
Statement of Work

Borders Group, Inc.
&
Sutherland Global Services Philippines, Inc.

Confidential

Borders, Inc.

Signature:

By:

Title:

Date:

Borders Direct, LLC

Signature:

By:

Title:

Date:

Sutherland Global Services Philippines, Inc.

Signature:

By:

Title:

Date:

Sutherland Global Services, Inc.

Signature:

By:

Title:

Date:

SECTION

1.0

SCOPE OF SERVICES

EXECUTIVE SUMMARY

This Statement of Work (“SOW”) is executed on February 14th, 2011 by and between Borders, Inc. and Borders Direct, LLC (“Client”) and Sutherland Global Services Inc together with its affiliate, Sutherland Global Services Philippines Inc. (collectively referred to as “Contractor”), is supplemental to the Master Services Agreement (“MSA”) among Borders, Inc. and Borders Direct, LLC and Sutherland Global Services Inc. executed on February 14, 2011.

This document serves to define the work performed by Client and Contractor as well as the related performance and reporting requirements.

SCOPE OF SERVICES

DEFINITION

The services described herein are relative to services the Client has contracted from Contractor in support of its customer support operations. Such services shall include:

- Inbound Customer Service Contacts
 - Telephone
 - Email
- Inbound IVR
- Outbound calling as appropriate
- Outbound email management
- Data / voice circuits and connectivity
- Toll free number management
- Inbound/outbound mail handling and fulfillment
- Escalation Resolution management
 - Escalated Calls/Difficult Customers and Escalation Team Questions from Agents
 - Cybersource Refunds
 - Check Requests
 - Cheetahmail Retriggers
 - Customer Service Gesture Gift Cards < \$30
 - Customer Service Gesture Gift Cards > \$30
 - Verifone Refunds and Charges

- Borders.com Invoices
- Authorization Removal
- Vendor Partners/Notify Others (Overdrive, Alibris, BR Perks, Cardways, Sony, Kobo, eRewards, Neurotic Media, B&T)
- Damaged Orders
- Unsettled Order
- B&T - List of order cancellation errors
- Escalations to Home Office/Store Support Center
- Better Business Bureau/AG Complaints (Contractor to provide “reply to” support)
- Letters or Information Requests from Borders: will convert faxes to PDFs and email the same to escalation email queue (can be re-routed to agent queue if escalation team does not need to handle them.)
- From time to time, provide assistance with regards to written letters sent to Borders Home Office by researching and/or drafting a response. Responses will be formally mailed by Borders or Borders 3rd party.

Contractor will be responsible for handling inquiries from the Client’s customers or potential customers as it relates to the Client’s:

- Rewards/loyalty program
- Ecommerce orders/transactions
- Customer and store assistance
- Product & promotion inquiries
- Borders.com/Borders Rewards account maintenance and profile updates
- Inventory inquiries (in-stock, item availability)
- Order status inquiries
- Email responses using standard templates
- Complaints
- General inquiries
- Store experience
- Store hours/locations
- Electronic gift card assistance and issuance
- Electronic devices, including product warranties

LANGUAGE REQUIREMENT

- English

DELIVERY LOCATION

- Camarines Sur, Philippines

TEAM STRUCTURE & RATIOS

Consultant	100%
Senior Consultants	1:20 Consultants
Team Managers	1:18 Consultants
Account Manager	1:4-8 Team Managers (Dedicated Resource)
Business Director	1 Shared Resource
Associates under 1 Ops Rep	50
Associates under 1 Trainer	50*
Associates under 1 Quality rep	40
Quality Reps under 1 QL	5

All Agents will be cross-skilled and able to handle both Phone and Email contacts.

*Contractor will provide 2 dedicated trainers if Client maintains a minimum of 90 FTE's.

HOURS OF OPERATION

Mon-Sat 8:00 AM - 11:00 PM EST, Sun 9:00 AM to 8:00 PM (EST) Closed Thanksgiving, New Years Day and Christmas Day. Mutually agree to reduced hours for other holidays.

Contractor shall provide customer support services during the hours set forth above. Hours of operation above may be modified by Client, either for specific national holidays or on a more permanent basis, provided Client shall give Contractor at least four (4) weeks written notice of such a change to allow for staffing requirements to be met.

