$850,000 to \$1.7 million in the first year of management
- Averaged a monthly total of \$150,000 in shop sales, 10% over yearly goal.
- Recognized for high personal sales; awarded for highest personal sales in Omaha store

**EDUCATION AND TRAINING**

**BS – Business Administration – Accounting**  
*University of Nebraska*  
*Omaha, NE*

**May 2015**

## **Jyoti Chunduri – Credentialing Specialist**

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### **SUMMARY OF QUALIFICATIONS**

Adaptable professional with vast experience and proven knowledge. Keen on learning, implementing, and perfecting processes. A proven leader and dynamic team player.

### **PROFESSIONAL EXPERIENCE**

#### **Credentialing Specialist**

**Feb 2020 – Present**

***Management Registry Inc.***

***Omaha, NE***

- Works closely with Account Managers & Recruiters to help obtain information for employee files including but not limited: Retrieve Licenses/Certifications, Reference checks (within 30 days of start date) and Verify Drug Test & Background Clearances.
- Audit employee files to identify missing documentation and to ensure files are kept current.
- Updates database to accurately represent employee files including documentation, expiration dates, and uploading files.
- Assist staff with making phone calls to New Hire and Current Employees to acquire missing or expiring documents, medical records, annual testing and/or pre-employment information.
- Run bi-weekly reports on expiring Credentials.
- Assist with other office administrative duties (i.e. compiling presentation packets for clients).
- Works closely with the division President in overseeing office functionalities.

#### **Staffing Coordinator**

**Dec 2018 – Feb 2020**

***People Ready***

***Omaha, NE***

- Ensure company compliance with federal and state laws, including reporting requirements.
- Plan, develop, evaluate, improve, and communicate methods and techniques for selecting, promoting, compensating, evaluating, and training workers.
- Prepare occupational classifications, job descriptions and salary scales.
- Provide advice on the resolution of classification and salary complaints.
- Advise managers and employees on state and federal employment regulations, collective agreements, benefit and compensation policies, personnel procedures and classification programs.
- Prepare reports, such as organization and flow charts, and career path reports, to summarize job analysis and evaluation and compensation analysis information.

#### **Talent Acquisition Assistant**

**Sept 2018 – Dec. 2018**

***Oriental Trading***

***Company***

***Omaha, NE***

- Hire employees and process hiring-related paperwork.
- Inform job applicants of details such as duties and responsibilities, compensation, benefits, schedules, working conditions, or promotion opportunities.
- Interpret and explain human resources policies, procedures, laws, standards, or regulations.
- Interview job applicants to obtain information on work history, training, education, or job skills.
- Maintain and update human resources documents, such as organizational charts, employee handbooks or directories, or performance evaluation forms.
- Perform searches for qualified job candidates, using sources such as computer databases, networking, Internet recruiting resources, media advertisements, job fairs, recruiting firms, or employee referrals.
- Prepare or maintain employment records related to events such as hiring, termination, leaves, transfers, or promotions, using human resources management system software.
- Review employment applications and job orders to match applicants with job requirements.
- Schedule or administer skill, intelligence, psychological, or drug tests for current or prospective

employees.

- Schedule or conduct new employee orientations.

**Human Resources Coordinator**

**May 2015 – June 2016**

*Rao and Kumar Associates*

*Vishakapatnam, Andhrapradesh*

- Process, verify, and maintain personnel related documentation, including staffing, recruitment, training, grievances, performance evaluations, classifications, and employee leaves of absence.
- Explain company personnel policies, benefits, and procedures to employees or job applicants.
- Record data for each employee, including such information as addresses, weekly earnings, absences, amount of sales or production, supervisory reports on performance, and dates of and reasons for terminations.
- Gather personnel records from other departments or employees.
- Answer questions regarding examinations, eligibility, salaries, benefits, and other pertinent information.
- Compile and prepare reports and documents pertaining to personnel activities.
- Request information from law enforcement officials, previous employers, and other references to determine applicants' employment acceptability.
- Process and review employment applications to evaluate qualifications or eligibility of applicants.
- Design, evaluate and modify benefits policies to ensure that programs are current, competitive and in compliance with legal requirements.
- Administer, direct, and review employee benefit programs, including the integration of benefit programs following mergers and acquisitions.
- Manage the design and development of tools to assist employees in benefits selection, and to guide managers through compensation decisions.
- Prepare detailed job descriptions and classification systems and define job levels and families, in partnership with other managers.