

Data Center Assistance Group, Inc.

Asset Management Equipment Redeployment And Termination Services

**A Service Offering From
Data Center Assistance Group, Inc. (DCAG)**

Prepared by:

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Abstract -- “Are you sure of your policies”?

Does your Equipment Redeployment and Termination program adhere to legal, environmental, and regulatory requirements? Can you prove it?

Are you paying for equipment that you no longer have? Can you project the revenue you can obtain from selling your equipment, so that you can better support the purchase of new or replacement equipment?

Do you certify that software licenses are transferred, or eliminated, when equipment is moved or terminated? Do you get repayments or reduced costs from vendors when fewer product licenses are required?

Has the cost of space used to store surplus equipment become too expensive?

Are you able to gain revenue from the resale, or scraping, of terminated equipment and the software licenses associated with the equipment?

Is your company unable to donate used equipment because you're afraid of the sensitive data that may still reside on the equipment's hard disk?

Does your audit department agree with your present Standards and Procedures governing equipment redeployment and termination?

Business Plan

To provide a service to help implement controls over the redeployment and termination of computer surplus equipment that adheres to environmental, business, regulatory, and legal requirements presently in effect. These services will include, but not be limited to:

- **Asset Management (Financials) and Inventory Management (Location).**
- **Adherence to Legal, Business and Regulatory Requirements related to the security, movement, disposal, and protection of data and equipment.**
- **Inventory reports to define equipment resale price and Total Cost of Ownership (TCO), so that new equipment purchase costs can be offset by the resale of surplus equipment.**
- **Create forms, standards, and procedures associated with equipment movement and termination that have been integrated within the company work management system.**
- **Erase data from Hard Disk Drives to DoD standards for computers being redeployed, donated, or terminated in preparation to movement or sale (like shredding paper items).**
- **Sell, donate, or scrap, terminated computer surplus equipment.**
- **Pick-up and/or deliver computer equipment in support of client donation, redeployment, scrap, or termination needs.**
- **Service and configure computer surplus equipment to meet the specific needs of our clients, like Recovery Facility usage or combining various components into a desired new system configuration.**
- **Warehouse and store surplus equipment in support of client needs.**
- **To provide these services as an outside vendor, or to Outsource the services from the client.**

Mission Statement

To establish an **Organizational Structure with Standards, and Procedures to support the redeployment, donation, and/or termination** of surplus computer equipment, including: status identification (**Active, Re-deploy, or Terminate**), pick-up, service, warehouse, sale, and transportation, while developing automation and performance improvements that optimize productivity and profit margins. To return a profit to the client, through these services, that they are not presently realizing.

Establish (or connect to) **Inventory and Asset Management Systems** to support: Equipment Identification and Status, Location, Warehouse, Transportation, Marketing, Sales, Service, and Financial systems that support the operation and simplify the work performed by the staff. **Provide a system** to assist clients in creating and tracking Work Orders, Service Orders, Purchase Orders, and Financial Documents to manage equipment and its status. Utilize ITIL when available.

Develop a **well trained and motivated staff** to support the needs of the business, while fostering a high level of customer satisfaction. Utilize customer satisfaction as a means of growing the business through references and word of mouth along with marketing and sales initiatives.

Purpose and Scope

This design paper is intended to define the purpose and processes associated with redeployment and / or termination of surplus computer equipment, including: the storage of that equipment in internal or external warehouses, the reconditioning and/or service of said equipment, the sale of identified equipment, and the transportation of equipment between company site and buyer – all in compliance with legal and regulatory requirements, and accompanied by vendor certifications to prove compliance.

