



STATE OF DELAWARE  
EXECUTIVE DEPARTMENT  
OFFICE OF MANAGEMENT AND BUDGET

March 27, 2014

TO: ALL STATE AGENCIES, SCHOOL DISTRICTS, MUNICIPALITIES, VOLUNTEER  
FIRE COMPANIES AND POLITICAL SUBDIVISIONS

FROM: COURTNEY MCCARTY  
STATE CONTRACT PROCUREMENT OFFICER II  
302-857-4557

SUBJECT: **AWARD NOTICE**  
**CONTRACT NO. GSS14582-EQUIPMAINT**  
**EQUIPMENT MAINTENANCE MANAGEMENT PROGRAM**

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**OF**  
**KEY CONTRACT INFORMATION**

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**KEY CONTRACT INFORMATION**

**1. MANDATORY USE CONTRACT**

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**REF: Title 29, Chapter 6911(d) Delaware Code.** Every state department and agency within the Executive Branch and Judicial Branch of the state government shall procure all material, equipment and nonprofessional services through the statewide contracts administered by Government Support Services, Office of Management and Budget. Delaware State University, Delaware Technical and Community College, the operations funded by Public School Districts, Delaware Transit Corporation, the Legislative Branch and the Board of Pension Trustees and their consultants are specifically exempted from the requirements of this subsection.

**2. CONTRACT PERIOD**

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Each contractor's contract shall be valid for a two (2) year period from April 16, 2014 through April 30, 2016. Each contract may be renewed for three (3) additional one (1) year period through negotiation between the contractor and Government Support Services. Negotiation may be initiated no later than ninety (90) days prior to the termination of the current agreement.

The State reserves the right to extend this contract on a month-to-month basis for a period of up to three months after the term of the full contract has been completed.

**3. VENDORS**

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|  |   |
|--|---|
| GSS14582-EQUIPMAINTV01<br><b>Electronic Risk Consultants, Inc.</b><br>456 US Highway 22<br>W. Whitehouse Station, NJ 08889<br>POC: Robert Tolomeo<br>PH: 908-823-0960<br>FX: 908-838-1060<br>EM: <a href="mailto:rtolomeo@erc-corp.com">rtolomeo@erc-corp.com</a><br>FSF: 0000017004 | GSS14582-EQUIPMAINTV02<br>The Remi Group, LLC<br>11325 North Community House Road, Suite 300<br>Charlotte, NC 28277<br>POC: Kristen Childers<br>PH: 704-602-0833<br>FX: 888-451-8916, Ext. 1<br>EM: <a href="mailto:kchilders@theremigroup.com">kchilders@theremigroup.com</a><br>FSF: 0000031837 |
|--|---|

**4. PRICING**

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Prices will remain firm for the term of the contract year. Minimum discount pricing structure is as follows:

| <b>Type of Equipment</b>              | <b>ERC</b> | <b>Remi</b> |
|---------------------------------------|------------|-------------|
| Communications equipment and systems  | 35%        | 27%         |
| Data processing equipment and systems | 35%        | 27%         |
| Facilities equipment and systems      | 32%        | 27%         |
| Mail processing equipment and systems | 34%        | 27%         |
| Office equipment and systems          | 35%        | 27%         |
| <b>OTHER:</b>                         |            |             |
| Laboratory Equipment                  |            | 27%         |
| Medical Equipment                     |            | 27%         |

**5. COVERED EQUIPMENT**

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Covered equipment, includes but not limited to: office equipment, office systems, communications equipment, facilities equipment, mail processing equipment, laboratory, and medical equipment.

**ADDITIONAL TERMS AND CONDITIONS**

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**6. BILLING**

The successful vendor is required to **"Bill as Shipped" to the respective ordering agency(s).** Ordering agencies shall provide at a minimum the contract number, ship to and bill to address, contract name and phone number.

