Arizona Department of Administration (ADOA)

Arizona Strategic Enterprise Technology (ASET)

Enterprise Infrastructure & Communication (EIC)

*AZNet* II Telecommunications Asset Manual

**Introduction and Purpose**

The Arizona Department of Administration (ADOA) was directed to establish an Enterprise Infrastructure & Communication (EIC) within ADOA to provide for the installation and maintenance of telecommunication systems and to act as the state’s agent for telecommunications carrier services to the offices, departments and agencies of the State of Arizona.

EIC has established the Arizona Network or *AZNet* to provide the telecommunications systems. EIC’s mission is to assure that the State of Arizona has a cost effective, efficient and consolidated shared telecommunications infrastructure to meet the needs of government agencies, their employees and the public.

The outsourcing of telecommunications services for state agencies creates a need for a uniform set of guidelines and procedures on how to purchase and track state telecommunications equipment.

**Governing Authority**

**State Law**

The following session laws or statutes established the statutory authority for the outsourcing of telecommunications services. These can be obtained online at <http://www.azleg.gov>.

* 46th Legislature, First Regular Session, Chapter 263, Section 101 (House Bill 2533).
* 47th Legislature, First Regular Session, Chapter 301 (House Bill 2777).
* Arizona Revised Statutes (A.R.S.) § 41-711, 41-712, and 41-713.

**Service Agreement**

The Services Agreement Statewide Telecommunications Outsourcing (*AZNet II*) is ADSPO11-019559; this is a contract between the State of Arizona and CenturLink, the current primary contractor.

A complete copy of the Services Agreement can be located on the State e-Procurement System ProcureAZ website (<https://procure.az.gov>). A copy can be obtained by clicking Contract & Bid Search and entering contract # ADSPO11-019559.

Enterprise Infrastructure & Communication **Office Responsibilities**

The Enterprise Infrastructure & Communication is responsible for entering into a primary contract with a contractor to provide for the installation and maintenance of telecommunication systems and to act as the state’s agent for telecommunication carrier services to the offices, departments and agencies of this state.

Effective August 1st, 2012, EIC entered into an agreement with CenturyLink (the Contractor) to provide services to the state.

The EIC shall employ those individuals that are required to oversee the primary contractor and administer efficiently the Enterprise Infrastructure & Communication.

The primary contractor, CenturyLink, is to provide for the installation and maintenance of telecommunication systems and to act as the state’s agent for telecommunication carrier services to the offices, departments and agencies of this state.

The Services Agreement specifies in more detail the requirements. The following are examples of services provided by the primary contractor and subcontractors:

* Bundled telecommunication services or “seats”
* Projects
* Moves, Additions, or Changes (MACs)
* Repairs or Maintenance Services
* Request for Information (RFI)

***AZNet* II Telecommunications Services Overview**

**Bundled Services and Project Services**

Agencies are billed monthly based on a seat price for bundled telecommunication services. This is usually referred to as “seats.” The seat price has been negotiated and is a set monthly charge. The seat price includes maintenance and support, not excluding Moves, Additions or Changes (MACs).

**Moves, Additions, and Changes (MACs)**

MACs are requests for changes to telecommunications service and configurations. This consists of changes to voice and data configurations. There are two types of MACs.

**Soft MAC** - is work performed remotely usually through software changes, not requiring a site visit by a technician.

**Hard MAC** - is work performed requiring an on-site visit by a technician.

These MACs may utilize equipment, either new or used, from AZNet II Spares inventory with EIC Manager or Inventory Specialist approval.

**Request for Information (RFI)**

This service is responding to client queries and questions. The request could involve a quote, billing dispute or other general inquiries. If the agency approves the quote and proceeds, the RFI ticket will be closed and a new Remedy ticket in the form of either a MAC Remedy ticket or Project ticket will be created. If equipment is included, it may be purchased new or used from the AZNet II Spares inventory with EIC Manager or Inventory Specialist approval.

**Repairs and Maintenance**

Maintenance is the non-billable repair or replacement of equipment or software to re-establish service after it has been interrupted or noticeably degraded due to hardware or software failure in accordance to applicable Service Level Agreements (SLAs).

The contractor is responsible for all in scope equipment within the seat price

Maintenance will also include replacing equipment configurations of software (reconfiguration) if such reconfigurations were supplied by AZNet II or are scheduled for replacement in accordance with the Annual Operating Plan (AOP).