The stages of development associated with the system will be:

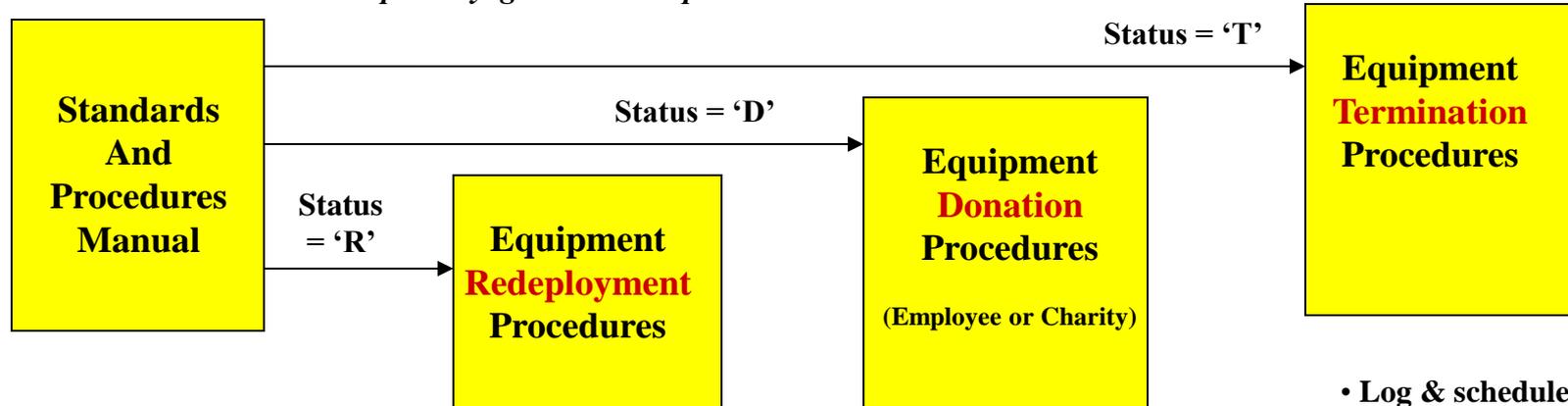
- Needs Analysis to define requirements and exposures (GAP Analysis),**
- Design Stage (Organization, Integration, Staffing, Functional Responsibilities, Standards, and Procedures),**
- Develop Prototype System using Asset Management and Inventory Management interfaces,**
- Integration of system with email, web services, and Microsoft Office,**
- Addition of financial services support for expenses, tax, commissions, and payment processing,**
- Migration of system into an Intranet based application to interface with internal staff and authorized users,**
- Migration of system to Internet Based application running on a dedicated server.**

By developing the system in this manner, we will be able to add functions without exposure to Internet failures, thereby eliminating any potential downside due to client related failures or misinformation. Security features will be incorporated to limit critical information access to those people having appropriate authority.

This paper will be continuously updated as design features and processes are added. We encourage your review and comments. The system will be developed in an evolutionary manner so that everybody will have a chance to comment on how well the system helps them achieve their functional responsibilities through automation and improved information, or by encountered problems.

Updating the Standards and Procedures Manual

“Our primary goal is to implement Standards and Procedures”



Update manual to Include new procedures for equipment Redeployment, Donation, and Termination in Accordance with Legal, Environmental, Business, and Regulatory Requirements.

Train Staff on new Procedures and provide Maintenance and Support Services going forward.

- Log & schedule,
- Pick-up,
- **Data Wipe,**
- Reconfigure,
- **Certify,**
- Package,
- Store,
- Deliver,
- Document,
- Notify,
- Track,
- History.

- Log & schedule,
- Pick-up,
- **Data Wipe,**
- Reconfigure,
- **Certify,**
- Package,
- Store,
- **Donate,**
- **Client Pick-up,**
- **Financials,**
- Document,
- Notify,
- Track,
- History.

- Log & schedule,
- Pick-up,
- **Data Wipe,**
- Reconfigure,
- **Certify,**
- Package,
- Store,
- **Sell,**
- **Client Pick-up,**
- **Financials,**
- Document,
- Notify,
- Track,
- History.

Business Continuity Planning Laws and Regulations

Federal Trade Commission (FTC, Gramm-Leach-Bliley):

- Gramm-Leach-Bliley (GLB) Privacy Rule – requires a written information security program and protection over customer data.

