

<b>Date:</b> 4/15/08	<b>Information Stage – Kick-off Meeting</b>	<b>Section:</b>  1
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## OVERVIEW

***The Equipment Maintenance Program is an alternative approach to individual service maintenance contracts.***

State agencies have a wide range of office, financial, mail, security and communications equipment, as well as other equipment integral to the operation of the agency. For most of the equipment, maintenance and repair have been handled through the purchase of a service maintenance contract from a vendor. The alternative to a maintenance contract is taking a chance that the equipment will not fail. The agency will then bear the cost of service when repairs are required. This can be risky; so in the past, most agencies have opted to purchase maintenance contracts.

The Office of General Services has contracted for an alternative to individual vendor contracts—the ***Equipment Maintenance Program (EMP)***. Essentially, the EMP is one overall service program with a cost that is less than the total amount agencies currently spend on their equipment maintenance contracts.

The EMP should provide the same level of coverage as previously provided under the vendor agreement, including the cost of repairs and service, such as parts, labor, travel, preventive maintenance, etc. The EMP will also provide enhanced coverage for damage due to operator error, negligence, power disturbances, and HVAC system failures, which are typically not covered under the vendor agreement.

Under the EMP, agencies may call their vendor of choice to service their equipment. Vendors are then responsible for documenting their service calls and providing time and materials invoices to the program administrator, The Remi Group (TRG). Your vendor of choice should continue to provide the same level of service given that the vendor will now be paid each time service is requested, and TRG ensures timely payment of invoices under EMP.

**It is important to note that the program was initially participatory, but the EMP was mandated on June 8, 2004, by the Division of the Budget. Accordingly, agencies need to refer to Budget Bulletins H-1027 and H-1030 for further instruction and detail.**

## ***BENEFITS OF THE PROGRAM***

**Convenience:** One program with one expiration date replaces multiple maintenance contracts.

**Guaranteed Coverage:** Coverage should be at the same level as the coverage previously provided under the vendor agreement, including the cost of repairs and service, such as parts, labor, travel, preventive maintenance, etc. The level of coverage previously provided will need to be demonstrated at the time TRG prepares the initial equipment quote. Enhanced coverage includes damage due to operator error, negligence, power disturbances, and HVAC system failures.

**Choice:** Agencies may have their equipment serviced by the vendor of their choice.

**Financial and Programmatic Control:** Remi Online is a web-based system provided under the EMP and maintained by TRG that gives agencies an inventory of all equipment on the program, tracks equipment repairs and maintenance, monitors equipment performance, and can generate various management reports. Remi Online puts agencies in control of their equipment and its maintenance.

**Savings:** The EMP will result in a 25% or more savings over current contract costs.

## **HOW THE PROGRAM WORKS**

### ***When equipment failure occurs:***

1. Agency calls vendor of choice; vendor performs repair action; vendor submits service report to agency; agency forwards service report to On-site TRG Coordinator.
2. Vendor sends time and materials invoice within thirty days to the On-site TRG Coordinator, who matches service report to invoice and forwards to TRG reimbursement unit. TRG pays invoice directly to vendor at the billed amount within thirty days.
3. Under EMP, an Agency is responsible for one service agreement amount, which is billed by OGS on a quarterly basis.

### ***How savings is ensured:***

The EMP should include a diverse group of equipment, such as office, financial, mail, security, and communication machines. Some of this equipment will perform well and some of it will not, which is understood and anticipated by TRG. By maintaining the proper mix of equipment, the program is able to achieve an overall savings in comparison to vendor contract costs.

## EQUIPMENT ELIGIBILITY—COVERED AND NON-COVERED EQUIPMENT

### Equipment that is not eligible includes:

HVAC Systems, Elevators, Vehicles, Cables/Wiring, Software Maintenance (phone support, updates), Security System Monitoring (usually part of a separate contract), and some Consumables (paper, staples)

### Examples of eligible equipment include:

**Office Equipment:** Collating Machines, Copiers, Dictation Equipment, Endorsers, Fax Machines, Mail Machines, Microfiche / Microfilmers, Plotters, Printers, Rotary Filing Systems, Shredders, Time Clocks, Typewriters, Word Processors