**Project – Refresh**

A Project Refresh consists of full replacement of all the Voice and Network equipment in use under the AZNet II contract with new assets that are current in their lifecycle to meet all the requirements listed by the State in the AZnet II contract. Each existing agency will be refreshed once during the life of this contract.

***AZNet* Asset Process Overview**

**Introduction**

The outsourcing of telecommunications services for state agencies created a need for a uniform set of guidelines and procedures on how to purchase and track state telecommunications equipment.

Prior to the inception of the contract, each state agency was responsible for their own telecommunications needs with some utilizing the resources of the Arizona Telecommunications Services (ATS) division within the Arizona Department of Administration.

There are over 100 state agencies, executive boards, and commissions. Thus, the telecommunications equipment, existing and new, is under the umbrella of AZNet IIunless it has been excluded by EIC.

**Order Equipment**

Once the AZNet II Statement of Work (SOW) for a Project or MACs has been approved by both the contractor and the agency, the contractor then orders the equipment specified on the Bill of Materials (BOM).

Once the Statement of Work (SOW) for a Project has been signed by the EIC Program Manager and the agency, the contractor will then order equipment as specified on the Bill of Materials (BOM). The agency is responsible for completing a PIJ and providing a purchase order to the contractor if at any time the cost is $25k or above.

The contractor will list the hardware that is to be purchased along with contractor service charges for that particular project.

Equipment from AZNet II Spares Inventory will be used for the Project or MAC if it is authorized by the EIC Manager or Inventory Specialist. The SOW must specify this requirement.

**Receive Equipment**

After the equipment is provided or purchased (for optional services), it is shipped to the address specified on the AZNet II Bill of Materials. (This will usually be at 1520 W. Adams St, Phoenix, AZ 85007; or, another site if outside Maricopa County.) Once the equipment has been shipped, the Contractor’s Project Manager will then verify that the equipment was received with the packing statements to confirm the correct equipment was shipped and has been received.

The contractor or the agency will then place the equipment in temporary storage until the scheduled installation time. The contractor shall place a unique AZNet asset tag on the equipment before installation. An AZNetasset tag (Blue) will be placed on assets whether it is non-capital or capital equipment. The tagging of these assets will be in accordance to ADOA policy established for telecommunications equipment. EIC will issue new AZNet asset tags upon contractor request that will be associated with a Remedy ticket ID.

**Install Equipment**

The contractor will coordinate with the state agency to determine a schedule to decommission old equipment to be replaced with new equipment.

The contractor will deliver and install the equipment at the site and verify that all services are working according to specifications.

Contractor shall provide digital photograph(s) of the installed asset with clear visibility of the AZNet asset tag.

**Record Equipment**

The contractor shall be responsible for asset management and operation of the AZNet II telecommunications assets. The asset management system that the contractor will use is the AZNet II Remedy platform, which is owned by the contractor. The State inventory will be stored in Telemaster, provided by Telesoft, the current Telecom Expense Management (TEM) provider. This is the State Inventory of record which is updated by data transferring from the AZNet II Remedy ticket activities.

Once the equipment is installed, the contractor enters the equipment information into the Remedy ticket which will automatically update the Remedy CMDB database.

This process is to establish a permanent electronic record of the asset for tracking and maintenance purposes, and must include any appropriate asset tag numbers.

According to the Services Agreement, the “Contractor will take overall responsibility for management of the assets of the state, whether or not contractor assumes ownership of those assets….Management of assets includes tracking and maintenance”

To update and revise the inventory system the contractor will submit all changes including moves, adds, upgrades, and deletes to Telesoft using data feeds for the Telemaster system which stores the current AZNet II State inventory.

***AZNet* II Assets Recorded by Agency**

State agencies must comply with the State of Arizona Accounting Manual (SAAM) regarding expenditures which includes purchases of physical tangible property.

The Arizona Department of Administration developed SAAM to establish procedures that must be followed regarding tangible or fixed assets. The governing authority for *AZNet* equipment is SAAM Fixed Asset Section II, Subsection G.

***AZNet II* Hardware and Software Assets**

**Introduction**

The contractor will take overall responsibility for management of the assets of the State whether or not contractor assumes ownership of those assets. Management of assets includes tracking and maintenance.

The assets provided and managed under the contract consist of existing assets and newly acquired assets. Existing assets are the state-owned and state-leased hardware and software at the time of the contract. These assets include both hardware and software.

