



New requirements to acquire Staff Augmentation resources

Effective January 1, Staff Augmentation resources must be identified and onboarded through Microsoft's Contractor Services Program (CSP), or other country-equivalent program. Existing Staff Augmentation engagements may continue without impact until the planned end date as reflected on a current approved purchase order, or until the resource is no longer needed--whichever comes first.

How Microsoft defines a Staff Augmentation resource:

A Staff Augmentation resource is external staff engaged to temporarily augment a staff, backfill an employee position, and/or support the existing resources of a team to meet a short-term or cyclical business need. Implementation of the updates internationally is subject to local law.

How this may impact your business:

- Only contractor resources meeting the definition of Staff Augmentation (A- and V-) are in scope for this change. Implementation of the policy internationally is subject to local laws.
- The policy does not apply to approved outsourced engagements or to contractors supporting deliverable-based work, where the supplier manages all aspects of the work and the Microsoft sponsor plays no role in selecting the individual contractor resource(s) or supervising or directing work.
- Current Staff Augmentation rates will need to be competitively sourced unless not required by geographic location.

Requirements for Outsourced Service arrangements

Microsoft defines an Outsourced Staff resource as an individual employed by a third-party supplier that is approved by Microsoft to perform Outsourced Services for a specific outsourced arrangement. In an outsourced arrangement, the business has transferred an ongoing end-to-end, typically non-core, specific business function or process to a supplier to perform. Microsoft has refined the requirements for what constitutes an Outsourced Service arrangement and may be contacting your company in preparation for our upcoming Fiscal Year.

Why Microsoft is making these changes

These changes allow Microsoft to reduce risk, drive operational efficiencies, and effectively leverage our supply base, including diverse suppliers.