GSA

GSA Office of Governmentwide Policy

MAR 12 2012

MEMORANDUM FOR CHRIS HOAGLAND

THRU: HOUSTON TAYLOR
ASSISTANT COMMISSIONER
OFFICE OF ACQUISITION MANAGEMENT
FEDERAL ACQUISITION SERVICES (QV)

FROM: HADA FLOWERS
DIVISION DIRECTOR
REGULATORY SECRETARIAT DIVISION (MVCB)

SUBJECT: Notice-FAS-2011-01, Providing Refurbishment Services to Federal Agencies

Attached are comments received on the subject case, FAS-2011-01, published at 77 FR 6122, February 7, 2012. The comment closing date was March 8, 2012.

Response Number	Date Received	Commenter	Organization
2011-01-01	03/03/12	Willie Cade	PC Rebuilders & Recyclers, LLC.
2011-01-02	03/07/12	Neil Vill	World Data Products, Inc.
2011-01-03	03/08/12	Matthew Perrini	Redemtech, Inc.
2011-01-04	03/08/12	Katie Reilly	Electronic Recyclers Int'l, Inc.

Attachments

FAS-2011-01-01

PUBLIC SUBMISSION

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Comment On: GSA-GSA-2011-0006-0017
Providing Refurbishment Services to Federal Agencies; Notice-FAS-2011-01

Document: GSA-GSA-2011-0006-DRAFT-0001
Comment on FR Doc # 2012-02767

Submitter Information

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Submitter's Representative: Willie Cade
Organization: PC rebuilders & Recyclers, LLC

General Comment

See attached file(s)

Attachments

PCRR Notice-FAS-2011-01

Notice-FAS-2011-01

1. If you currently provide refurbishment as a service to customers, including Federal, state, or local government entities, describe the process of obtaining equipment and returning it to the customer, including the typical amount of time between pick-up and return.

PC Rebuilders & Recyclers, LLC (PCRR) has been perfecting our refurbishment process for over 12 years. Systems that come into our warehouse to be refurbished go through a rigorous process in order to produce a fully functional, refurbished and warranted unit. The process begins with our digital data destruction process that is consistent with the National Institute of Standards and Technology (NIST) 800 – 88, Guideline for Media Sanitization. PCRR understands the absolute requirement companies and other organizations have to keep their information confidential. Not only does our digital data destruction process provide a secure, verified and documented way to destroy the digital data it also provides the first of three ways we test the hard drives for reuse. The machines are then subject to a physical inspections looking for known hardware problems such as "blown" capacitors. If the machine passes this preliminary test it will then go through an in-depth, software driven test to assess each component. Our extensive testing process allows us to provide our customers with a 3 year hardware warranty on our refurbished equipment from the date of refurbishment.

Once a system is proven to be a successful candidate for refurbishment PCRR loads a custom image with programs and drivers chosen in consultation with the customer. As one of 16 Microsoft® Authorized Refurbishers in the United States, PCRR only images with genuine software that is fully licensed with manufactures. An advanced imaging software tool is used to streamline the process and efficiently image a large number of machines. Once imaging is completed our systems are put through an additional hardware test to assure a maximum yield of computers. Detailed records of the system are compiled and used to improve our process. The systems are physically cleaned and prepared for delivery.

PCRR has experience providing both refurbished equipment to customers as well as refurbishing services for an organization's equipment. Refurbishing a customer's equipment provides a significant cost saving, fully utilizes underutilized equipment and promotes reuse. Many of our customers use the refurbishment process to minimize the number of computer models they maintain. Therefore additional equipment may be sourced from outside sources to fill the customer's requirement. PCRR strives to work within a time frame which will best fit the needs of our customers and its employees. Most businesses would not be able to function without the use of their computers which is why PCRR will work with each location to determine the best way to introduce refurbished machines, remove ones to be refurbished and then reintroduce qualified equipment back into the organization. This process and time frame is tailored to the needs of each customer.