REPORTING

Contractor shall provide the following Standard, CRM and Real-Time reports which are attached herewith and made integral parts hereof:

1. Borders Standard Reports identified as *Appendix "A;"*
2. Borders Client Reports identified as *Appendix "B;"*

3. Agent Contact Email Summary Report identified as *Appendix “C;”*
4. Email Service Level Report identified as *Appendix “D;”*
5. Contact Summary Detail Report identified as *Appendix “E;”*

Contractor will also provide Client with “real time” visibility into hourly telephone Service Level/AHT via detailed reporting consistent with the detail set forth below:

Time	Calls Data								
EST	Offered	Handled	Acceptable	ABN	Abs Delta	ABN %	SL%	ASA in Secs	AHT in Mins
9:00	10	10	10	0	10	0%	100.00%	3	6.30
9:30	7	7	7	0	7	0%	100.00%	4	11.20
10:00	16	15	12	1	16	6%	75.00%	14	12.10

ANTICIPATED CUSTOMER CONTACT OFFERED VOLUME

Client and Contractor mutually acknowledge that the volume of contacts under this Statement of Work may fluctuate. Client will provide Contractor with one or more rolling 90-day written forecasts every 30 days for each line of business in which Client has assigned to Contractor, no later than the first business day of the month immediately prior to the first month being forecasted. For each 90-day forecast, the first 30 days will be locked firm (“Locked Forecast”). If at any time after delivery of the Locked Forecast, Client anticipates that actual contact volume will be more than 110% higher than the Locked Forecast, Client will work with Contractor to reach an agreement as to how the higher contact volumes will be handled.

Client understands that if the actual contact volume delivered to Contractor is greater than 110% of the Locked Forecast (daily or monthly) then the Contractor’s performance against Service Level and Abandon Rate Performance Targets could be negatively impacted and as such for the reporting period in which the volumes delivered are greater than 110%, such periods will be removed from the period calculation for determination of Contractor’s responsibility to meet Service Level and Abandon Rate Performance Targets. Both the Client and Contractor agree that in situations where the actual volume (daily or monthly) exceeds 110% of the Locked Forecast, Contractor will exert commercially reasonable endeavors to achieve the defined Service Level and Abandon Rate Performance Targets.

The final 60 days of any forecast may be revised in later forecasts. In the event Client anticipates that contact volumes will increase or decrease month over month by 25% or more from the previous 90-day forecast, Client will use commercially reasonable efforts to notify Contractor as soon as Client is aware of such increase or decrease and the parties will mutually agree on the manner in which Contractor will handle the increase or decrease in such contact volumes.

Voice and email contact pricing is on a per Staffed Hour basis. In the event Client fails to deliver 90% of the Locked Forecast (daily or monthly), Contractor will exert commercially reasonable endeavors to minimize overstaffing impact. However, Client agrees that it will still be responsible for charges associated with the actual number of agents in production per the “Program Headcount” process defined in Section 1 (Scope of Services) below.

PROGRAM HEADCOUNT

Unless otherwise stipulated herein, Contractor is responsible for maintaining appropriate staffing, operations and management to run at required capacity and quality to meet the Locked Forecast and applicable Service Levels while minimizing idle (wait) time. Contractor shall determine the number of Hours and subsequent personnel (i.e. FTE) required in order to meet the Locked Forecast, and shall submit the Hours and FTE requirements to Client for approval. Submission shall be provided by Contractor within three (3) business days from receipt of Locked Forecast and Client shall provide response within three (3) subsequent business days in the absence of which Contractor will consider submission approved in lieu by Client.

STATEMENT OF WORK REVISION CONTROL

This SOW will be reviewed on an as-needed basis by both parties. If Client requires new or additional long-term service(s) not specifically provided for herein, then Client and Contractor shall work in good faith to agree upon a new fee and thereafter revise this SOW accordingly or enter into another agreement altogether. Contractor shall endeavor to offer Client such additional Services at prices competitive with its other similarly situated clients of analogous size and requirements, among other relevant criteria. Any amendments to the SOW, mutually agreed to by both parties, will be added to this agreement through a Change Order. The parties shall endeavor to document and distribute Change Orders for signature within two (2) weeks from the date of the agreement to implement a revision..

