



## State of North Carolina Office of Information Technology Services

Pat McCrory  
Governor

Chris Estes  
State Chief Information Officer

October 15, 2014

The Honorable Andrew C. Brock, Chair  
The Honorable Jason Saine, Chair  
Joint Legislative Oversight Committee on Information Technology

Re: Refurbished Computer Equipment

Dear Senator Brock, Representative Saine and Oversight Committee Members:

This letter serves as the report on purchasing refurbished computer equipment as directed by Session Law 2013-128.

The Office of Information Technology Services (OITS) issued an Invitation to Bids for a statewide computer equipment contract in November 2013. In keeping with Session Law 2013-128, the specifications allowed vendors the option of providing refurbished equipment.

OITS received six responses to the bid in December 2013. Five responses offered to provide Original Equipment Manufacturer (OEM) computer equipment, but not refurbished equipment. One response offered to provide refurbished computer equipment, but not original equipment. The bid for refurbished computer equipment did not meet the requirements of Session law 2013-128 and the bid solicitation.

Section 2 of Session Law 2013-128 requires the Statewide IT Procurement Office to "offer State and local governmental entities the option of purchasing refurbished computer equipment from registered computer equipment refurbishers whenever most appropriate to meet the needs of State and local governmental entities." A registered computer equipment refurber is defined as a "person certified by the original equipment manufacturer to restore pre-owned computer equipment to original equipment standards meeting the manufacturers' warranty requirements, and any software licensing requirements, in accordance with the manufacturers' and software makers' official refurber programs."

The Invitation for bids required equipment refurbishers to provide a certification letter in the bid response and further specified that bidders that did not provide the letter would be disqualified. The refurbished equipment bidder did not provide any documentation certifying that it was a registered equipment refurber, as required.

Session Law 2013-128 also requires that refurbished computer equipment "must conform to the same standards as the State may establish as to the configuration and specification requirements for the purchase of new computers." These requirements were included in the bid solicitation. The refurbished computer equipment offered by the bidder did not meet the configuration requirements, specifications or warranty requirements in the Invitation for Bids.

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Please be aware that this outcome does not in any way prohibit the purchase of refurbished equipment by local governmental entities, public schools, the universities and community colleges. All have the option to purchase refurbished computer equipment at any time using their purchasing policies and procedures.

Please let me know if you have any questions or would like to discuss this report in greater detail.

Sincerely,



Chris Estes  
State Chief Information Officer



Raymond L. Johnson  
IT Strategic Sourcing Director

cc: Karlynn O'Shaughnessy, Fiscal Research Division  
Chloe Gossage, Office of the Governor  
Erin Matteson, OSBM  
Sarah Porper, OITS