2. Is there a minimum number of pieces of electronic equipment that must be provided (e.g., a pallet load, a truckload)?

PC Rebuilders & Recyclers (PCRR) prefers to set up a program that would refurbish at least 200 systems at a time.

3. Does providing refurbishment as a service (rather than refurbished equipment) fit into viable business models for computer refurbishment companies?

Yes. PC Rebuilders & Recyclers has also gone onsite to perform the upgrade and refurbishing services. PCRR does require the customer to have a suitable area for our staff to use in order to perform the refurbishing process. This gives our clients the benefits of reducing transportation time, transportation costs and the peace of mind that their data will not leave their facility. However, large quantities may take a longer period of time to complete the project and tends to have a higher per system refurbishment cost. PCRR works with each customer to determine the most efficient and cost effective way to perform the refurbishment upgrade given their circumstances.

4. How do the fees you charge per refurbished item compare to the cost of new or used equipment?

PCRR gives custom estimates for companies and organizations interested in a refurbished machine. However, compared to new equipment a customer can typically purchase three of PCRR's refurbished systems for the price of one new machine. And with PCRR's refurbishment service a customer can typically refurbish and upgrade about five of their systems for the price of one new machine. PCRR also provides a hardware warranty, a hidden partition restore process and an 800 technical support number for all of its refurbished systems.

5. Describe the process for disposing and recycling of failed equipment. Have all facilities in your recycling and disposal process been certified to safely recycle and manage electronics? If so, what certifications do they hold?

PC Rebuilders & Recyclers, LLC is R2 Certificated. The R2 Certification is recognized in GSA bulletin FMR B-34, part A, Section (2), letter (b), number (3).

6. Who is responsible for disposition of equipment that cannot be refurbished, the customer or the provider of refurbishment services? Is there an additional fee for disposition of equipment that cannot be refurbished?

PC Rebuilders & Recyclers, LLC is responsible for disposition of PCs that cannot be refurbished. There is no additional fee for this service. There may be additional an additional fee for Digital Data Destruction reporting on systems that are not refurbished. There may also be a fee for other types of equipment like CRT monitors.

7. What certifications should the government require of firms offering refurbishment services, including those developed specifically for recycling facilities (e.g., R2 and e-Stewards)?

Currently there is no third-party audited certification program for refurbishers and the refurbishment process. On the other hand Microsoft has created and supports two refurbisher

programs. The first program is for the larger, experienced companies known as Microsoft Authorized Refurbishers or MARs. These companies are well known to Microsoft and their work is subject to review by Microsoft audit. PCRR is included in this group. Any individual or small organization can become a Microsoft Registered Refurbisher or an RRP. Both of these programs provide genuine software for refurbished machines. We strongly recommend that the GSA work only with MARs or RRP's that are R2 certified organizations. We believe that only the R2 Certification complies with the OMB A119 requirements.

FAS-2011-01-02

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Providing Refurbishment Services to Federal Agencies; Notice-FAS-2011-01

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Comment on FR Doc # 2012-02767

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Organization: World Data Products, Inc.

General Comment

See attached file(s)

Attachments

Response to Notice FAS-2011-01

World Data Products Inc Quality Manual

WORLD
DATA PRODUCTS

nqa.
ISO 9001
Registered
Quality
Management

March 6, 2012

General Services Administration
Regulatory Secretariat (MVCB)
ATTN: Hada Flowers
1275 First Street, NE., 7th Floor
Washington, DC 20417

RE: Notice-FAS-2011-01 Providing Refurbishment Services to Federal Agencies

In response to the GSA's data gathering to determine whether providing refurbishment as a service to Federal agencies fits into viable business models, what appropriate standards and certifications should be considered, and how to best build Federal contracts for such services, World Data Products, Inc. (WDPI), is pleased to respond to the request for information.

As President and CEO of WDPI, I am honored and grateful that our company has been a supplier of high-quality refurbished equipment to the federal government, under GSA contract GS-35F-0281P for many years, and look forward to exploring new opportunities to provide refurbishment as a service.

