

## PC Procurement Policy

**Purpose:** This policy provides a common decision model for agencies, the OCIO, OFM, and the legislature to evaluate PC procurement decisions and reduce PC lifecycle costs.

**Effective Date:** September 30, 2013

**See Also:** PC Procurement Guideline 201.10  
IT Security Policy No. 141

### Scope:

This policy applies to Washington State executive branch agencies other than higher education agencies. Judicial, legislative and higher education agencies are exempt but are encouraged to adhere to this policy to the maximum extent practicable.

## POLICY STATEMENT

This policy provides decision makers in executive branch agencies and the legislature with a common framework to evaluate Personal Computer (PC) procurement plans and funding requests. The policy establishes preferred solutions for five key aspects of sizable PC procurements that influence total life cycle cost of ownership. An associated guideline identifies circumstances that may warrant a solution different than the standard (See Guideline No. 201.10).

- 1. Agencies must apply this policy and its life cycle management practices to decisions on PC procurements valued over \$20,000. For these PC procurements, agencies must complete Appendix A and maintain that documentation in the agency. When an agency submits a decision package for PC procurement funding or requests OCIO approval for such purchases per OCIO Investment Policy #121, Appendix A must be submitted as part of the purchase justification.**

### 1.1 Standard PC Configurations

- 1.1.1 Agencies can reduce total lifecycle costs by acquiring and managing PCs with standard configurations. Agencies shall acquire PCs according to the standard configurations, or equivalent configurations established in the agency, listed on the Department of Enterprise Services (DES) website at <http://des.wa.gov/services/IT/ITContracts/ITMasterContract/Pages/ComputerEquipment.aspx>
- 1.1.2 If business or technology circumstances (See Guideline No. 201.10) require deviation from a standard configuration, document the circumstances when filling out the decision model in Appendix A.

### 1.2 Replacement cycle

- 1.2.1 The useful lives for PCs are listed below based on the State Administrative and Accounting (SAAM) Manual:
    - Desktop PCs – four years
    - Laptops/Notebooks – four years
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- 1.2.2 Agencies shall operate these devices through the applicable replacement cycle unless repairs or upgrades are not cost effective.

If business or technology circumstances (See Guideline No. 201.10) require a different replacement cycle, document the circumstances when filling out the decision model in Appendix A.

### **1.3 Competitive Purchase Prices**

- 1.3.1 Agencies must satisfy requirements for competitive procurements according to Policy # DES-090-00. If the agency chooses to use a master contract or a Western States Contracting Alliance (WSCA) contract, the agency must contact the master contract vendor at the time of purchase to determine if better current pricing is available than contract prices. Alternatively, an agency may conduct a competitive procurement to obtain the best value for the state. See Guideline No. 201.10 for circumstances affecting contract and current market prices.
- 1.3.2 In Appendix A describe how the agency:
- Compared current market prices to contract prices and took the lower of the two, or,
  - Conducted a competitive acquisition to obtain the proposed prices for this procurement

### **1.4 Alignment of Procurement with the Agency Budget**

- 1.4.1 Agencies should include the costs for systematic PC replacement and acquisitions in the agency base operating budget. This avoids large variations in expense and the need to make special legislative budget requests. Agencies should ensure that budgeted amounts for PC replacement costs reflect current market trends.
- 1.4.2 Indicate in Appendix A whether the proposed procurement cost is included in the agency base operating budget. If not, include the business or technical reasons (See Guideline No. 201.10), and include agency plans to build PC replacement costs into future operating budgets.

### **1.5 Financing Method**

- 1.5.1 The Department of Enterprise [\(DES\) Capital Lease](#) is the preferred financing method for PC procurements. Other financing methods include a cash purchase, purchasing through Certificates of Participation (COP), and vendor operating leases on certain master contracts.
- 1.5.2 In some business or technology circumstances (See Guideline No. 201.10), a different financing method may provide important advantages or lower costs when total lifecycle costs of ownership are evaluated. Indicate in Appendix A the purchase or financing method selected for the PC procurement, and include the rationale if it is other than the DES Capital Lease.

## **2. All Information Technology assets purchased, including PCs, must enable compliance with OCIO and agency IT Security Policies.**

## RESPONSIBILITIES

### Chief Information Officer (or designee)

- Interpret the policy.
- Ensure policy content is kept current.
- Recommend updates to this policy and related resources as needed.

### Technology Services Board (TSB)

- Review and approve major policy changes.

### Agency Heads

- Responsible for the management and use of IT systems, telecommunications, equipment, software, and services of their respective agencies according to this and other applicable policies.

## RELATED LAWS AND OTHER RESOURCES

3 ESSB 5034, Section 945, Laws of 2013  
Policy # DES-090-00  
State Administrative and Accounting Manual (SAAM)  
Office of State Treasurer Lease/Purchase Program Guide  
OCIO Investment Policy No. 121  
OCIO IT Security Policy No. 141

## DEFINITIONS

**Personal Computer (PC):** A physical computer, designed around a micro processor, whose primary purpose is to provide a single concurrent user with access to personal productivity software such as web browsers, e-mail readers, word processors, spreadsheet applications, and software for other business or personal uses. A typical PC includes at least a system unit, monitor, keyboard, and mouse. PCs are contrasted from servers and mainframes.

