

Date: 4/15/08	Approval Stage – Follow-up Meeting	Section: 4
Supersedes: 3/31/06		

OVERVIEW

OGS will ensure coordination of resources from the program administrator, The Remi Group (TRG), while providing overall program support as agencies come on to the EMP. Accordingly, OGS Bureau of Risk and Insurance Management (BRIM) may assist with the necessary administrative tasks, such as scheduling follow-up meetings with agencies.

STEP-BY-STEP PROCEDURES:

These meetings will focus on walking agencies through the final steps of getting the EMP properly started. A “checklist” of items will be covered, such as:

1. Reiterate How the EMP Service Agreement Is Used.
 - The EMP service agreement has an effective date, which is the date coverage begins. Each service agreement will have an equipment list with a stated dollar amount. It will also itemize in detail what is covered and what is not covered. This coverage should be at the same level as what was previously provided under vendor service maintenance contracts.

2. Review Final Quote and Equipment Schedule.
 - A representative from TRG will be available to walk agencies through their final quote, making sure that all information, including four category sorting levels, and coverage terms are accurate and complete.
 - Once the quote is determined to be valid, the equipment schedule will be deemed final. Other equipment can be added to the program later, and a charge assessed on a prorated basis. Equipment can also be deleted later, and a credit issued on the same basis.

3. Review Implementation Report.
 - Determine which equipment to place on the EMP.
 - Determine date for each piece of equipment to be transitioned to the EMP.
 - Determine whether to cancel or let the vendor service maintenance contract expire.

4. Determine the Program Start Date for the EMP.

- The effective date is the date on which coverage under the EMP service agreement begins.

5. Each Agency Must Accept the Quote in Writing.

- In order to proceed with the EMP service agreement, each quote must be accepted in writing, stating the quote number and effective date. This should be done by signing off on an “acceptance page.” By accepting the quote in writing, both parties will have a record of their agreement on the equipment schedule and dollar amount.

6. Receive EMP Service Agreement Number and Purchase Order (PO) Number.

- Each agency will have its own EMP service agreement number and PO number. The PO number will provide the vendor with the proper procedural and invoicing information in order to dispatch a technician to service the agency’s equipment.

RELEVANT REFERENCE MATERIALS

- Sample Equipment Quote
- Sample Implementation Report
- Instructions for Equipment Change Requests
- Equipment Change Request Form

QUICK TIPS

- It is important to remember that prior to the program start date the Memorandum of Understanding (MOU) highlighted in Section 2 should be signed in duplicate and returned to OGS Bureau of Risk and Insurance Management (BRIM). One original will be returned with the signature of the Chief Financial Officer of OGS.

FREQUENTLY ASKED QUESTIONS

1. *How is equipment added to or deleted from the EMP?*

If an agency needs to add or delete a piece of equipment, it needs to do so in writing. Specific procedures are outlined in Relevant Reference Materials for this Section.

2. *What if I need service after hours or on the weekends?*

The EMP provides coverage seven (7) days a week, twenty-four (24) hours a day.

If a vendor maintenance agreement does not limit hours of coverage, the EMP will provide the same level of service.

If the vendor agreement does limit hours of coverage, TRG will reimburse the vendor at the standard rate, and the agency will be responsible for the difference.

As always, agencies should, at the time equipment is being quoted and transitioned on the program, verify that the EMP is providing the same or better level of service as before.

3. *The terms “Aggregate Service Agreement Liability” and “Item Limit” are found in the TRG Client Reference Guide (CRG) on the Supplemental Coverage Information Page, and on the Endorsements included in an agency’s quarterly bill. What are the definitions and significance of these terms?*

Aggregate Service Agreement Liability

This provision is intended to detail the most this agreement will pay out for maintenance events on covered equipment, on an annual basis. This aggregate limit will increase or decrease proportionally depending on equipment additions or deletions, during the course of the agreement term.

The annual aggregate limit for the agreement term is determined by an industry standard formula, i.e. pro-rated agreement annual fee, which is found on the CRG’s Equipment Maintenance Coverage Information Page, times 2.5. For example, if the pro-rated annual agreement fee is \$40,000, then the annual aggregate limit is $\$40,000 \times 2.5 = \$100,000$. Essentially, the agency will pay \$40,000 in agreement fees for \$100,000 worth of coverage.

Item Limit

This provision is intended to express that the most TRG will pay for any one loss shall not exceed the actual value (definition found under the Definition section of the Equipment Maintenance Service Agreement) of that piece of equipment. It is not a good economical decision to pay more in repairs than the equipment is worth. A responsible vendor will not perform a service event without first disclosing the fact that the repair doesn’t make sense. In fact, the vendor will more than likely use this as an opportunity to replace the older unit with a brand new piece of equipment.

4. *Does TRG negotiate different rates for service from vendors in order to save on costs?*

No, TRG will not attempt to negotiate rates with vendors. TRG pays the standard published vendor time and materials rates.

5. *If equipment is added to the program with no vendor service contract, how is the amount under the EMP determined?*

TRG utilizes its proprietary equipment database to price coverage. This process will consider historical repair costs for the equipment and calculate an annual rate.