**Hardware Assets under the contract**

**Existing Assets**

Hardware assets are the tangible physical telecommunications equipment. It can be touched, seen, or moved. The existing hardware assets are those assets that are state-owned or leased at the inception of the contract. These assets have been paid and tracked by the individual agencies prior to the inception of AZNet I or during the AZNet I contract.

**Refreshed Assets**

Refreshed assets are those assets provided by *AZNet* II from various vendors on behalf of EIC or individual State agencies. Refreshed assets provided by the contractor to repair or replace an existing asset are considered newly acquired assets; these are provided by the contractor at no additional cost to the EIC or individual State agencies. The repaired or replaced asset(s) are returned to the manufacturer by the contractor if still under warranty; the contractor shall return the existing asset tag to the EIC to be voided, prior to shipping back to the manufacturer.

**Agency Provided Asset**

Assets currently owned by the Agency that are provided to the Contractor for use within the AZNet II Telecommunication program, whether or not they already have an Agency tag on it must be given a new AZNet asset tag.

**AZNet II Spares Inventory**

There are three spares inventory categories maintained by the *State (EIC)* – Voice, Data & Phones, which are kept in a storage location for use in MACs, Projects, and EOL equipment failure. The AZNet II spares inventory is composed of state-owned reusable spare equipment.

Agencies will transfer usable replaced equipment to AZNet II Spares Inventory using the SP101 process; if unusable, the equipment will be placed in surplus by EIC. However, if an agency documents that replaced items were purchased in whole or in part using Federal Funds, the respective agency and EIC should agree on the handling of the equipment to ensure compliance under agency policies.

Contractor shall fill a soft copy of the Equipment Transfer Form (ETF) to check IN or OUT any equipment from the AZNet II Spares and submit to EIC via email with the ETF form attached. EIC Inventory Specialist will verify that equipment listed in the ETF is matching the actual assets checked IN or OUT and will relocate the equipment in the storage rooms when equipment is checked IN.

**Voice Spares Inventory**

This list is comprised of several types of equipment (PBX, Key Systems, Voice Mails, and Miscellaneous Equipment), part/model #, manufacturer, serial #, asset tag #(s), residual price (if applicable), location, and notes (which includes but not limited to the Remedy ticket #).

**Data Spares Inventory**

This list is comprised of several types of equipment (Routers, Data Cards, Firewalls and Miscellaneous Equipment) part/model #, manufacturer, serial #, asset tag #(s), residual price (if applicable), location, and notes (which includes but not limited to the Remedy ticket #).

**Phones Spares Inventory**

This list is comprised of several types of equipment (Phone sets and accessories) part/model #, manufacturer, residual price (if applicable), location, and notes (which includes but is not limited to the Remedy ticket #).

**Software Assets under the Contract**

**Existing Assets**

Software assets are intangible in nature. It cannot be touched or seen. Any software, tools, databases, data and methodologies, within the scope of AZNet II and owned by State agencies, to which contractor needs access for purposes of this contract are the existing state-owned software. The existing software assets consist of state-owned or leased software at the inception of the contract.

Contractor will access, use, copy, modify and enhance such software solely for the purposes of this contract strictly during the contract term in compliance with any applicable use restrictions.

**Other Assets under the Contract**

**Licenses**

Licenses assets are intangible in nature. It cannot be touched or seen. Any licenses procured within the scope of AZNet II, to which the State needs for usage of telecommunication hardware and/or software is the property of the State.

**Warranties**

Warranties assets are intangible in nature. It cannot be touched or seen.

All warranties procured within the scope of AZNet II, to which the contractor needs for equipment failure beyond the manufacturer’s normal warranty of telecommunication hardware is the property of the State.

**Contractor’s Responsibility for Asset Management**

“Contractor will take overall responsibility for management of the assets of the state whether or not contractor assumes ownership of those assets. These assets will be managed by the contractor.”

Management of assets includes tracking and maintenance. No assets will remain under State management. Contractor will:

* Accurately record asset, manufacturer, model, serial number, software version, date placed in service, purchase price or lease value, remaining book value or lease term, purchase or lease contract information, planned refresh date and location of asset (including agency).
* State will have real time access to all state-related asset records.
* Assets will be managed by contractor financially, and from a network engineering perspective. The EIC has the right to inspect all financial and non-financial asset records at times of its choosing.

**Contractor’s Responsibilities for Physical Inventory**

Responsible for maintaining the accuracy of the fixed asset records including the conduct of periodic fixed asset physical or cycle counts as necessary to keep fixed asset records current.

