



STATE OF NEW YORK
EXECUTIVE DEPARTMENT
DIVISION OF THE BUDGET
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BUDGET BULLETIN	H-1027	June 8, 2004
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TO: ALL DEPARTMENT AND AGENCY HEADS
FROM: Carole E. Stone *CES*
SUBJECT: Equipment Maintenance Program

This bulletin provides instructions to State agencies regarding a centralized Equipment Maintenance Program (EMP) and outlines the immediate actions necessary for participation. This program will reduce costs by consolidating individual vendor service contracts into a single provider service contract. All agencies must adhere to the requirements of this bulletin to ensure that savings are maximized.

The provisions of this bulletin apply to all office equipment and business machines. Examples of items covered under the program are listed in Attachment A.

Background

In consultation with the Division of the Budget (DOB), the Office of General Services (OGS) established an EMP in 2001 as a pilot to reduce its own equipment maintenance costs. OGS contracted with a broker that specializes in establishing equipment maintenance programs and received coverage for maintenance on various types of agency equipment, ranging from simple office equipment to complex fire alarm systems. All such equipment was placed under a single maintenance service contract.

The EMP covers the full cost of maintenance and repair, replacing more expensive individual service contracts and, in most cases, using the same service providers. Equipment is added to the program on an ongoing basis as existing contracts and arrangements expire or are amended. Under the State's EMP, the service contract provider must be both competitively priced and financially sound. Since its inception at OGS, the EMP has reduced service contract costs by more than 20 percent from previous levels with no reduction in the level of service.

Recently, the OGS EMP was opened to other agencies. The EMP is accessed through a Memorandum of Understanding (MOU) with OGS.

Immediate Actions/Reporting Requirements

To facilitate statewide use of the EMP, we are asking that management at every State agency initiate a review of *all* contracts/arrangements (potential, new and renewals) that pertain to the servicing of office equipment and business machines. This comprehensive review will assist in identifying current and expected spending on individual vendor service contracts and arrangements.

By July 9, 2004, agencies must provide DOB with a chart providing a detailed list of all existing equipment maintenance service contracts or arrangements. At a minimum, the chart 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 (PM), contract expiration, cancellation term, contract price and funding source. Attachment B should be used as a guideline in formatting and finalizing the report.

Further Guidance

The Division of the Budget examiner assigned to your agency will review the summary report to identify all equipment suitable for the EMP. Examiners will then work with agencies to establish an implementation plan for transitioning equipment into the program. This process will occur in consultation with the agency as well as with OGS and the Office for Technology, where appropriate. Agencies will then be expected to execute an MOU with OGS covering the identified equipment.

The MOU will formalize the payment process for the EMP. In the initial year of participation in the EMP, OGS will charge agencies the full value of their existing equipment maintenance expenses for equipment that is shifted to coverage under the program – this should equal what agencies have already budgeted for these costs. This will allow us to capture savings consistent with those recommended in the Executive Budget. In future years, OGS will only charge agencies the actual cost of their participation in the EMP. Agencies will be responsible for working with DOB to manage their equipment maintenance costs. However, OGS will continue to be responsible for the overall EMP and contract oversight.

Questions regarding the EMP should be directed to Susan Greenbaum, Project Coordinator, or Tomlynn Yacono, Acting Director, both of the OGS Bureau of Risk and Insurance Management at (518) 474-4725. Questions regarding immediate actions and reports required by this bulletin should be directed to your budget examiner.

Attachment A

Office Equipment

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

Security Equipment

Alarm Systems
Card Access Systems
Video Surveillance
Vaults & Safes

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
Conveyors
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