Change Orders may be incorporated into this SOW at any time during the term of this agreement, when mutually agreed upon by both parties.

In the initial SOW review, the parties agree to assess Client forecasting and Contractor performance. At such time, Client and Contractor will agree upon reasonable performance metrics for Contractor. Subject to Client’s performance of its obligations and the assumptions granted herein, Contractor shall credit to Client an amount, as set forth below, for each month

after the initial SOW Review (March 2011) in which Contractor performance does not meet minimum performance levels:

- Voice Service Level: 80% of calls answered in 60 seconds
- Email Service Level: 90% of emails answered 48 hours

Deviation from Agreed Upon Performance Level	Credit to Contractor's Invoice
<5%	None
5-9.9%	1% of month's monthly resource cost for each occurrence (voice and/or email). Maximum of 2%
10% or higher	1.5% of month's monthly resource cost for each occurrence (voice and/or email). Maximum of 3%

For illustration purposes only (see grid below),

Actual Service Level	Client Credit
Voice SLA 78 Email SLA 87	No credit
Voice SLA 75 Email SLA 87	1% credit
Voice SLA 75 Email SLA 85	2% credit
Voice SLA 70 Email SLA 85%	2.5% credit
Voice SLA 70 Email SLA 80	3% credit

If actual volume received on any given day is greater than 110% of the forecast provided by the Client, then Contractor reserves the right to waive that day's actual Service Level performance from the monthly Service Level calculation for the purposes of monthly invoice credits

The parties agree that the default performance metrics shall be as set forth in this SOW, but will work in good faith to establish metrics representative of the reasonable expectations of each party. The parties also agree that opportunities for Contractor to earn invoice bonuses for exceeding certain performance targets (that either exist in this SOW or would need to be defined) will be discussed during the initial SOW review.

The parties agree that if the client modifies the Hours of Operation, or if the ratio of Phone contacts handled exceeds 75% of the total contact volume during any given month, then the Client and Contractor will discuss any impact on Pricing, and any Pricing changes will be managed through the Statement of Work Revision Control process.

QUARTERLY BUSINESS REVIEWS (QBR)

Contractor shall meet with designated Client contacts for Quarterly Business Reviews ("QBR"). The QBR is a forum to review results for the previous quarter and to strategically plan for the upcoming quarter(s). The Contractor's performance will be measured against pre-determined criteria as set forth in this SOW and Client shall provide Contractor overall performance ratings for the quarter. The complete QBR process is outlined in Section 4.0 of this SOW. QBRs may be conducted over tele-conference, in person at the Client's location, or in person at the Contractor's delivery site. Client and Contractor will mutually agree on the venue for QBRs.

SECTION 2.0 PERFORMANCE STANDARDS

PERFORMANCE STANDARDS

Contractor agrees to deliver, at a minimum, a level of service that meets or exceeds the Performance Standards detailed below, provided the nature of the services delivered by the Contractor only involve Inbound Customer Service and Email Customer Service for all Client transactions. In the event the Client and Contractor mutually agree to add additional responsibilities to the Scope of Services, Contractor agrees to deliver, at minimum, a level of service that meets or exceeds the performance standards detailed below after 90 days of implementing such responsibilities.

Contractor will commit to the SLA performance standard provided the actual daily contact volumes do not exceed the forecasts provided by Client by 10%.

MONTHLY ABANDON RATE (PHONE)

The monthly abandon rate is the percentage of calls that are abandoned by the customer after reaching the agent queue, measured against all offered call volume for a designated period. Results are measured daily and reported monthly.

- Monthly Abandon Rate Not-to-Exceed Target: 5%

SERVICE LEVEL – PHONE AND EMAIL

The SLA will be calculated as the percentage of transactions that are answered within the agreed upon average speed of answer. The time interval begins when the customer who initiates the contact (via phone or email) is placed in the respective queue and ends when the agent answers the call (for phone) or sends a response to the customer (for email).

- Voice Service Level Target: 80% of calls answered in 60 seconds
- Email Service Level Target: 90% of emails answered in 24-48 hours (please report % responded to in 24 and % responded to in 48)

AVERAGE HANDLE TIME (AHT) – PHONE

Average Handle Time is the average time being spent on a call. Phone AHT includes Talk time, Hold time and Wrap time (ACW).