**Desktop PC:** A PC that is designed to stay in a single location. The system unit may rest on the floor as a tower or on a table or desktop, and may take the form of an all-in-one machine where most components are in one chassis. Unlike laptops and other portable devices, desktop computers cannot be powered from an internal battery and therefore must remain connected to an electrical outlet.

**Laptop /Notebook:** A portable PC utilizing an internal battery, integrated keyboard, and pointing device that is small enough to use on your lap and take with you in different environments. Nowadays, a computer laptop is more frequently called a notebook computer, though technically laptops are somewhat larger in size than notebooks in both thickness and weight. Some laptops and notebooks are powerful enough to replace desktop PCs.

**Useful Life:** An estimate of the total time that an asset is usable and in service. Useful life is used in computing depreciation on an asset, instead of using the physical life.

**Replacement Cycle:** A period of time between the purchase of an asset and its replacement with an equivalent asset. The replacement may be the result of the end of the asset's absolute physical life, its obsolescence, or some other reason.

### **REVISION HISTORY**

<b>Date</b>	<b>Action taken</b>
September 30, 2013	New Policy adopted.

### **CONTACT INFORMATION**

For questions about this policy, please contact your OCIO Information Technology Consultant.

### **APPROVING AUTHORITY**

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Chief Information Officer  
Chair, Technology Services Board

Date

## **Appendix A**

### **Considerations Affecting PC Procurement Decisions**

Agencies must apply the PC Procurement Policy No. 201 and its life cycle management practices to decisions on PC procurements valued over \$20,000. For these PC procurements, agencies must complete this Appendix A and maintain that documentation in the agency. When an agency submits a decision package for PC procurement funding or requests OCIO approval for such purchases per OCIO Investment Policy #121, Appendix A must be submitted as part of the purchase justification.

#### **1. Standard Configurations**

Agencies can reduce expenses by purchasing and managing PCs with standard configurations. Agencies shall procure PCs according to one of the standard configurations, or equivalent configurations established in the agency, listed on the Department of Enterprise Services (DES) website at

<http://des.wa.gov/services/IT/ITContracts/ITMasterContract/Pages/ComputerEquipment.aspx>

List the configurations, quantities, and costs of the PCs in the proposed procurement. If business or technology circumstances require deviation from a standard configuration, document those circumstances below. Guideline No. 201.10 lists business and technology factors that affect PC configurations.

Note that all Information Technology assets purchased, including PCs, must enable compliance with OCIO and agency IT Security Policies.

#### **2. Replacement cycle**

The useful lives for PCs are listed below based on the State Administrative and Accounting (SAAM) Manual:

Desktop PCs – four years

Laptops – four years

For planning purposes, a PC's replacement cycle and useful life are the same except when using the Vendor Operating Lease. The operating lease term, and therefore the replacement cycle, must not exceed 75% of the PC useful life.

Agencies shall operate these devices through the applicable replacement cycle at a minimum, unless repairs or upgrades are not cost effective.

Indicate below the planned replacement cycle(s) for the PCs to acquire. If business or technology circumstances require a different replacement cycle than listed above, document them below. Guideline No. 201.10 lists business and technology factors that affect PC replacement cycles.

Note: Agencies must receive OFM Accounting Division prior written approval to use an alternative useful life. See [State Administration and Accounting Manual](#) (SAAM) subsection 30.20.70.c.

### **3. Competitive Purchase Prices**

Agencies must satisfy requirements for competitive procurements according to Policy # DES-090-00. If the agency chooses to use a master contract or a Western States Contracting Alliance (WSCA) contract, the agency must contact the master contract vendor at the time of purchase to determine if better current pricing is available than contract prices. Alternatively, an agency may conduct a competitive procurement to obtain the best value for the state. See Guideline No. 201.10 for circumstances affecting contract and current market prices.

Describe below how the agency:

- Compared current market prices to contract prices and took the lower of the two, or,
- Conducted a competitive acquisition to obtain the proposed prices for this procurement

### **4. Acquisition Alignment with the Agency Budget**

Agencies should include the costs for systematic and incremental PC replacement and acquisitions in the agency base operating budget. This avoids large variations in expense and the need to make special legislative budget requests.

Indicate below whether the total cost and timing of the proposed procurement is within the agency budget. If not, provide business or technical reasons for the variance from budget. See Guideline No. 201.10 Section 4.

### **5. Financing Method**

The Department of Enterprise Services (DES) Capital Lease is the preferred financing method for PC procurements. Other financing methods include a cash purchase, purchasing through Certificates of Participation (COP), and vendor operating leases on certain master contracts.

In some business or technology circumstances (see Guideline No. 201.10), a different financing method may provide important advantages over purchasing or it may provide lower costs when total lifecycle costs of ownership are evaluated. Indicate below the purchase or financing method for the PC procurement and include the rationale if other than the DES Capital Lease.