**Statewide *AZNet* I & II Asset Tags**

The purpose of this policy is to establish a uniform guideline for a statewide asset tagging process. Each agency is financially responsible for assets purchased by that agency. Prior to the AZNet program, this entailed agency’s physical control of the asset and financial reporting.

Since telecommunications services are statewide, there is a demand for a uniform asset tagging system regardless of which agency has paid for the equipment. Some equipment is purchased under a “shared” enterprise method; in other words, multiple agencies will benefit from the purchase of the equipment.

The EIC has implemented a policy which requires all AZNet II telecommunications equipment to be assigned a uniform AZNet asset tag depending on certain criteria. ADOA policies regarding assets will be followed.

Tagged equipment, either Capital ($5,000 or more) or Non-capital ($1,000 – $4,999), are assigned a blue AZNet asset tag due to the nature of the equipment or its vulnerability to loss.

example of AZNet asset tag

 EIC reviews equipment purchases and issues a unique AZNet asset tag number. The contractor is responsible for placing issued tags on the physical equipment . The AZNet asset tag must be placed so that it can be easily seen and scanned for inventory purposes. Agencies can use the AZNet asset tag for records and reporting purposes.

The AZNet asset tag number will be the governing tracking

In a number of cases, existing equipment will be replaced with new equipment or usable spare equipment. The disposition of the existing equipment must be addressed in the process. The State of Arizona Accounting Manual and the State of Arizona Surplus Property Management Office Disposal Manual are the governing guidance documents for agencies when disposing of or placing existing equipment into surplus.

There are six categories of property disposition available to agencies:

1. Transfer to Surplus Property Management Office Warehouse (SPMO)
2. Transfer to other agencies
3. Trade-In
4. Cannibalization
5. On site destruction and scrap
6. Lost, stolen, or missing

The SPMO is responsible for the disposition of all excess and surplus property for the State of Arizona. Once it is determined that equipment is to be placed in surplus, the appropriate forms must be completed by the agency and contractor for the equipment prior to sending the equipment to SPMO. The agency and contractor are jointly responsible for efficiently coordinating the completion of appropriate forms for asset transfers. EIC is responsible for the disposal all AZNet I & II assets.

***AZNet* II Asset Process Procedures**

**Please Note:** If at any time the State of Arizona Accounting Manual (SAAM) comes into conflict with the following AZNet II asset process procedures (pp. 20-31), the provisions of the SAAM shall rule.

**Existing Asset - Awating Surplus to theSurplus Property Management Office (SPMO)**

New equipment is purchased to replace aging original equipment over a period of time. The Statement of Work (SOW) or the AZNet II Price Quote must include a write-up on the existing equipment to be uninstalled and transferred to AZNet II spares inventory.

Existing equipment that is replaced becomes an AZNet II enterprise asset, unless it is in violation of a federal grant agreement. The contractor and agency are jointly responsible for efficiently coordinating the completion of appropriate forms, including SP-101 forms, for transferring these assets to ADOA.

The EIC is responsible for coordinating with SPMO regarding equipment awaiting surplused, and will provide the inventory update to the contractor so it is reflected appropriately in the Remedy CMDB and Telemaster.

When the assets have been transferred to ADOA, the EIC will remove asset tags of the previous owning agency(ies).

**Existing Asset - to be Transferred to *AZNet II* Spares Inventory (State Pool)**

Existing and replaced assets (excluding assets whose ownership transfer is in violation of a federal grant) will be retained in a “state pool” of assets to be redeployed for projects or repairs, or will be sent to SPMO if no longer useable.  All State pool equipment will be retained in the AZNet II spares inventory, maintained by the EIC.

Whether the existing equipment is to be placed in surplus or retained in AZNet II spares inventory, the change must be included in the Statement of Work (SOW) or AZNet II Price Quote. Transfers to AZNet II spares inventory must comply with the SPMO procedures. Thus, an approved and signed SP-101 form is required to transfer the equipment to AZNet II spares. ADOA (EIC) will be the receiving agency.

The contractor and agency are jointly responsible for efficiently coordinating the completion of appropriate forms, including SP-101 forms, for transferring these assets to ADOA (EIC).

When the assets have been transferred to ADOA, EIC will remove asset tags of the previous owning agency(ies), leaving only the AZNet asset tag. However, if the item is being sent to SPMO, then EIC will remove the AZNet asset tag.