**7. PAYMENT**

The agencies or school districts involved will authorize and process for payment each invoice within thirty (30) days after the date of receipt. The contractor or vendor must accept full payment by procurement (credit) card and/or conventional check and/or other electronic means at the State's option, without imposing any additional fees, costs or conditions.

**8. PRODUCT SUBSTITUTION**

All items delivered during the life of the contract shall be of the same type and manufacture as specified unless specific approval is given by Government Support Services to do otherwise. Substitutions may require the submission of written specifications and product evaluation prior to any approvals being granted.

**9. ORDERING PROCEDURE**

Successful contractors are required to have either a local telephone number within the (302) area code, a toll free (800) number, or agree to accept collect calls. Each agency is responsible for placing their orders and may be accomplished by written purchase order, telephone, fax or computer on-line systems. The contractor or vendor must accept full payment by procurement (credit) card and/or conventional check and/or other electronic means at the State's option, without imposing any additional fees, costs or conditions.

**10. HOLD HARMLESS**

The contractor agrees that it shall indemnify and hold the State of Delaware and all its agencies harmless from and against any and all claims for injury, loss of life, or damage to or loss of use of property caused or alleged to be caused, by acts or omissions of the contractor, its employees, and invitees on or about the premises and which arise out of the contractor's performance, or failure to perform as specified in the Agreement.

## **11. NON-PERFORMANCE**

In the event the contractor does not fulfill its obligations under the terms and conditions of this contract, the ordering agency may purchase equivalent product on the open market. Any difference in cost between the contract prices herein and the price of open market product shall be the responsibility of the contractor. Under no circumstances shall monies be due the contractor in the event open market products can be obtained below contract cost. Any monies charged to the contractor may be deducted from an open invoice.

## **12. FORCE MAJEURE**

Neither the contractor nor the ordering agency shall be held liable for non-performance under the terms and conditions of this contract due, but not limited to, government restriction, strike, flood, fire, or unforeseen catastrophe beyond either party's control. Each party shall notify the other in writing of any situation that may prevent performance under the terms and conditions of this contract.

## **13. AGENCY'S RESPONSIBILITIES**

The Agency shall:

- a. Examine and review in detail all letters, reports, drawings and other documents presented by the Contractor to the Agency and render to the Contractor in writing, findings and decisions pertaining thereto within a reasonable time so as not to delay the services of Contractor.
- b. Give prompt written notice to the Contractor whenever the Agency observes or otherwise becomes aware of any development that affects the scope or timing of the Contractor's services.
- c. When an ordering agency first experiences a relatively minor problem or difficulty with a vendor, the agency will contact the vendor directly and attempt to informally resolve the problem. This includes failure to perform by the date specified and any unacceptable difference(s) between the purchase order and the merchandise received. Ordering agencies should stress to vendors that they should expedite correction of the differences because failure to reply may result in an unfavorable rating in the execution of the awarded contract.
- d. The state has several remedies available to resolve non-performance issues with the contractor. The Agency should refer to the Contract Terms and Conditions to view these remedies. When a default occurs, the Agency should first review the contract to confirm that the issue is a part of the contract. If the issue is not covered by the contract, the state cannot expect the contractor to perform outside the agreement. If the issue is a part of the contract, the Agency or GSS - Contracting must then contact the contractor, discuss the reasons surrounding the default and establish a date when the contractor will resolve the non-performance issue.
- e. If there is a performance deficiency, a Corrective Action Report (CAR) may be used. Complete this form to report concerns with vendors or commodities. Be sure to furnish as much detail as possible. <http://gss.omb.delaware.gov/divisionwide/forms.shtml>.

## **14. CUSTOMER SERVICE**

The Vendor should provide each of the State and Contract Users a single, local point of contact (and a backup) to handle questions or problems that may arise. At least one Customer Service Representative must be available during Vendor's operating hours. Representatives should be available by phone, fax, or email (local or 800 number preferred).

