

## **SECTION 10 - EQUIPMENT ACQUISITION GUIDELINES**

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### **Relevant Law –**

- Annotated Code of Maryland, Correctional Services Article, Title 3 Division of Corrections, Subtitle 5 Maryland Correctional Enterprises (MCE)
- Annotated Code of Maryland, State Finance and Procurement Article, Title 14 Preferences, Subtitle 1 Preferences to Benefit Disadvantaged Individuals, Chapter 14-103 Priority of Preferences
- Annotated Code of Maryland, State Finance and Procurement Article, Title 8 Debt, Subtitle 3 Miscellaneous Provisions, Chapter 8-301 Contract to spend general obligation loan proceeds

### **Relevant Regulation –**

- Code of Maryland Regulations (COMAR), Title 21 State Procurement Regulations, Subtitle 11 Socioeconomic Policies, Chapter 05 Procurement from *MCE* - Blind Industries and Services of Maryland, and Certified Sheltered Workshops

### **Critical Due Dates –**

- CB Form G Equipment and Furnishings Request is due on July 1

## 10.01 OVERVIEW

This Section describes the process required to obtain State financial assistance with the costs of initial furnishings and equipment (F&E) for an authorized capital project.

## 10.02 EQUIPMENT APPLICATION AND SUBMISSION

### A. STATE CONTACT AGENCY REGARDING F & E PROCESS

The Department of Budget and Management (DBM), Office of Capital Budgeting, is the lead agency for determining eligibility of furnishings and equipment in order to determine the appropriate amount to budget for F&E. MHEC and DBM share in reviewing the capital budget request and, after legislative approval, recommending the final allocation. DGS is responsible for preparing Board of Public Works Agenda items for F&E contracts and for approving invoice requests.

### B. STEPS TO GAIN STATE FINANCIAL ASSISTANCE TO FURNISH AND EQUIP A PROJECT

1. Submit an Equipment and Furnishing Request (CB Form G, MS Excel, See website), to the Department of Budget and Management. DBM will review the list to determine eligibility according the criteria that are detailed later in this section. Ideally, the list should be submitted no later than three months after the completion of design. The list must be submitted no later than the Community College's capital budget request to the Maryland Association of Community Colleges /Maryland Higher Education Commission (usually by *July 1*). Send the digital (MS Excel) Form G to:

Original to: Capital Budget Analyst for Community Colleges  
Department of Budget and Management  
301 West Preston Street Suite 1209  
Baltimore MD 21201-2365

One Copy to: Program Manager for Community Colleges  
(w/o backup) Department of General Services  
301 West Preston Street Suite 1405  
Baltimore MD 21201-2365

One Copy to: Finance Policy Analyst for Community College Capital  
(w/o backup) Maryland Higher Education Commission  
*6 N. Liberty Street, 10th Floor*  
*Baltimore, MD 21201*

A completed Form G consists of: (1) itemized lists of all equipment being requested for capital funding, including the components of systems (these lists can be organized into separate tabs at the discretion of the college) (2) an equipment list summary which includes the totals for each itemized list/tab. Examples of both an itemized list and a summary list are provided in the Form G document as separate tabs.

In the itemized lists, furniture and equipment, information technology and audio visual equipment should be grouped by system with the room locations identified. To the extent applicable, an agency should submit supporting documentation including descriptions with dimensions, weight, materials and catalog references. This information can be submitted as a separate document and will assist DBM in making accurate eligibility decisions. Maryland Correctional Enterprises (MCE) should be contacted for assistance in determining current items of manufacture and their cost. Unit and total cost columns shall reflect the current (as of submission date) net anticipated cost for purchasing the equipment (catalog price less any discounts offered to the State or its agencies).

See Section 10.02.B.6 and 10.04.B.8 for further information on MCE requirements.

2. A final, approved, consolidated listing of equipment for the facility will be furnished to the submitting college by DBM. DBM may add an appropriate inflation factor to the approved equipment list totals based on expected inflation rates. DBM may make changes to unit cost and quantity as deemed necessary. The results of the review will be summarized in a letter from DBM.
3. Submit a budget request for F&E in the College's annual capital budget request to MHEC for the Fiscal Year in which funds will be required. The College's capital budget request for initial equipment and furniture should be consistent with the results of DBM's review.
4. The capital budget funding request is subject to approval by the Maryland General Assembly. If approved, the funds will be available *June 1* in the same calendar year. (For example, capital funds approved by the 2019 Maryland General Assembly would be effective *June 1, 2019*).
5. Once the equipment funds have been authorized by the General Assembly, the College may submit a request to the Maryland Higher Education for (a) an allocation for equipment funds up to the approved amount, and (b) submit its equipment contracts to DGS for Board of Public Works (BPW) approval. All contracts for community college projects must be approved by DGS prior to their award.