WDPI has been a valued resource to the government and commercial clients as an independent reseller of OEM-quality new-unused and refurbished IT equipment, including servers, networking gear and storage hardware, at substantial savings. We maintain thousands of items in inventory including hard-to-find equipment that can be configured and customized to the needs of individual clients, and provide refurbishment and repair services to support and extend the life of a customer's existing equipment. We have built a loyal customer base of over 4,000 government agencies and corporations worldwide by providing excellent service and quality products. WDPI has been in business since 1987 and is ISO 9001:2008 certified.

WDPI is pleased to provide responses to each question in Notice-FAS-2011-01 as follows:

1. If you currently provide refurbishment as a service to customers, including Federal, state, or local government entities, describe the process of obtaining equipment and returning it to the customer, including the typical amount of time between pick-up and return.

Commercial customers currently contact their sales representative at WDPI for a price quote on the equipment to be refurbished. WDPI will issue the customer an order number to be used on all documents accompanying their equipment, upon receipt of the customer's purchase order. The customer is responsible for packaging and shipping the equipment to WDPI. Once the equipment is received, the order number is used to track the customer's equipment in our inventory system while it is in our facility. Equipment is inspected, cleaned, and tested for functionality, including internal components such as memory, hard drives, cables and accessories. System power and configuration checks are performed, and factory default settings are restored and all password settings are reset. Non-functioning components are replaced and upgrades are made per customer specifications, and the product case may be painted, depending upon its condition.

Upon completion of refurbishment, repair, and/or upgrade, the equpment receives a final inspection and cleaning, and is professionally packaged for shipment back to customer.

The time required to complete refurbishment is dependent on the customer's requirements for upgrades and/or repair of the equipment, quantity of equipment received, and the type of equipment to be refurbished. Most types of equipment are refurbished within 5-10 business days from date of receipt.

2. Is there a minimum number of pieces of electronic equipment that must be provided (e.g., a pallet load, a truckload)?

WDPI does not require a minimum number of pieces of equipment to be sent for refurbishment. Our commercial customers currently send in both large and small quantities of equipment for refurbishment and repair as needed to meet their specific business requirements.

3. Does providing refurbishment as a service (rather than refurbished equipment) fit into viable business models for computer refurbishment companies?

Providing refurbishment as a service fits well into the business model of WDPI, as we currently provide refurbishment and repair services for commercial customers.

TOTAL QUALITY REFURBISHMENT/REPAIR PROCESS	
Physical Inspection	Equipment is unboxed, serialized, thoroughly inspected and approved for receiving into the Inventory Management System.
Diagnostics	Products are categorized and certified technicians carefully inspect each piece of equipment and replace defective or missing components.
Parts Replacement	Certified technicians carefully troubleshoot and install each part according to OEM's specifications.
Upgrades	Memory, hard drive, tape drive and CPU speed upgrades are performed.
Testing	Following assembly of functional components, the system is rigorously tested with sophisticated testing equipment.
Quality Inspection	WDPI engineers complete a final inspection to ensure the equipment meets world-class standards.
Shipping	All equipment is carefully banded and packaged in compliance with industry-leading standard for safe delivery. Systems are insured and shipped according to customer specification.
Warranty	WDPI provides an industry-leading warranty and all reconditioned products are eligible for third-party maintenance.

4. How do the fees you charge per refurbished item compare to the cost of new or used equipment?

Depending upon the type of equipment, savings of up to 60% can be realized when refurbishing existing equipment versus purchasing similar new equipment, or up to 40% versus purchasing similar refurbished equipment.

5. Describe the process for disposing and recycling of failed equipment. Have all facilities in your recycling and disposal process been certified to safely recycle and manage electronics? If so, what certifications do they hold?

Equipment designated for disposal and recycling is labeled and placed in an established warehouse location for "scrap" materials and equipment. WDPI requires our recycling partners to be R2, NAID, and ISO 14001:2004 certified. Our partners must provide a Certificate of Recycling, and each certificate must include a unique lot number for each lot processed. Our partners must also guarantee all equipment will be processed in compliance with all applicable environmental laws including CERCLA (Superfund), RCRA, EPA CRT rule and all local, state and federal regulations.

