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BUDGET BULLETIN	H-1030	July 19, 2006
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TO: ALL DEPARTMENT AND AGENCY HEADS

FROM: John F. Cape 

SUBJECT: Equipment Maintenance Program – Expansion and Enhancements

This bulletin supersedes Budget Bulletin H-1027, which required agencies to provide a listing of equipment maintenance contracts for potential transition to the statewide Equipment Maintenance Program (EMP). This new bulletin establishes new requirements for certain Information Technology (IT) equipment that was previously exempted under Budget Bulletin H-1027. It also provides for the retention by the participating agencies of any savings that may be achieved under the program.

The new provisions contained in this bulletin apply to the selected IT equipment listed in Attachment C. The program will also continue to cover all office equipment and business machines listed in Attachment A (the same list of equipment included in Budget Bulletin H-1027.)

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 specialized in establishing equipment maintenance programs. Under a single maintenance service contract, coverage was provided for equipment that ranged from simple office equipment to complex fire alarm systems.

Since its inception, the EMP has been expanded to facilitate comprehensive State agency participation in the program. The EMP covers the full cost of equipment maintenance and repair, replacing more expensive individual vendor contracts while, in most cases, utilizing the same service providers. Equipment is added to the program on an ongoing basis as existing contracts and arrangements expire or are amended, reducing service contract costs with no reported reduction in levels of service. Participation in the EMP requires that agencies enter into a Memorandum of Understanding (MOU) with OGS.

Program Improvements

The original contract under which the statewide EMP was established expired in 2005, and a new three-year contract with The Remi Group (TRG) was approved in May of that year. **Under the new contract, the EMP offers agencies a 25 percent savings over individual vendor contract costs**, an improvement over the 20 percent savings achieved under the previous contract. Further, **the EMP now covers service calls in which a problem is not found.**

Immediate Actions/Reporting Requirements

To facilitate the addition of certain IT equipment to the EMP, we are asking that management at every State agency initiate a review of all contracts/arrangements (new, existing and renewals) that pertain to IT equipment servicing.

By September 1, 2006, agencies must provide DOB with a completed Attachment B detailing existing equipment maintenance service contracts or arrangements for the types of IT equipment listed in Attachment C.

Further Guidance

Similar to the process established by H-1027, the Remi Group will review the submitted Attachments to identify all equipment suitable for the EMP. Together with OGS, they will then work with agencies to establish an implementation plan for transitioning new equipment onto the program. This process will occur in consultation with the agency, as well as with the Office for Technology and the DOB examiner assigned to your agency.

As part of this exercise, we also ask that agencies continue to evaluate and identify any contracts for the servicing of office equipment and business machines that could be transitioned on to the program. Any such new opportunities should also be reported and submitted on Attachment B.

Finally, as of the issuance of this bulletin, **all savings obtained from the EMP will remain with the agencies.** OGS is no longer required to centrally capture the savings derived from this program for the State.

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.