

Date: 4/15/08	Preparation Stage – Identify Eligible Equipment and Verify Inventory	Section: 3
Supersedes: 3/31/06		

OVERVIEW

Each agency is responsible for identifying all pieces of equipment that could go on the EMP and then submitting the related vendor service maintenance contracts for documentation purposes.

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.

Agencies first have to provide a complete and accurate inventory of all equipment for the EMP. Then agencies, with the advice and guidance of the EMP Project Team, will establish an implementation plan for transitioning specific equipment on to the program. This will include a detailed quote from The Remi Group (TRG), the program administrator.

STEP-BY-STEP PROCEDURES:

1. **Create** a detailed list that reports all vendor contracts/agreements (potential, new, and renewals) that pertain to the servicing of office equipment, business machines, and other plug-in equipment. At a minimum, the report should include the following data elements:
 - Business unit/business subunit*
 - Equipment description
 - Manufacturer
 - Model
 - Serial Number
 - Equipment location*
 - Vendor
 - PO/contract number
 - Special inclusions/exclusions
 - Preventive maintenance service calls per year
 - Contract expiration
 - Cancellation term
 - Contract price
 - Funding source

* Four category levels can be included during the preparation of this report such as business unit, department, city, and location. This information will then be used to sort the items listed in the Equipment Schedule.

Budget Bulletin H-1027 includes Attachment B, which specifies the format that agencies are required to use as a guideline in developing and finalizing the report.

Once agencies submit their Attachment B spreadsheets, TRG and OGS will work with agencies to establish an implementation plan for transitioning new equipment into the program. This process will occur in consultation with the Office for Technology and the Division of the Budget examiner assigned to your agency.

2. **Validate** all vendor service contracts and maintenance agreements.
 - Verify that all contracts/agreements represent equipment that is currently in use. Agencies should not pay for maintenance on equipment they have surplus, or no longer actively use.
 - Gather all equipment service maintenance contracts/agreements. *Please note that agencies may contact OGS Bureau of Risk and Insurance Management (BRIM) if they require assistance in collecting this hard copy documentation.*
3. **Submit** inventory and contracts to receive a quote.
 - Additional information may be requested to provide a more accurate quote.
 - Equipment coverage can be adjusted to better suit an agency's needs.
4. **Review** quote to make sure that the same level of coverage as was previously provided under the service maintenance contract is reflected under the EMP.
 - TRG typically takes up to 15-20 days to provide a quote, depending on the amount of equipment that was submitted.
 - The quote will show the relative costs of equipment under the EMP compared to the previous contract arrangement, along with a detailed list of coverages.
 - In some instances, the level of service will be the same, but the method will be different:
 - e.g., A vendor contract on a copier might include unlimited supplies but allow for only a limited number of copies, with overage charges assessed for exceeding that limit. TRG does not count copies but will calculate the amount of supplies needed to produce that limited number of copies; they would then charge for supply purchases beyond that calculated amount.
 - TRG has the ability to provide the quote in several different formats (browser, PDF, Excel) in order to suit the different needs of each agency.

Receiving an Equipment Quote

Remi Quote Schedule

<u>Manufacturer</u>	<u>Description</u>	<u>PMs</u>	<u>Contract Price</u>	<u>Remi Quoted Price</u>
Vendor A	Printer/Copier	2	\$134,556	\$100,917

Included Coverages

Supplies based on 18,000,000 copies:

Toner limited to 82 per year

Developer limited to 36 per year

Fuser limited to 72 per year

Excluded

Software

25% of \$134,556 = \$33,639 savings

RELEVANT REFERENCE MATERIALS

- Budget Bulletins H-1027 and H-1030 (see Section 1)
- Eligible Equipment Examples (see Section 1)
- Sample Contractual Language (see Section 2)
- Sample Vendor Contract

QUICK TIPS

- The EMP can cover many types of equipment as the list of examples of eligible equipment in Section 1 highlights. If a piece of equipment does not appear on the list, agencies should check it for eligibility under the EMP.
- An accurate and complete inventory with comprehensive contract materials will mitigate problems in future stages.

FREQUENTLY ASKED QUESTIONS

1. *How do agencies know they will be getting the same level of service under the EMP?*

Agencies are responsible for reviewing quotes and equipment scheduled to ensure they reflect the same level of service previously provided under the original service

maintenance contracts. Special attention should be paid to specific terms and conditions, such as inclusions and exclusions.

2. *Can equipment that does not have a vendor service maintenance contract be added to the EMP?*

Yes, if an agency provides the make, model, serial number, and purchase cost of the equipment, TRG can provide a quote under the EMP.

For recently purchased items, prior to the initial warranty expiration, TRG will provide a quote based on a manufacturer's maintenance contract quote. The item can be rolled onto the EMP when the warranty expires.

3. *Does EMP cover consumable items?*

Unlike preventive maintenance, which is generally included under vendor service maintenance contracts, consumables are generally excluded from vendor contracts. Accordingly, TRG typically reflects that standard. However, TRG will provide coverage at the same level as an agency's existing vendor service contract and reimburse for consumable items for operating supplies when applicable.

4. *Does the EMP cover software maintenance and upgrades?*

The program generally does not cover software maintenance or upgrades. Software support is a specialized service that is separate and distinct from hardware maintenance. However, if a vendor contract is for combined hardware/software and cannot easily be separated, TRG will consider providing software coverage at less than the 25% discount rate. Agencies should discuss the option in detail with TRG before canceling software support agreements or provisions.

5. *Does the EMP cover equipment upgrades?*

The costs for equipment upgrades, modifications, updates, overhauls or refurbishments, including travel and labor charges, are generally not covered. However, TRG may reimburse for modifications designed to enhance the reliability of the equipment. Accordingly, agencies should check prior to performing such upgrades to determine if the modification qualifies for coverage under the program.