6. Who is responsible for disposition of equipment that cannot be refurbished, the customer or the provider of refurbishment services? Is there an additional fee for disposition of equipment that cannot be refurbished?

The customer is notified of items in a condition not suitable for refurbishment or repair. The customer is responsible for determining if they wish to utilize WDPI's recycling, or if the wish for the items to be returned. WDPI does not typically charge a fee for recycling, but additional fees may be charged depending upon the type of equipment to be recycled, should WDPI incur additional costs to maintain compliance with regulations governing the disposal of the equipment.

7. What certifications should the government require of firms offering refurbishment services, including those developed specifically for recycling facilities (e.g., R2 and e-Stewards)?

The minimum requirement for firms offering refurbishment services to the government should include ISO 9001:2008 certification for Quality Management. Firms offering recycling should be required to hold Responsible Recycling (R2) and National Association for Information Destruction (NAID) certifications, as well as ISO 14001:2004 certification for the environmentally responsible handling of eWaste.

Additional comments:
The questions in the Notice do not address the security of information that may be stored on equipment sent for refurbishment.

As part of our refurbishment services, WDPI offers hard drive wiping, including DOD certifications (3 re-formats), up to Homeland Security certifications (7 re-formats). In addition, hard drives that may contain data can be sent our recycler for certified destruction, upon request.

Also, as the leader in our industry, WDPI has adopted a stringent Anti-Counterfeit Policy in order to eliminate, or mitigate the impact of, counterfeit IT goods and develop best practices and strategies to identify, inspect, test, properly dispose of and report encounters with counterfeit product. The WDPI Anti-Counterfeit Policy reflects the dedication of Senior Management and Employees to maintain the highest level of integrity and responsibility toward the information technology industry, customers and members of public and private enterprises.

Thank you for the opportunity to provide information regarding refurbishment services. I look forward to our continued relationship with GSA to work together to provide needed services and equipment to the government, while reducing costs and remaining conscious of the impacts to the environment.

Respectfully,

Neil Vill

Neil J. Vill
President & CEO

Attachment: WDPI Quality Policy

Quality Manual

World Data Products, Inc.
121 Cheshire Lane, Ste 100
Minnetonka, MN 55305

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1.0 Scope and Exclusions

Scope

This Quality Manual contains policies that have been implemented at World Data Products, Inc. (WDPI) in Minnetonka, MN.

This manual pertains to processes relating to: The Sales and Supply of new and refurbished high-end IT equipment for enterprise and government entities.

The manual and related quality system documentation are written to comply with the requirements of ISO 9001:2008.

Exclusions

The organization has two exclusions:

7.3 Design and Development
Justification: World Data Products does not design or develop products for our customers.

7.5.2 Validation of processes for production and service provision
Justification: World Data Products does not have any processes where deficiencies become apparent only after the product is in use.

2.0 Company

Since 1987, World Data Products, Inc. (WDPI) has been a market leader acting as a partner for thousands of enterprise and government customers providing OEM quality refurbished server, storage, and networking solutions "on demand" and at substantial savings.

We provide leading lines of hardware plus a full range of spare parts, maintenance, financing, lifecycle management, and asset redeployment services which increase our customers' return on their IT investment and improve the manageability while reducing the risk and complexity of their IT operations.

We can deliver "factory fresh" and fully serviceable refurbished hardware with great value for our customers for two reasons:

- We are one of the largest global secondary market makers in refurbished high end IT equipment and have been since our earliest days.
- Every product we deliver to our customers has been fully reconditioned and tested at our Corporate Technical Center to meet or exceed original factory performance specifications, and every system we ship is guaranteed to qualify for third party maintenance.

VISION

World Data Products' vision is to be the leader in Hardware Lifecycle Management.

We will achieve this through our customized IT hardware solutions, quality guarantee, significant savings, operational excellence, world-class customer service, and environmentally-sound practices.