- Phone AHT Target: 8.5 minutes

AVERAGE HANDLE TIME (AHT) - EMAIL

Email AHT is the average time being spent on processing an email and is defined as total work time over the number of contacts made (total work time only includes customer engage minutes).

- AHT Target: 7 minutes

QUALITY SCORES

To ensure that agents are following Client-approved quality procedures, Contractor will manage Quality Assurance monitoring and measuring through its standard processes and will manage to the following performance target.

- Quality Score Target - Steady-State: 90%
- Quality Score Targets - Bridge goals based on agent tenure on Program:

Tenure	Target
1 - 30 days	75%
60 days	82.5%
90 days	90%

If other Performance Standards are requested by the Client, the Client will provide the Contractor with the learning curve targets based on historical performance. New Performance Standards will be incorporated into SOW as a change order.

BRIDGE GOALS

For the first 90 days of production, Contractor agrees to deliver, at a minimum, a level of service that meets or exceeds the Performance Standards detailed below. These Bridge Goal targets apply to each new Wave of Agents starting with their first full week of Production (post Nesting).

		Borders - Bridge Goals											
		W1	W2	W3	W4	W5	W6	W7	W8	W9	W10	W11	W12
AHT Phone	AHT Increase	50%	45%	40%	35%	30%	20%	10%	5%	0%	0%	0%	0%
	Bridge Goal (minutes)	11.00	11.00	11.00	11.00	10.73	9.90	9.00	8.66	8.25	8.25	8.25	8.25
AHT Email	AHT Increase	50%	45%	40%	35%	30%	20%	10%	5%	0%	0%	0%	0%
	Bridge Goal (minutes)	9.00	9.00	9.00	9.00	8.70	8.40	7.70	7.35	7.00	7.00	7.00	7.00
Productivity (Voice Only)	Learning Curve	50%	50%	50%	50%	40%	40%	35%	30%	20%	10%	5%	0%
	Contacts/Hour	3	3	3	3	3	3	3	4	4	5	5	5
Productivity (Blended)	Learning Curve	50%	50%	50%	50%	40%	40%	35%	30%	20%	10%	5%	0%
	Contacts/Hour	4	4	4	4	5	5	5	6	6	7	8	8
Productivity (Email Only)	Learning Curve	50%	50%	50%	50%	40%	40%	35%	30%	20%	10%	5%	0%
	Contacts/Hour	8	8	8	8	9	9	10	11	12	14	14	15.00
Quality	Learning Curve	17%	17%	17%	17%	15%	13%	10%	8%	6%	4%	2%	0%
	Bridge Goal (QA Score)	75.0%	75.0%	75.0%	75.0%	76.9%	78.8%	80.6%	82.5%	84.4%	86.3%	88.1%	90.0%

Contractor will take the appropriate steps to ensure week-over-week bridge goal targets are met. If targets are not met at any time, Contractor will provide a Root Cause Analysis (RCA) describing what is preventing us from meeting the targets and what specific steps Contractor will take to correct the performance gap.

SECTION

3.0 PRICING AGREEMENT

PRICING

STAFFED HOUR

Client shall pay Contractor on a Staffed Hour pricing model. A Staffed Hour is defined as 60 minutes spent by an Agent on any activities required for the performance of the Services identified herein, including, but not limited to, engaging in an interaction with a customer or employee or agent of Client, performing administrative responsibilities as directed and required by Client, availability to perform such services, Client-related training, Client-related meetings, and all other activities as directed by Contractor or Client in the performance of services.

Lunch and breaks are not considered in a Staffed Hour.

Staffed Hour Rate – Customer Care Associate	\$12.08/hr
Staffed Hour Rate – Technical Support Specialist	\$12.75/hr

Staffed Hour Rate – Resolution Specialist	\$12.75/hr
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NEW AGENT TRAINING

Client will pay Contractor a Training Rate for New Agent training. This will apply to the initial wave Agents, as well as any incremental Agents added to the Program as a result of program growth or seasonality.

Client and Contractor will mutually agree on the number of incremental new Agents needed for each new wave of training.

Client will be responsible for all costs associated with on-site training resources, instructors and travel.

Training Rate	\$11/hr
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As agreed to during the RFP process, Contractor will provide a training credit of \$20,240 towards the initial Launch training costs.