Department of Health and Human Services (DHHS, HIPAA):

- Final Security Regulations under HIPAA (“Security Rule” - comply by 4/2005) covering Electronic Protected Health Information. Responsible for: ensuring the integrity, confidentiality and availability of EPHI; protect EPHI against reasonably anticipated threats or hazards to its security or integrity and unauthorized use or disclosure.
- HIPAA (effective 4/2003) regulates all types of health information, including paper records.

Securities and Exchange Commission (SEC, Sarbanes-Oxley):

- Final rules for Section 404 of the Sarbanes-Oxley Act of 2002 to be effective 6/2004 for all SEC reporting companies. The 404 Rules require CEOs and CFOs to provide a written report on state of data security and ability to recover from disaster event.

Non-Compliance:

- Can result in criminal and/or civil damages; liability and criminal prosecution for responsible companies and individuals.
- Although the rules stress the protection, preservation and retention of records and data, their principal purpose is the establishment of a controlled environment that will govern how transactions are to be carried out, recorded and reported in accordance with management’s authorization and applicable policies and procedures.
- Additional losses include; reputation, trust, and general enterprise value.
- Go to www.erm.coso.org for details relating to Committee of Sponsoring Organizations (COSO) industry standards relating to Enterprise Risk Management (ERM). Documents can be downloaded.

Equipment Life-Cycle Costs

Procurement: 15%	In-Use Expense: 80%	Disposition: 5%
<ul style="list-style-type: none"> • Vendor Management, • Product Evaluation, • Acquisition Costs, • Financing, • Inventory, or • Administration. 	<ul style="list-style-type: none"> • Maintenance, • Asset Tracking, • Software Maintenance, • Upgrades, • Changes, • End User, or • Training/Support 	<ul style="list-style-type: none"> • De-installation • Consolidation and Logistics, • Audit and Inventory, • Data Erasure, • Refurbishment, • Residual Value Recovery, • EPA Compliant, • Recycling, • Redeployment, • Lease Return, • Charitable Donation, or • Employee Sale

- PC disposal costs range from \$150 - \$500 per machine, depending on logistics and condition.
- PC resale values are optimized at 30 – 36 months, afterwards they may have a negative value.
- Laws affecting equipment Total Cost of Ownership include: HIPAA, Gramm-Leach-Bliley, and Superfund.
- Failure to adhere to legal, regulatory, and business requirements is becoming a very expensive proposition.
- Costs associated with implementing proper Equipment Life Cycle procedures in minor compared to liabilities.
- Work with Regulators to insure adherence and certification – become a “Trend Setter” in this area.
- Reduce costs associated with storing surplus equipment by certified selling, donating, or scraping of equipment.

Equipment Life Cycle Audit Service

Audit of Equipment Life Cycle, including:

- **Define Environmental, Legal, Business, and Regulatory requirements associated with Equipment handling.**
- **Review Asset Management System to define your equipment financials (own, rent, or lease).**
- **Review Inventory Management System to identify equipment location and configuration.**
- **Review Equipment Handling Standards and Procedures and personnel Functional Responsibilities.**
- **Identify unnecessary equipment and software payments.**
- **Determine Exposures and Liabilities.**
- **Recommend Solutions to Exposures.**
- **Implement approved solutions.**
- **Support and maintenance services going forward.**

What We Do

We provide Computer Surplus Equipment services in support of client Asset and Inventory Management functions like:

- **Audit of Equipment Life Cycle and Total Cost of Ownership,**
- **Review, Implement, or Upgrade Equipment Standards and Procedures,**
- **Equipment Redeployment (Transport Equipment between Locations), or**
- **Equipment Termination (Removal of Surplus Equipment for sale, scrap, or donation).**

Our Services Include:

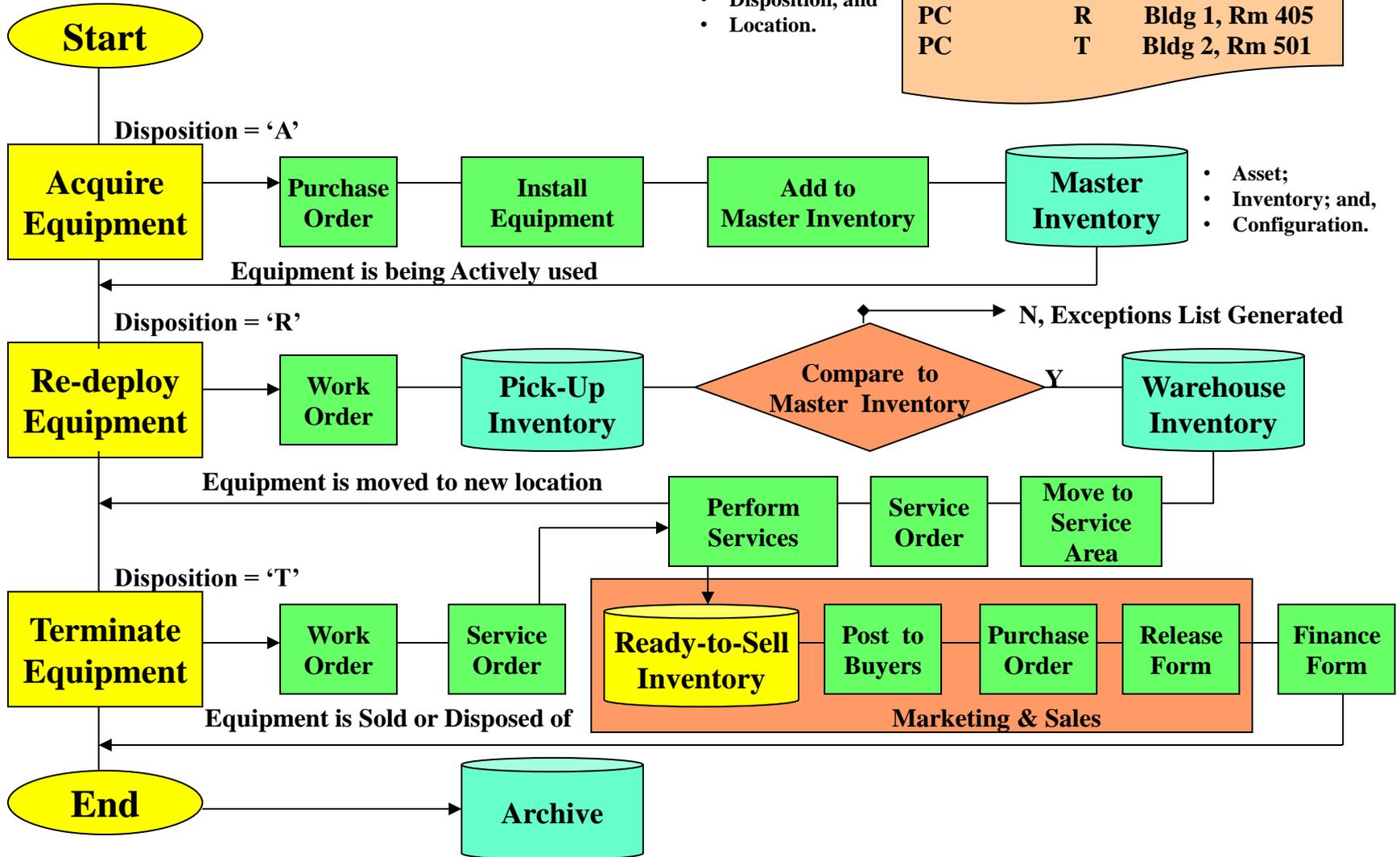
- **Create / Maintain Inventory of Equipment at Client Location and / or Warehouse.**
- **Pick-up of Equipment from Client Locations.**
- **Performance of Services on Surplus Equipment, including:**
 - **Erase Data From Hard Drive or Directories in Support of Security or Department of Defense (DoD) Requirements.**
 - **Configure Systems in support of Client requests and Office Recovery Operations.**
 - **Scrap Equipment in accordance with legal requirements (Toxic Materials).**
- **Warehouse Equipment.**
- **Sell, Donate, Scrap, or Deliver Equipment to Recovery Facility as Directed.**
- **Services can be supplied as an outside vendor, or Outsourced to us.**

