

<b>University Of Massachusetts Lowell</b>	
<b>Date: July 01, 2001</b>	<b>Section:3.16</b>
<b>Subject: Equipment and Software Maintenance, Including Software Licenses</b>	

Following is the policy and procedures that shall be followed to contract with an outside vendor for the maintenance/repair of University-owned equipment; e.g., office machines, computers, research equipment. Also covered is the policy and procedures for software maintenance and licensing.

1. **Maintenance/repair service/parts for equipment:** When there is labor involved, charge to Sub. LL, Object Codes 2141 – 2153. If the purchase covers **only replacement parts without labor**, charge to Sub. FF, Object Codes 1525.

a. Two types of equipment repair service are usually available from those vendors that offer it:

(1) **Per Call Service:** Equipment is serviced only when requested. Fees are usually based on an hourly rate plus replacement parts and the requesting department is billed for each call.

(2) If the total value of the maintenance service contract is greater than \$5,000 for the entire term of the agreement **and the service is available from more than one vendor**, and if the agreement is not covered by State, MHEC, University or Campus contract, the department shall submit their requirement to Purchasing in requisition form, or written justification for sole source, or sole acceptable source, shall be provided on the Documentation Form – Sole Source, Sole Acceptable Source/Brand See Section 2.3. The Purchasing Department will send out requests for bids for competitive requirements and will issue a Purchase Order to cover the resulting agreement. The requesting department will be responsible for issuing purchase requisitions to cover any subsequent years of the agreement, if applicable.

In all instances, the vendor shall provide the University with an itemized bill, including the rate per hour, the number of hours worked, and an itemized list of parts (if applicable). Lump sum bills are unacceptable.

(3) **Service Contract** (usually issued annually): Equipment may receive regularly scheduled preventive maintenance inspections and is repaired, as needed, between inspections for a flat annual rate. Some service contracts include replacement parts; other, only cover labor. The requesting department should check the terms of the vendor's service contract prior to contracting for maintenance to determine exactly what is covered.

(4) A purchase requisition must cover any agreement for the maintenance/repair of equipment. Such order/requests against those accounts that are set up on a fiscal year basis may be encumbered through June 30 of the fiscal year in which issued. If the term of the agreement extends beyond the end of the fiscal year in which issued, the department shall submit to Purchasing, a purchasing requisition at the beginning of each subsequent fiscal year throughout the term of the service agreement, together with a copy of the original service agreement.

(5) All maintenance service contracts must be covered by a written agreement, which shall be signed by the vendor and the Director of Purchasing. Any such agreement that spans more than twelve months also may be subject to legal review by the University's Staff Attorney.

(6) If the total value of the maintenance service contract is not greater than \$5,000 for the entire term of the agreement, or if the agreement is covered by State, MHEC, University, or Campus contract, the department may prepare a Purchase Requisition and submit it to Purchasing for review, together with the vendor's contractual agreement.

No Purchase Order covering a maintenance service contract will be processed unless and until it has the appropriate, properly executed contract attached to it.

(7) If the total value of the maintenance service contract is greater than \$5,000 for the entire term of the agreement **and the service is available from more than one vendor**, and if the agreement is not covered by State, MHEC, University or Campus contract, the department shall submit their requirement to Purchasing in requisition form, or written justification for sole source, or sole acceptable source, shall be provided on the Documentation Form – Sole Source, Sole Acceptable Source/Brand See Section 2.3. The

Purchasing Department will send out requests for bids for competitive requirements and will issue a Purchase Order to cover the resulting agreement. The requesting department will be responsible for issuing purchase requisitions to cover any subsequent years of the agreement, if applicable.

(8) All maintenance service agreements are subject to the review and approval of the Purchasing Department, and all the necessary procedures shall be followed, and approvals and signature obtained, prior to making any commitment to the vendor.

2. **Software Maintenance/Licensing:** Charge software maintenance to Sub. LL, Object Code 2141. Charge software licensing to Sub. EE, Object Code 1409. Often, the vendor will combine the license and maintenance into one agreement. Usually, such combined agreements are charged to the code for software licensing (1409).

(a) Any such maintenance/license agreement must be covered by a purchase requisition. Such requests against those accounts that are set up on a fiscal year basis may be encumbered through June 30 of the fiscal year in which issued. If the term of the agreement extends beyond the end of the fiscal year in which issued, the department shall submit to Purchasing, a renewal Purchase Requisition at the beginning of each subsequent fiscal year throughout the term of the service/license agreement, together with a copy of the original service/license agreement, bearing all applicable signatures.

(b) Requisitions issued against grant or contract accounts may be encumbered from the effective date to the expiration date of the grant or contract account charged.

(c) All such contracts must be covered by a written agreement, which shall be signed by the vendor and the Director of Purchasing. Any maintenance agreement that spans more than twelve months also must be signed by the respective vice chancellor and may be subject to legal review by the University's Staff Attorney.

All software licenses in excess of \$1,000 are subject to the review and signature of the University Treasurer, regardless of duration, and may also be subject to legal review. Licenses under \$1,000 shall be reviewed and signed by the Director of Purchasing.

(d) The department shall prepare a purchase requisition and submit it to Purchasing, together with the vendor's contractual agreement. No Purchase Order covering software maintenance/license will be processed, and no commitment shall be made to the vendor, until the appropriate, properly executed contract has been attached to it.

3. Payments against all such agreements shall be made in arrears, at the end of the respective billing period.
4. Departments are advised that personal computer maintenance/repairs, and software assistance, are also available in house by contracting the Help Desk.