ONGOING TRAINING

Agent time spent in either ongoing product/process training after Go Live, or Nesting, will be considered Production time and such Agent time will be billed at the Staffed Hour rate; the Initial Training rate will not apply.

OUTBOUND

Description: Outbound telecommunications charges required as part of the Program.

Outbound Telecommunications Rate	\$0.015/min
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Outbound telecommunications charges to non-US countries will be billed as per the international rate sheet attached hereto as Appendix “F”

INBOUND

Description: Inbound toll-free charges per usage of Client's ported toll-free numbers to Contractor.

Inbound Telecommunications Rate	\$0.015/min
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VOICE CONNECTIVITY

Description: Up to eight (8) voice T1s into Contractor's Los Angeles, CA POP including carrier-based failover from Los Angeles to Contractor's Rochester, NY POP for Business Continuity/Disaster Recovery.

One-time Start Up	Monthly Recurring	Annual Maintenance
\$1,000	\$2,000	--

CALL RECORDING

Description: Call recording (no screen capture) for 120 Production Seats (blended amongst Front-line Agents and Supervisors/Escalation Specialists); Annual maintenance costs start Year 1.

One-time Start Up	Monthly Recurring	Annual Maintenance (18%)
\$54,000	--	\$9,720

CALL RECORDING STORAGE

Contractor will record digitally one hundred percent (100%) of all Calls and will store Calls for ninety (90) days. During this ninety (90) day period, Contractor will make all requested recordings from Client available to the Client within 24 hours of the request. After ninety (90) days, Contractor will archive Calls for nine (9) months so that Client can obtain access to archived calls within seven (7) days of Client's request. Contractor will purge archived calls after one (1) year.

One-time Start Up	Monthly Recurring	Annual Maintenance
\$2,000	--	--

CRM SOLUTION

Description: Contractor's ezCLM solution.

One-time	Monthly Recurring	Annual Maintenance
--	\$4,000	--

EMAIL MANAGEMENT SOLUTION

Description: Contractor's ezMail solution.

One-time	Monthly Recurring	Annual Maintenance
--	\$2,000	--

IVR

Description: 24-port primary IVR; Store lookup and Borders rewards functionality; includes IVR server, development, integration and hosting; includes staging/development/failover server; annual maintenance costs start Year 1.

One-time Start Up	Monthly Recurring	Annual Maintenance
\$60,000	--	\$10,800

CREDIT CARD IVR

Description: Will include integration to Client's web-based order management system, if deployed. May deploy post program launch, at Client's discretion, if Client IT resources are available to support required development effort..

One-time	Monthly Recurring	Annual Maintenance
--	\$2,500	--

The foregoing shall be billable only from the launch date of such service, if at all.

OVERTIME

If needed, Client will pay Contractor an overtime rate equal to 1.5x the Staffed Hourly rate.

Overtime charges will only apply when Client requests Contractor to provide overtime coverage beyond the Agent(s) normal shift schedule for that period and only when the overtime needed is not due to a Contractor understaffing issue.

ADDITIONAL DEVELOPMENT CHARGES

Change requests for additional functionality will be billed at \$150.00 per hour, or a fixed price based upon an approved quotation from Contractor. Client's acceptance and consent is required before fees are approved and allocated.

INVOICING TIMELINE

Contractor agrees to send Client an invoice by the 5th business day of each calendar month, following the provided services.

PAYMENT TERMS

Payment Terms are Net 45 days from the date of receipt of Invoice by client. Payment will be made via wire transfer to the Contractor's account.

ONE-TIME COST PAYMENT PLAN

Client agrees to pay 50% (\$58,500) of the technology one-time setup costs at program launch, and 50% (\$58,500) on February 1, 2011 for a total of \$117,000.

SECTION

4.0

BUSINESS REVIEWS

EXECUTIVE SUMMARY

The objective of this section is to define the process for managing Quarterly Business Reviews (QBR) with Contractor. It defines the content and ownership of the QBR, the timing of the QBR and the performance criteria that Contractor is measured on.

QUARTERLY BUSINESS REVIEW

QBR will be held on a quarterly basis. The Client, following the end of each quarter, will schedule the QBR. Quarterly business reviews (QBR) may be held at Contractor's facility, at Client's facility or remotely via tele/web-conference.