How we do it

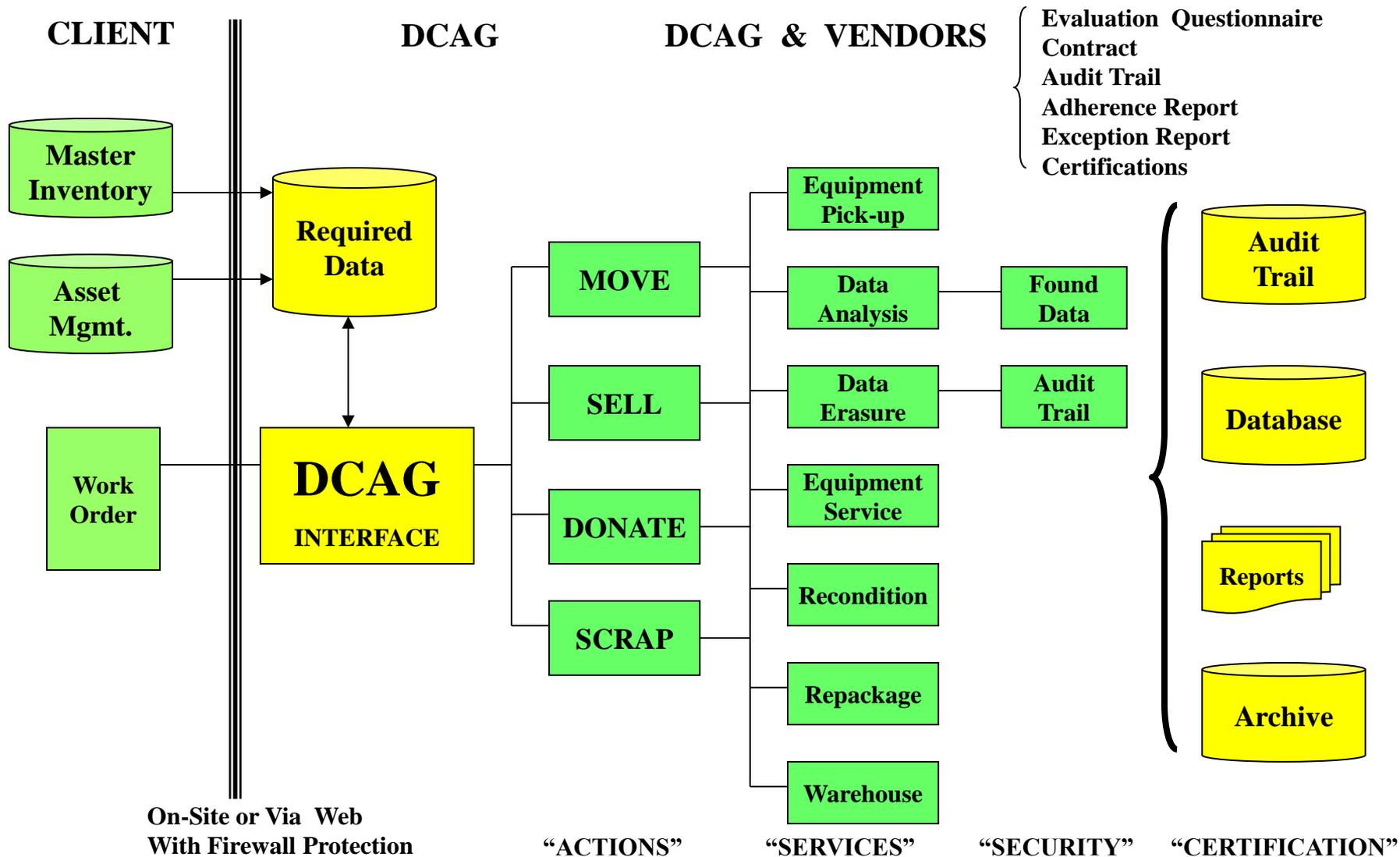
Pick-Up List

Equip. Type:	Disp:	Location:
PC	A	Bldg 3, Rm 203
PC	R	Bldg 1, Rm 405
PC	T	Bldg 2, Rm 501