## **15. EQUIPMENT MAINTENANCE PROGRAM REQUIREMENTS**

### **a. COVERAGE**

Vendors shall provide all maintenance and repairs for the equipment covered through this contract at the same or better service level(s) currently experienced through the existing equipment maintenance agreement. Service shall include all maintenance and repair for covered equipment, with no deductible.

Coverage shall include:

- Preventative maintenance as recommended by the manufacturer
- Parts, to match the current maintenance agreement
- Repair labor, if required

and shall not exclude:

- Repairs for damages caused by power surges
- Human error or negligence

### **b. RESPONSE TIME**

Response time under this program will be the same as the response time outlined in the original or current maintenance agreement.

For agreements that don't stipulate a response time or equipment that does not have an original or current maintenance agreement, vendor will work with the Agency to determine the type of coverage the equipment should have. Quotes in this instance shall give the Agency options and clearly identify the pricing associated with each option (24/7 coverage w/ 4 hour response time, M-F, 8am-5pm, w/ 2 hour response time, etc.).

### **c. THIRD PARTY MAINTENANCE/REPAIR SERVICE PROVIDERS**

Agencies shall be allowed to designate the maintenance/repair provider of their choice.

### **d. TAGGING EQUIPMENT**

All equipment covered under an agreement must be tagged with an identification number, which will be referenced on the Vendor's quote and used to place equipment service requests. Equipment tag shall include, but not be limited to: Company name, Company telephone number, and Tag number.

### **e. REPLACEMENT PARTS**

The maintenance provided must include all replacement parts that are equal to or better than O.E.M. specifications. Any permanent replacement of parts must be warranted per O.E.M. specifications.

**f. REMOVAL OF EQUIPMENT**

Equipment may be removed from the agreement at any time with notification from the State Agency to the vendor. The following information shall be included in the notification to the vendor:

- Agency Name
- Tag number
- Effective date of removal from equipment list

Equipment list is to be updated by the vendor within five (5) business days and the process started to prorate the equipment off the bill, based on the effective date included in the removal notification.

**g. ADDITION OF EQUIPMENT**

Vendors will evaluate additional or new equipment for inclusion to an agreement prior to adding it to the program. The equipment, once approved, would be added to the program by applying the contracted percentage discount to the quoted OEM or other authorized third party service providers maintenance agreement price. Addition of equipment shall be prorated, to coincide with current agreement dates.

**h. SERVICE PROVIDER NOTIFICATION**

Vendor will be responsible for providing notification to existing service providers of the agreement. The letter shall state that the State of Delaware has awarded a contract for a managed maintenance program and explain that while the vendor would continue to service the equipment service requests would come through the program as well as invoices and payments. Letter template is to be approved by the State of Delaware contract officer overseeing the contract prior to mailing.

**i. QUOTES**

- 1) Vendors will use OEM Terms and Conditions to quote a full coverage service maintenance agreement. **Service agreement dates are not to exceed contract expiration date.**
- 2) Vendor shall provide a fixed annual or monthly amount for providing any maintenance or repair for all covered equipment in accordance with its contracted percentage discount, applied to the current maintenance agreement, or from a quote from an authorized service provider for equipment not currently covered.
- 3) Vendor must provide maintenance quotes to the agencies within five (5) business days. Exceptions to this may include, but is not limited to: maintenance quote requests that are large, complex and may require vendor negotiations and/or clarifications or may be missing the required documentation.
- 4) Quotes will include:
  - Current contract cost
  - New contract cost
  - Cost savings
  - Location of the equipment
  - Tag number
  - Equipment description

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- Serial number
- Make and model of equipment
- Start and end date of service coverage
- Preventative Maintenance (PM) included
- Number of hours of coverage
- Number of hours response time (RT)
- Weekend hours
- Holiday hours
- Overtime hours
- Special coverage terms

**j. INVOICING AND PAYMENT**

The vendor shall instruct its third party service providers to submit their maintenance/repair invoices directly to the vendor. The vendor shall make direct payment to its third party service providers upon successful completion of required maintenance/repair services within thirty (30) days of service repair acceptance by the end-user. The State of Delaware at no time will make payment to the third party service providers. Any disputes on billings from the service provider that results in the withholding of payment by the vendor must be communicated via email to the contract officer and the requesting end-user within five (5) business days of the payment being withheld.