CONTRACTOR QBR CONTENT

Contractor will present the following data at the QBR:

1. Organizational Structure - Highlight any organizational changes or re-structuring that has taken place since the previous QBR
2. Performance Results versus Targets
3. Key accomplishments and highlights for the previous quarter
4. Issues and Concerns
5. Strategic plans and direction for upcoming quarter and beyond
6. Value Engineering Suggestions

CLIENT QBR CONTENT

Client will present the following data at the QBR:

1. Review action items from the previous QBR
2. Review of objectives set and performance to those objectives
3. Future plans and strategic direction
4. Objectives for the coming quarter

SECTION

5.0

TRAINING

EXECUTIVE SUMMARY

Client will work with Contractor to schedule and facilitate new-hire and ongoing Agent training. Training will be managed according to the standards agreed to by both parties. Contractor's service representatives must meet established performance standards by the end of training in order to support Client requirements. .

NEW AGENT TRAINING SCOPE

New Agent training objectives:

- To differentiate ourselves from our competitors by providing excellent Customer Service to both internal and external customers through attentive, knowledgeable, expertly trained staff and innovative technologies.
- To provide the new hire with all system tools and necessary resource materials to competently assist with customer problem resolution and deliver consistent, high quality customer interactions as well as improve CSR effectiveness
- To encourage confidence with customer interactions through understanding of the four service steps for meeting a customer's practical needs:
 - Acknowledge the person
 - Clarify the situation
 - Meet or Exceed the need
 - Confirm customer satisfaction

New Agent training agenda:

- Borders.com – process flow overview, policies, web tools, available remedies, escalation procedures, order cancellations.
- Rewards – program overview, policies, tools, available remedies, escalation procedures
- Store assistance – discussion of the scope of areas covered by the Contact Center, email templates, field communications
- Customer Inquiries – overview of common customer policy questions including but not limited to returns, in-stock guarantee, Rewards registration/membership questions, coupon and/or promotions, store related customer service issues.
- CRM – ticket creation, issue tracking, issue wrap up.

Over time, this training will be updated and adjusted as needed.

NEW AGENT TRAINING DURATION

The initial training for new Agents will be two (2) weeks of classroom training. Client and Contractor may mutually agree to modify the new Agent training scope and duration.

NESTING

Following initial classroom training for new Agents will be a one (1) week Nesting period, where Agents take live contacts for half of his or her shift, and receives coaching and feedback for the other half of the shift. Client and Contractor may mutually agree to modify the Nesting scope and duration.

Nesting time will be billed at the Production (Staffed Hour) rate.

ONGOING TRAINING

When requested by Client, or identified as needed by both Parties, Contractor personnel will receive additional training to enable Contractor to deliver the designated services. This training may include instruction on new or revised Client policies, changes in support procedures, tools, Client marketing or promotional programs, sales skills, customer service skills, new Client product partnerships, existing and/or new supported technology, or any other necessary skill/subject.

Client and Contractor will determine on a case-by-case basis what the appropriate format is for ongoing training and who will be responsible for delivering this training.

CONTRACTOR RESPONSIBILITIES

Contractor will:

- Provide dedicated training instructors according to the “Team Structure and Ratios” sub-section of Section 1: Scope of Services
- Actively partner with Client to maintain and develop New Agent Training Content.
- Provide periodic, on going (or as directed by Client) training on product, procedure, policy, and Client directed revenue generating initiatives to Agents.
- Update training modules approved by Client to support various new skills and knowledge required to effectively perform the services outlined in the SOW.
- Provide classrooms and training facilities, as needed.
- Agree to allow Client to request that Contractor survey Agents on training effectiveness.
- Provide enough training resources to permit additional new hire training classes to be conducted with no or minimal support from Client, if needed.

- Supply Client with recorded sessions with Client's customers to be used for training and feed-back purposes.
- Ensure that all Program-assigned QA Analysts/Specialists and Team Leads attend Client-specific training courses throughout the duration of the Program.