**Existing Asset - to be Disposed / Destroyed on-site**

The EIC is responsible for coordinating with SPMO equipment awaiting surplus. In some cases the equipment may be too large or heavy for the technician to return it to the AZNet II Spares Inventory, at which point the EIC Inventory Specialist will consult with the EIC Manager and as applicable with SPMO for the return of the equipment through a commercial mover or the arrangement for the on-site destruction and disposal.

If the equipment was purchased with Federal funds and the agency is retaining ownership, the agency is responsible for disposal or on-site destruction remaining in compliance with SPMO procedures.

In some instances existing equipment may be unusable as a unit; however, the EIC may decide that some parts from the equipment can be repurposed. These cannibalized parts will be transferred to AZNet II spares inventory, unless their transfer is in violation of a federal grant agreement.

SPMO requires prior approval to cannibalize any equipment. The agency must follow the SPMO procedures and complete the SP-101 form prior to removing the usable parts.

The contractor must have a signed copy of the SP-101 authorizing cannibalizing parts prior to retrieving the usable parts.

**State-Owned Equipment under Warranty Returned to Manufacturer**

In the event that recently purchased equipment under warranty fails, the manufacturer may replace the equipment at no cost to the State. The manufacturer may require that the defective equipment be returned to the manufacturer. If so, the contractor must provide appropriate documentation for inventory updates. The defective equipment must be removed from Remedy CMDB and Telemaster. The AZNet asset tags must be removed from the equipment and returned to EIC to be voided. New AZNet asset tags must be issued for the replacement equipment and the replacement equipment placed into the Remedy CMDB and Telemaster system as per standard new equipment process described above.

**Definitions**

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| **ADOA** | Arizona Department of Administration. |
| **AFIS** | Arizona Financial Accounting System. This is the computerized financial database for the State of Arizona. Financial transactions are recorded in AFIS, including *ADOA AZnet I* assets. |
| **Agency** | Refers to any state agency, board or commission. |
| **ATS** | Arizona Telecommunications Services. A division within the Arizona Department of Administration which provided telecommunications services to state agencies prior to January 21, 2005 and continued to do so during a transition stage through March of 2005. |
| ***AZNet*** | The Arizona Network which is the state Enterprise Infrastructure & Communication program (formerly Telecommunications program office). |
| ***AZNet II*** | The Arizona Network second contract awarded to Century Link |
| ***AZNet* II Assets** | The statewide existing and newly purchased telecommunications equipment needed to operate *AZNet II*.  |
| ***AZNet* II Spares Inventory** | Existing equipment constituting voice, switch, and data spare hardware that is on-hand to be used for repairs and breakdown of equipment. There are state-owned and contractor-owned spare inventories. State-owned spare equipment can only be used for manufacturer discontinued equipment pursuant to Attachment 15.2.  |
| **BarScan** | Computerized database used by the state to record non-capital assets, including *AZNet* II assets. |
| **BOM** | Bill of Materials. This is the contractor’s sales quote or bill of sale to purchase specified equipment with prices valid up to 30 days. This is included in the Scope of Work for each project. It lists all of the individual equipment to be purchased. |

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| **Capital Asset** | A long-lived tangible or intangible asset that meets the capitalization threshold that is reported on the balance sheet, and the cost of which is to be recovered over several fiscal years. |
| **Computer Hardware** | Consists of all of the equipment that can be considered a component of, is typically attached to, or communicates with an information system. The term encompasses processing units, memory apparatus, input and output devices, storage devices, and connectivity equipment. |
| **Computer Software** | Includes the non-equipment components – operating systems and applications – of an information system. |
| **Contractor** | Means the business or company named in the Services Agreement ADSPO11-019559including sub-contractor’s, who is contractually providing statewide telecommunications services. |
| **End of Life** | The manufacturer no longer supports the equipment or software. The manufacturer has decided to discontinue manufacture of the equipment, although it is still supported by the manufacturer. |
| **End of Support** | A vendor has made a decision to no longer support the manufacturer discontinued system or piece of equipment. |
| **Equipment** | Consists of existing assets, newly acquired assets, State-owned software, contractor software, contractor owned assets, and subcontractor owned assets. |
| **Existing Assets** | Telecommunications assets that were purchased by the state to provide telecommunications services. This incorporates assets in use effective January 21, 2005, which includes State-owned hardware and software, and state-leased hardware and software as of the effective date of the contract. |
| **TEM** | Telesoft is the current Telecom Expense Management contractor for the State of Arizona Agencies |