The State reserves the right to negotiate further discounts or guaranteed costs savings with increased participation on an annual basis.

Vendor will be responsible for checking in with requesting agencies; no less than a bi-monthly basis to ensure all is going well and if any updates need to be made to the account. Contact is to include verification of point of contacts for billing purposes to ensure all information is up to date.

**16. REPORTING**

- a. Create and maintain a database of all covered property capturing the equipment maintenance cost and savings for each piece of covered property.
- b. The vendor will be required to furnish a quarterly report to the Department and Contracting Office outlining the cost incurred for each piece of covered property and the associated savings.
- c. Reports shall compare Base Service Cost versus the actual cost incurred. Such reports must separately identify the costs associated with labor, parts, and any other costs incurred.
- d. The State reserves the right to request and inspect documentation that will support the information provided on each report. It will be the responsibility of the vendor to ensure that accurate information is maintained and reported.
- e. Records of maintenance and repair costs shall be maintained by the vendor in sufficient detail to determine repair and/or maintenance history individually and in aggregate for all covered equipment.

## 17. DISPATCH

The vendor must have a Dispatching Center responsible for handling service tickets for both routine Preventative Maintenance and Repair Service requests. Hours of operation of the dispatch center needs to take into consideration that some State facilities are open 24/7. Vendor is to identify the dispatch center's operating hours and how service requests are dispatched after regular operating hours as well as the phone number for both. Phone number must be either local or toll free.

Vendor is to outline their service delivery process that will include, but are not limited to:

a. Dispatch Repair Order to the third service provider

1) The Dispatching Center will contact the third party service provider and provide them with the following information:

- a) Purchase Order
- b) End-user contact information
- c) Tag number
- d) Issue – as presented
- e) Response time, per agreement coverage associated with the equipment

2) Third party service provider will contact end-user with an estimated date and time of arrival (ETA) and third party service provider technician's contact information.

3) Third party service provider technician will contact the vendor upon arrival at end-user service location to log-in service date and time.

b. Confirmation that the third party service provider technician arrived on-site to make requested repair(s) on a pre-scheduled date and time.

c. Third party service provider repair monitoring

- The dispatching center must tell the end-user that the end-user is required to collect a "Third Party Service Provider Report" from the third party service provider's technician once the equipment is repaired and/or prior to the technician leaving the site. **Third party service technician must sign the "Third Party Service Provider's Report" prior to leaving the end-user repair site.**

d. Confirmation that the end-user is satisfied with the third party service provider repair(s)

- Once repair is complete the third party service provider technician will have the end-user sign the Third Party Service Provider Report that the repair is complete to the end-user's satisfaction.

e. Third Party Service Provider Report documenting sign-off that all repairs have been made to the end-user's satisfaction.

- The vendor will follow-up with the third party service provider and end-user to confirm that repair has been performed and the equipment is working to satisfactory standards within five (5) business days of repair completion.

- f. A managed payment process to its third party service providers.
- g. A third party service provider repair order close-out process.

**18. EDUCATIONAL/TRAINING PROGRAMS**

Awarded vendor(s) shall provide a training program which provides the necessary education to the end-users with a clear understanding of the maintenance program's benefits and limitations. Training will also include an understanding of the process from requesting service to billing. The State reserves the right to approve in advance of distribution any and all training materials that will be provided to the end-users, regardless of the method of distribution. The awarded vendor(s) shall be responsible for all costs associated with the training and educational program including development and printing.