CLIENT RESPONSIBILITIES

Client will:

- Deliver the first Wave of training to the Contractor's team onsite in Contractor's training center in Camarines Sur, Philippines
- Initial train-the-trainer orientation will be held at Client site in LaVerne, TN.
- Participate in delivering components of New Agent training for subsequent waves of new additions to the Program on an as needed basis. Client will provide such training at Contractor's site or as otherwise mutually agreed to by the parties. Certain training programs may be held via teleconference if content change does not warrant travel costs to Contractor's site.
- Will provide content changes and/or training on any new product, policy, procedure or sales-related updates on an as needed basis by mutual consent of the parties.
- Provide any necessary access to Client tools or applications required to train Agents.
- Reimburse Contractor at the agreed upon Training Rate as outlined in the Pricing Section of the SOW applicable for training hours required to launch a new program and/or ramp training for existing programs where additional Agents are required to meet growth/volume needs from month-to-month.

SECTION

6.0 QUALITY

EXECUTIVE SUMMARY

The Quality section of this SOW is designed to support the following goals:

- To establish a clear and concise set of mutually agreed Quality Standards
- To establish the monitoring and auditing procedures and timelines
- To establish the “Ground Rules” for all calibration sessions
- To establish quality targets

MONITORING PROCEDURES

Contractor agrees to adhere to the following procedures when monitoring and scoring Agent customer contacts:

CALIBRATION SESSIONS

Contractor agrees to facilitate Quality calibration sessions with Client to ensure consistency in data capture and reporting. Contractor will document notes and share them with Client at the end of each session.

Frequency: Two (2) calibration sessions per week during first two (2) weeks of Go Live. Then one (1) time per week thereafter.

MONITORED SESSIONS

Contractor will monitor a minimum of two (2) customer contacts per Agent per week after the first 30 days from Go Live. Contractor will monitor a minimum of four (4) customer contacts per Agent per week during the first 30 days of Go Live. Contractor will conduct 50% of all transaction monitoring sessions (voice and email) in a side-by-side format, and the remaining 50% in either a “remote service observe” or “recorded” monitoring format.

QUALITY FORMS

A quality evaluation form, to be jointly developed and mutually approved by both Client and Contractor, will be used by both parties to conduct quality monitoring. Once a quality form is established, it will be loaded into Contractor’s transaction monitoring application. This application will be used to house all transaction monitoring performance scores. Agents scoring below the agreed upon acceptable levels will be subject to additional monitoring, training and coaching.

CALL RECORDING & STORAGE

Contractor will record digitally one hundred percent (100%) of all Calls and will store Calls for ninety (90) days. During this ninety (90) day period, Contractor will make all requested recordings from Client available to the Client within 24 hours of the request. After ninety (90) days, Contractor will archive Calls for nine (9) months so that Client can obtain access to archived calls within seven (7) days of Client's request. Contractor will purge archived calls after one (1) year.

REMOTE MONITORING

Contractor will provide Client with the ability to perform real-time remote monitoring of contacts from Contractor's offices through the Contractor's "Service Observe" capabilities.

Contractor's "Service Observe" capability will allow a single Client employee to dial into a Contractor-provided telephone number in order to listen to a specific Agent on the Client's Program.

AUDITING PROCESS

Client may audit Contractor's quality processes. Contractor will keep all quality monitoring back-up data in an accessible place at their facility and permit Client to randomly audit the monitoring scores against the monthly reports provided by Contractor.

QUALITY STANDARDS

Contractor will be responsible for achieving Agent Quality Scores as defined in Section 2.0 (Performance Standards).

SECTION 7.0 TECHNOLOGY REQUIREMENTS

CONTRACTOR RESPONSIBILITIES

Contractor will be responsible for providing the following technology capabilities and solutions:

PCI COMPLIANCE

Contractor must provide documentation of PCI Level 2 certification and maintain this level of certification through the duration of the contract.

DATA CONNECTIVITY

Description: Site-to-site VPN between Contractor's Rochester, NY POP and Client's Ann Arbor, MI POP with a secondary site-to-site VPN between Contractor's Los Angeles, CA POP and Client's Ann Arbor, MI POP.

Recovery Time Objective (hereafter, "RTO"): 4 hours

VOICE CONNECTIVITY

Description: Eight (8) voice T1s into Contractor's Los Angeles, CA POP including carrier-based failover from Los Angeles to Contractor's Rochester, NY POP for Business Continuity/Disaster Recovery.

