



GovNext-ICT – What can I do with my GovNext order for Network Equipment if my agency is moving buildings?

The following Information outlines your options for dealing with a GovNext order for Network Equipment if your agency is moving buildings.

Orders for other GovNext services are treated differently. Refer to ‘GovNext ICT – Terminating an Order other than an Order for Network Equipment’ for the process.

You have two options:

1. You can transfer your Order to an incoming agency (the agency that is replacing you in your building).
2. You can terminate your Order.

Transferring your Order to the incoming agency

In order to transfer your Order to the incoming agency you must:

- consult with the incoming agency and the Department of Finance’s [Government Office Accommodation](#) team and seek the incoming agency’s agreement to transfer the Order; and
- draft a letter to the GovNext vendor, signed by both parties, expressing your intention to transfer the Order. Please include the date of this transfer and a contact person, including invoicing information, for the incoming agency; and
- send the letter to the GovNext vendor.

Please note that you must transfer the Order on exactly the same terms as the original Order. This may mean that the Full Time Equivalent (FTE) numbers upon which the Order is based is not an appropriate number for the incoming agency (i.e. the Order FTE may be too few, or too great).

Where the incoming agency wishes to change the FTE count upon which the Order is based, the incoming agency may negotiate with the vendor. The vendor is under no obligation to change the number, however, in practice, it is likely that the vendor will agree to an increase, but not a decrease, to this number.

Where an incoming agency is required to pay for a greater number than is needed, this will have been factored into the costs for relocating that agency to the new building and will thus be included in the funds given to the agency to do so. The agency will pay for these costs.

Terminating your Order

The GovNext contract allows you to terminate your Order, subject to certain requirements.

Firstly, you must issue a notice of your intent to the vendor. In doing so you must elect to either pay Network Equipment Break Costs (Break Costs) or take over the vendor’s equipment lease.

Paying Break Costs

To be payable, Break Costs must be specified in the Order. Where Break Costs are not specified in the Order, no Break Costs are payable.

When forming an Order, you may choose to negotiate the Break Costs specified in the vendors' quotes, however, the vendor has no obligation to accept your proposal.

Break Costs are an acknowledgment that the vendor is likely to enter into a lease for the equipment with a third party; and as such, the vendor will be left to pay the costs of that lease if the State terminates an Order. Break Costs reflect this ongoing cost.

The GovNext Service Catalogues contain maximum order terms from which agencies should not deviate without approval from the Government Service Broker.

The following is an example of a break clause in an Order Form for Network Services where network equipment has been leased:

Network Equipment Break Costs

Service	Total Contract Amount (ex GST)	Contract Term (months)	Network Equipment Break Costs (at end of period) ex GST				
			12 months	24 months	36 months	48 months	60 months
Equipment Levy	\$xx	60	\$xx	\$xx	\$xx	\$xx	\$0

Should the Customer wish to terminate for convenience at any point between the periods identified in the table above (for example after 52 months) then the Contractor may specify a Break Cost that is no greater than the value payable at the end of the previous period.

Taking over the vendor's lease

If you elect to take over the vendor's lease, the vendor must arrange the novation to take effect within 10 business days from the date of your notice.

Timing of Order Termination

When the Order will terminate is based on whether the Order Midpoint has passed at the time a notice of termination is provided by the Customer. If the midpoint has not passed, then the Order does not terminate until after it has passed, meaning the Customer has to keep paying the fees until the midpoint, and the Contractor has to keep providing the relevant Services.

What about the Core Levy?

Payment of the core levy is not contingent on the location of your personnel. Core levy is chargeable on a per FTE basis so if you are moving building, but your total agency FTE remains the same then you are still liable to pay the core levy.

The GovNext vendor will charge the core levy attributable to the relocated personnel at the new site. It is important that you ensure that your agency is not paying twice for the same people.

The flow chart on the following page illustrates the process. Key points are:

- The Contractor **may not** invoice for break costs if they are not specified in the Order.
- Break costs are not allowed other than as specified here, except under clause 45.6.
- For multi-tenant sites Customers should engage with their [Government Office Accommodation](#) contact.

Flowchart: Terminating Network Equipment Orders for convenience