We are dedicated to creating long-term relationships with our clients, employees, and community resulting in a legacy of stability, development, and profitable growth.

3.0 Terms and Definitions

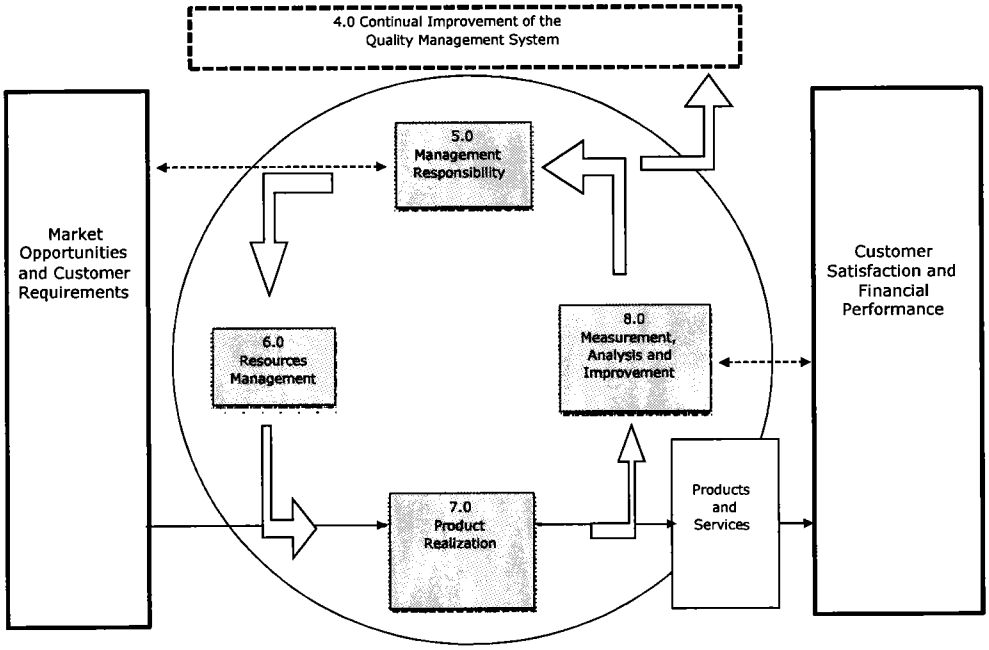
Throughout this Quality Manual, the term "organization" refers to World Data Products, Inc.

KPI's: Key Performance Indicators. Measures of effectiveness for the organization.

Quality Management System (QMS) refers to a system that considers the three main components: quality control, quality assurance and quality improvement. Quality management is focused not only on product or service quality, but also the means to achieve it. A QMS, therefore, uses quality assurance and control of processes, as well as products/services to achieve more consistent quality.

ISO 9001 Quality Management System Model

Processes and Interactions



Senior Management: The President & CEO, VP of Finance, Director of Operations, Repair Sales Manager, End User Sales Managers, Assistant Controller, HR Generalist, and Sales Support Manager.

4.0 Quality Management System

4.1 General requirements

World Data Products, Inc. has established, documented, implemented and currently maintains a quality management system. We continually improve its effectiveness in accordance with the requirements of ISO 9001.

The organization:

- has determined the processes needed for the quality management system and their application throughout the organization,
- determined the sequence and interaction of these processes,
- determined criteria and methods needed to ensure that both the operation and control of these processes are effective,
- ensures the availability of resources and information necessary to support the operation and monitoring of these processes,
- monitors, measures where applicable, and analyzes these processes, and
- implements actions necessary to achieve planned results and continual improvement of these processes.

These processes are managed by the organization in accordance with the requirements of ISO 9001.