RTO: 2 hours

CALL RECORDING

Description: Call recording (no screen capture for 120 Production Seats (blended amongst Front-line Agents and Supervisors/Escalation Specialists);

RTO: 1 day

Recovery Point Objective (hereafter, RPO): 3 days

CALL RECORDING STORAGE

Contractor will record digitally one hundred percent (100%) of all Calls and will store Calls for ninety (90) days. During this ninety (90) day period, Contractor will make all requested recordings from Client available to the Client within 24 hours of the request.

After ninety (90) days, Contractor will archive Calls for nine (9) months so that Client can obtain access to archived calls within seven (7) days of Client's request. Contractor will purge archived calls after one (1) year.

CRM SOLUTION

Description: Contractor's ezCRM solution. Please refer to *Appendix G (ezCLM/ezMail Scope)* attached hereto for the high-level requirements document.

RTO: 3 days

RPO: 3 days

EMAIL MANAGEMENT SOLUTION

Description: Contractor's ezMail solution. Please refer to *Appendix G (ezCLM/ezMail Scope)* attached hereto for the high-level requirements document.

RTO: 2 days

RPO: 3 days

IVR

Description: 24-port primary IVR; Store lookup and Borders rewards functionality; includes IVR server, development, integration and hosting; includes staging/development/failover server; annual maintenance costs start Year 1.

RTO: 2 days

CREDIT CARD IVR

Description: If requested, includes integration to Client's web-based order management system. Client may, upon request, deploy post program launch if Client IT resources are available to support required development effort..

OUTBOUND FUNCTIONALITY

Description: Outbound long distance calling functionality.

TOLL FREE NUMBERS

Client to provide Contractor with listing of current Toll Free phone numbers in use for Contact Center services. Client to transfer rights to Toll Free numbers for the term of this agreement. Contractor agrees to reassign ownership of Toll Free phone numbers if this agreement is terminated or if the agreement is not renewed beyond initial contract period.

INBOUND

Description: Inbound call handling functionality per usage of Client's ported toll-free numbers to Contractor.

MINIMUM DESKTOP REQUIREMENTS

Processor – Intel Dual core 2.7 Ghz processor
Memory – 2GB RAM
Storage – 160 GB harddisk drive
OS – Windows XP Service pack 3
10/100 Network Interface Card

CLIENT RESPONSIBILITIES

Client will be responsible for providing the following technology capabilities and solutions as indicated in *Appendix "H."*

Historical Customer Data

Client will provide Contractor with customer contact history from Client's Remedy 2.0 ticket solution beginning September 1, 2010. Client will provide this information in a flat text or XML format. Client will provide this file to Contractor on no more than three (3) occasions, to coincide with Program responsibility cutover (Go Live) dates.

- For the 10/17/10 Email Go Live, Client will send Contractor a file on either 10/15/10 or 10/18/10
- For the 11/21/10 Borders.com Phone Go Live, Client will send Contractor a file on either 11/19/10 or 11/22/10
- For the 12/19/10 remainder Phone Go Live, Client will send Contractor the final file on 12/20/10

Contractor will be able to use this information to research customer contact history prior to the date of Program transition. Client requests that Contractor retain this historical information for a minimum of 90 days from the final transition date (March 31, 2011).

SECTION 8.0 TERM

The term of the SOW will be thirty-six (36) months, beginning on October 17, 2010.

The term of this SOW may be extended with written agreement by both parties.

- END -

SECTION A. APPENDIX - A

Borders Standard Reports



Standard reports -
Borders.xlsx

SECTION B. APPENDIX - B

Borders Client Reports



Client Reports -
Borders.xlsx

SECTION

C. APPENDIX - C

Scope Document

SECTION

D. APPENDIX - D

Agent Contact Email Summary Report



Agent Contact Email
Summary Report.xlsx

SECTION

E. APPENDIX - E

Email Service Level Report



Email Service Level
Report.xlsx

SECTION

F. APPENDIX – F

Contact Summary Detail Report



Contact Summary
Detail Report.xlsx

SECTION G. APPENDIX - G

EzCLM/ezMAIL SCOPE



Scope_Document_Bo
rders_Requirement_C

SECTION H. APPENDIX - H

International Outbound Rates



Outbound
rates_International.x