**Security Equipment:** Alarm Systems, Card Access Systems, Video Surveillance, Vaults & Safes

**Data Processing Equipment:** Bridges, Controller Cards, Hubs / Switches, Mainframes, Multiplexors, PC's & Peripherals, Routers, Servers, Tape Drives

**Financial Equipment:** After Hour Depository, Automated Teller Machines, Cash Dispensers, Check Encoders, Check Imprinters, Currency Counters, Coin Counters, Financial Calculators, Reader Sorters, Safe Deposit Boxes, Teller Networks, Visual Auto Tellers

**Mail Equipment:** Bag Tagging Equipment, Bar-coding Equipment, Binding Machines, Bursters / Cutters, Collators / Decollators, Conveyers, Sorters, Folders / Inserters, Ink Jet Addressing, Ink Jet Drying, Inserter System, Labeling System

**Communication:** Audio Visual Systems, Overhead Paging, Intercoms, Pagers, Radios, Voice Mail Systems, and Telephone Systems

**IT Equipment:** Bridges, Controller Cards, Hubs / Switches, Mainframes, Multiplexors, PC's & Peripherals, Routers, Servers, Network Accessible Storage, Tape Drives, Printers, Equipment for Physically Challenged, Interactive White Board (Smart Board), Surge Protectors, UPS, Laptops, Scanners, Webcams, Optical Imaging Systems, PDAs and smart phones, barcode equipment, CD/DVD Jukeboxes, Telephone Systems, Telephone Switches

***Eligible equipment for the EMP generally includes low voltage, plug-in equipment.***

Please note that this is not a complete list and agencies should check all of their equipment for eligibility under EMP.

## **THE ROLES OF OGS, TRG and Zurich**

**The Equipment Maintenance Program Project Team** works with all agencies to assist in the implementation and management of the program. The Team consists of the following groups:

### ***State Agency Lead: Office of General Services (OGS)***

- OGS entered into a contract for an Equipment Maintenance Program (EMP) in 2001.
- OGS opened the EMP to other State agencies in 2003, and the Division of the Budget (DOB) mandated it on June 8, 2004.
- OGS rebid the expiring contract in 2004 and entered into a new 3-year contract with the option for two one-year renewals effective May 25, 2005.
- OGS and TRG have agreed to accept both one-year renewals, which will take the current contract until May 25, 2010.
- Agencies are responsible for executing a Memorandum of Understanding for the purpose of utilizing OGS' contract with TRG.
- OGS maintains contractual and programmatic oversight.
- The Director of OGS Bureau of Risk and Insurance Management (BRIM) serves as Account Manager for the EMP.
- OGS ensures coordination of resources from TRG, while providing overall program support for agencies and vendors.

### ***Program Administrator: The Remi Group (TRG)***

- TRG, backed by Zurich North America, was selected as the program administrator by OGS.
- TRG assists agencies with transitioning on to the EMP. TRG will also help agencies grow the program.
- TRG provides field support to assist agencies in addressing implementation issues.
- TRG handles all daily, ongoing operational matters.
- TRG provides Remi Online, a web-based tool for managing the EMP.
- TRG generates quarterly billings for agencies, which are posted on Remi Online.

### ***Service Contract Provider: Zurich North America (Zurich)***

- Zurich underwrites the equipment maintenance programs of TRG.
- Zurich executes the service contracts for the EMP.

## **RELEVANT REFERENCE MATERIALS**

- Budget Bulletin H-1027
- Budget Bulletin H-1030

## **QUICK TIPS**

- There is a Quick Reference Chart at the end of this manual.

## **FREQUENTLY ASKED QUESTIONS**

### *1. Will vendor response time change under the EMP?*

Response times should not change. In particular, OGS has worked with vendors to assist them in transitioning to the EMP service structure as well as addressing any issues that arise.

### *2. Will the EMP cover preventive maintenance?*

Yes, the program can cover preventive maintenance (PM), which follows standard OEM (Original Equipment Manufacturer) recommendations or provides the same PM level as the current vendor contract.

### *3. Will EMP savings decrease/increase in years to come?*

With the mandated growth of the program and proper spread of equipment, OGS has successfully negotiated further savings and will seek to maintain or better these savings in the future.