DEPARTMENTAL REGULATION	Number: 3230-001
SUBJECT: ADP Equipment Maintenance	DATE: August 6, 1990
	OPI: Office of Information Resources Management, ATSD

1   PURPOSE

     This regulation provides policy and guidelines for: ADPE maintenance recordkeeping, benefit/cost analysis, decision to contract and follow-up assessment.

2   POLICY

     The policy of the Department for annual maintenance contracts for ADPE is that they will be used only when in the Government's economic interest.

3   REFERENCES:

41 CFR 101-25.106 - Servicing of Office Machines

DR 3120-1 - IRM Standards

DR 3130-1 - Technical Approval for IRM Products and Services DR 3130-2 - Microcomputer Policy

DR 3150-2 - IRM Review Program

DM 3200-1 - Applications Systems Life Cycle Management Manual DM 3200-2 - A Project Manager's Guide to Applications Life Cycle Management

4   ABBREVIATIONS

ADPE - Automatic Data Processing Equipment

ATSD - Agency Technical Services Division

IRM - Information Resources Management

5   BACKGROUND

   This regulation establishes procedures for considering ADPE maintenance and service contracts for all types of ADPE.

   Preventive maintenance is the responsibility of agencies following the manufacturer's User's Guide or Operator's Manual. Operators are to protect manufacturers' warranties when performing preventive maintenance.

6   PROCEDURES

   Before contracting for maintenance, agencies must assure that benefits show clear economic value. For costs, combine agency- wide needs. Maintenance cost benefit justifications will be retained in the procurement files of the ordering agency.

   To contract for ADPE maintenance, following DR 3130-1, first weigh different options for total life-cycle maintenance costs. Technical approval and Delegation of Procurement Authority is required and defined in DR 3130-1.

   When buying maintenance services for hardware, use object classification codes assigned for office equipment. After issuing a service/maintenance contract, agencies are to collect annual repair cost data. Records of contract maintenance and repair costs are to be kept by budget classification codes provided for that purpose.

   a   Departmental agencies will determine the need for a maintenance contract. Collect data to support any requirement for an ADPE maintenance contract. During data collection, include but do not limit consideration to:

           (1)   Review the agency's experience with the service facility. What is the organization's reputation? Has past performance been satisfactory? Has the quality of work met expectations?

           (2)   How frequently is preventive maintenance scheduled? Limit preventive maintenance to the amount of ordinary care required. The Owner/Operator's Manual, User's Guide or, other manufacturers' guides give instructions for preventive maintenance.

           (3)   What is the frequency of repair?

           (4)   Agencies shall seek other related sources of maintenance/repair data.

   b   When study points to the need for a maintenance contract, agencies shall conduct benefit/cost analyses before considering ADPE maintenance contracts.

(1)   Analysis will include a cost comparison between annual ADPE maintenance contract alternatives and per call repair service. Do not limit ADPE maintenance or repair alternatives and, include:

(a)   On-Site Maintenance: A vendor's technician located at the user's site.

(b)   On-Call Maintenance: This is sometimes called "Time and Materials." A vendor's technician visits the users site as needed. The technician does preventive maintenance, or corrective maintenance, as required. Although this type of contract is common, it is often the least cost efficient.

(c)   Carry-In Repair Service: The user transports any broken equipment to and from the repair facility.

(d)   Depot Maintenance: The user ships broken ADPE to a central repair facility.

(e)   Cross Service Maintenance Agreements: Preventive or corrective maintenance is recommended between two or more agencies.

(f)   Self-Diagnostics: The vendor provides diagnostic equipment/tools to identify problems and corrective actions. This procedure is best when the owning agency maintains a supply of spare parts to make on the spot repairs.

(g)   Remote-Diagnostics: The vendor diagnoses the problem through telephone instruction.

(2)   Analysis also will address:

(a)   Standard of performance required;

(b)   Degree of reliability needed;

(c)   Environmental impact, such as dusty surroundings or other harmful conditions;

(d)   Location of nearest available repair facilities;

(e)   Experience with service facility, such as reputation, performance record, quality of work, etc.;

(f)   Use, considering operator's care of the hardware;

(g)   Age and performance record of the hardware;

(h)   Location of reserve equipment in case of breakdown;

(i)   Number of stations, including frequency of repair required;

(j)   Security restrictions, if any;

(k)   Plans for preventive maintenance; and Cost of spare parts.

 c   Agencies are cautioned that benefits from the purchase of maintenance agreements for microcomputers may not be cost efficient. Generally, microcomputers have not required extensive maintenance. When contracting for services, agencies must set up procedures recording the vendor's performance.

To collect contractor performance, keep records for review. Additional data gathered will identify: volume of hardware failures, types of service required, cost of parts and labor, timeliness of vendor responses and other related information.

d   Agencies will conduct an annual assessment of maintenance requirements. When a contract exists, this assessment will also measure the contractor's performance. Annual recertification, justifying the maintenance contract is required. Performance certification will be retained as part of the agencies' contract files.

The contractor's performance evaluation provides a basis for the decision to continue or change the present service contract. Change existing contracts to maintain cost efficient service. When modification cannot be made, set up a new contract.