6. When the furniture is available from MCE or from Baltimore Metro contracts, there is no need to solicit bids, but the contract(s) still need(s) to be approved by DGS prior to award.

**C. INTERPRETING DBM's NOTATIONS ON THE EQUIPMENT AND FURNISHINGS LIST**

1. The letter "C" indicates that the item is eligible for capital funding
2. The letter "N" indicates that the item is not eligible for state capital funds.



## Department of Budget & Management Capital Equipment Eligibility Guidelines

	FF&E	A/V	IT	Non-Standard Equipment
<b>Definition</b>	Standard furniture, fixtures, and equipment that are not audio/visual or information technology in nature.	Systems using sight or sound to present, record or store information. This category includes the basic infrastructure needed to operate the audiovisual and security equipment, such as projectors and smart podiums.	Telecommunication systems used to store, transmit, and create data. This category includes information technology infrastructure (e.g., wiring, switches), networking equipment, servers, data storage devices, and related items.	Unique equipment costing at least \$100,000 that is needed for highly specialized functions or activities and is intrinsically related to the programmatic needs in the facility. Examples include flight simulators and NMRs.
<b>Lifespan / Durability</b>	15 year minimum.	A minimum of 3 years and included as part of an overall project with a life of at least 15 years.		Minimum of 5 years and included as part of an overall project with a life of at least 15 years. In situations where no useful life data may be available, the cost of the system will be taken into consideration.
<b>General Considerations</b>	Eligible equipment is that which is necessary to get the building functional AND does not violate other criteria. Items are expected to remain functional under heavy use with regular maintenance. Items that break or become obsolete cannot be replaced using capital funds. The following criteria will make an item indigible for capital funding: 1) Items with a high likelihood of theft due to size, portability, or attractiveness. 2) Items easily broken from heavy use. 3) Items considered elaborate or excessive in cost. 4) Items intended to replace current working equipment. 5) Items not related to the mission of the agency.			
<b>Special Considerations</b>	Based on capital funding best practices, low cost items may be considered indigible, such as trash cans.	Factors of consideration include room occupancy, level of use of the item, quantity requested, purpose, programmatic need, and relation to agency mission. The total cost of equipment with a useful life of less than 15 years may not exceed 25% of the state's share of capital equipment funding.		Justification for why the equipment is needed should be provided. In addition, the agency should provide information on how the equipment will be maintained over its useful life.
<b>Systems</b>	N/A	Eligible systems are those needed for the start-up of the building. Components that are critical and necessary to the operation of a system may be eligible. Based on criteria discussed elsewhere in this document, not all components of a system, such as training and licensing, may be eligible. Items normally considered indigible may not be bundled to form a system. For example, bundling laptops into a system is not eligible.		
<b>Specific Ineligible Items</b>	Non-MCE items unless a waiver has been obtained. Personnel training. Software not integral to equipment function.	Training costs. Software not integral to equipment function. Software typically sold as separate item (e.g. Microsoft Office or a software upgrade). Custom software development. Personal computers. Tablets. Laptops. Licensing. Service agreements.		
<b>Replacement Items</b>	Capital funds will not be used to replace equipment for existing programmatic activities, including activities that will be relocated to a new facility. This includes items that have outlived their useful life or become obsolete. An agency requesting capital equipment funding will be required to submit a list of current usable equipment or pay up to 5% of the approved equipment list from non-capital funds unless the equipment is for a new function.			Replacement of non-standard equipment is not eligible.

Notes: Examples are for illustration only and may not hold true in specific or unique situations. AV and IT systems must be consolidated under one tab in Form G identifying the system components.

A.

## GENERAL REQUIREMENTS

1. Requests for funding should be made using Form G: Equipment and Furnishings Request. All equipment and furniture, information technology and audiovisual systems which are needed to make a project operational, should be listed regardless of projected fund source.
2. An electronic copy of Form G should be submitted to the Office of Capital Budgeting no later than three months after the completion of design.
3. Before initial submission to OCB, the college should conduct a preliminary review and indicate the items the college considers eligible for capital funding.
4. Colleges are responsible for checking the accuracy of the calculations in equipment lists. Each page of an equipment list should include a page total and cumulative total.
5. At the top of each page, complete the lines for college, (name of) project, and fiscal year. The fiscal year is the year in which capital equipment funds will be requested.
6. On each item line, list an item along with a suggested manufacturer and product number, if available. Remember that State law specifies that Maryland Correctional Enterprises products must be acquired if available, even if the product is available at a lower cost from a private vendor. For items that vary in size, include dimensions if available. Include weight of each item if available. Complete the Requested columns for quantity, net unit cost, and total cost. Note that total cost equals quantity times net unit cost. Round all costs to the nearest dollar.
7. At the bottom of the page, indicate the number of that page and the total number of pages.