- Can be sorted by:
- Equipment Type,
 - Disposition, and
 - Location.



DCAG Client Interface and Workflow Analysis



Asset Management Services

Redeployment Services:

- Personnel leave company, or equipment is reassigned.
- Directories and files containing personal data are ERASED in adherence to EDP Security and Department of Defense (DoD) requirements. Software licenses are updated accordingly.
- Process is initiated in response to Work Order and may have an accompanying Service Order.
- Equipment can be picked up, transported to service area, serviced, and then delivered to end location.
- Master Inventory and Asset Management systems are updated to reflect actions.

Termination Services:

- Equipment is terminated due to being outdated or broken.
- Residual value is extremely low or zero.
- Process is initiated in response to Work Order and may have an accompanying Service Order.
- Equipment can be picked-up, transported to warehouse / work area, data is WIPED from hard drive in accordance to Department of Defense (DoD) requirements. Software licenses are updated accordingly.
- Equipment services are preformed in support of recovery or resale requirements.
- Equipment is stored for recovery purposes, or resold.
- Equipment service and storage expenses are paid if used for Recovery Operations.
- Resale Revenue is split with client, after expenses are subtracted.
- Master Inventory and Asset Management systems are updated to reflect actions.

Derived Benefits

- **Revenue from the resale of surplus equipment.**
- **Free-up Floor Space presently used for Surplus Equipment.**
- **Eliminate / Reduce personnel expenses associated with Surplus Equipment by Outsourcing Function to us, or allowing us to supplement your staff by performing many of the tasks presently performed by your employees.**
- **Surplus Equipment can be Redeployed to support Recovery Operations.**
- **Improved EDP Security and Recovery Operations.**
- **Implementation of Standards and Procedures governing equipment redeployment and termination services.**
- **Adherence to EDP Security, Business, Industry, and Regulatory and Environmental Requirements governing the movement and disposal of equipment will give you “Peace of mind”.**

The Deal

- **We perform an Audit to define exposures and liabilities.**
- **We help eliminate Audit exposures.**
- **Equipment Life Cycle Standards and Procedures are implemented and personnel trained.**
- **We supply Equipment Redeployment Services.**
- **We supply Equipment Termination Services.**
- **We sell equipment, or store equipment for recovery operations.**
- **We scrap equipment that cannot be sold.**
- **We obtain certifications from vendors performing services.**
- **We subtract our expenses and split profits with client, or perform Services as part of Outsourced Agreement.**

Cost / Benefit Analysis

COSTS:

- **Surplus Equipment**
- **Floor Space**
- **Personnel supporting Surplus Equipment.**

BENEFITS:

- **Revenue from Surplus Equipment, or Outsourcing.**
- **Free-up Floor Space for Use, Rental, or Return.**
- **Free-up Personnel.**
- **Utilization of Surplus Equipment for Recovery Operations.**
- **Adherence to Regulatory, Business, and Legal Requirements.**
- **Operations can be performed on-site or off-site.**

Where do we go from here

- **Contract us on a consulting or outsourced basis;**
- **We perform a Needs Analysis Audit to define requirements;**
- **We provide management with a project proposal and presentation describing tasks, deliverables, personnel, work flows, costs, and revenue;**
- **We develop and implement Equipment Redeployment and Termination Services system;**
- **We develop and implement Standards and Procedures;**
- **We train staff; and,**
- **We provide ongoing support and maintenance.**