The Key Business Processes for the organization are:

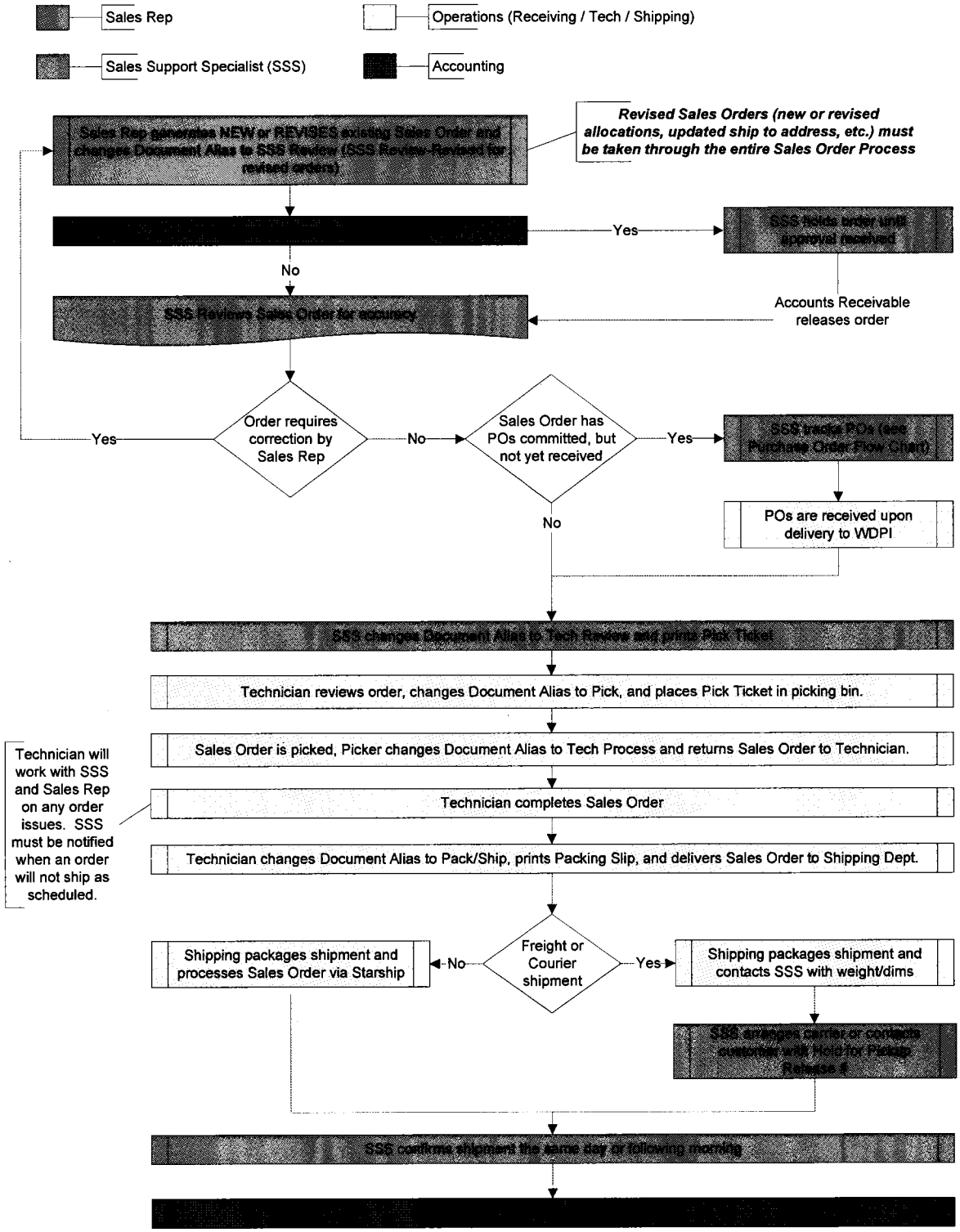
Quality Management
Sales
Customer Service
Purchasing
Repair
Receiving
Refurbishment
Shipping

The Key Processes are depicted in the Sales Order Processing, Purchasing Order Processing, Repair Order Process, Receiving Process, Refurbishing Process, and Shipping Process Flowcharts on pages 7-14, and in various flow charts maintained individually that depict specific parts of the process.

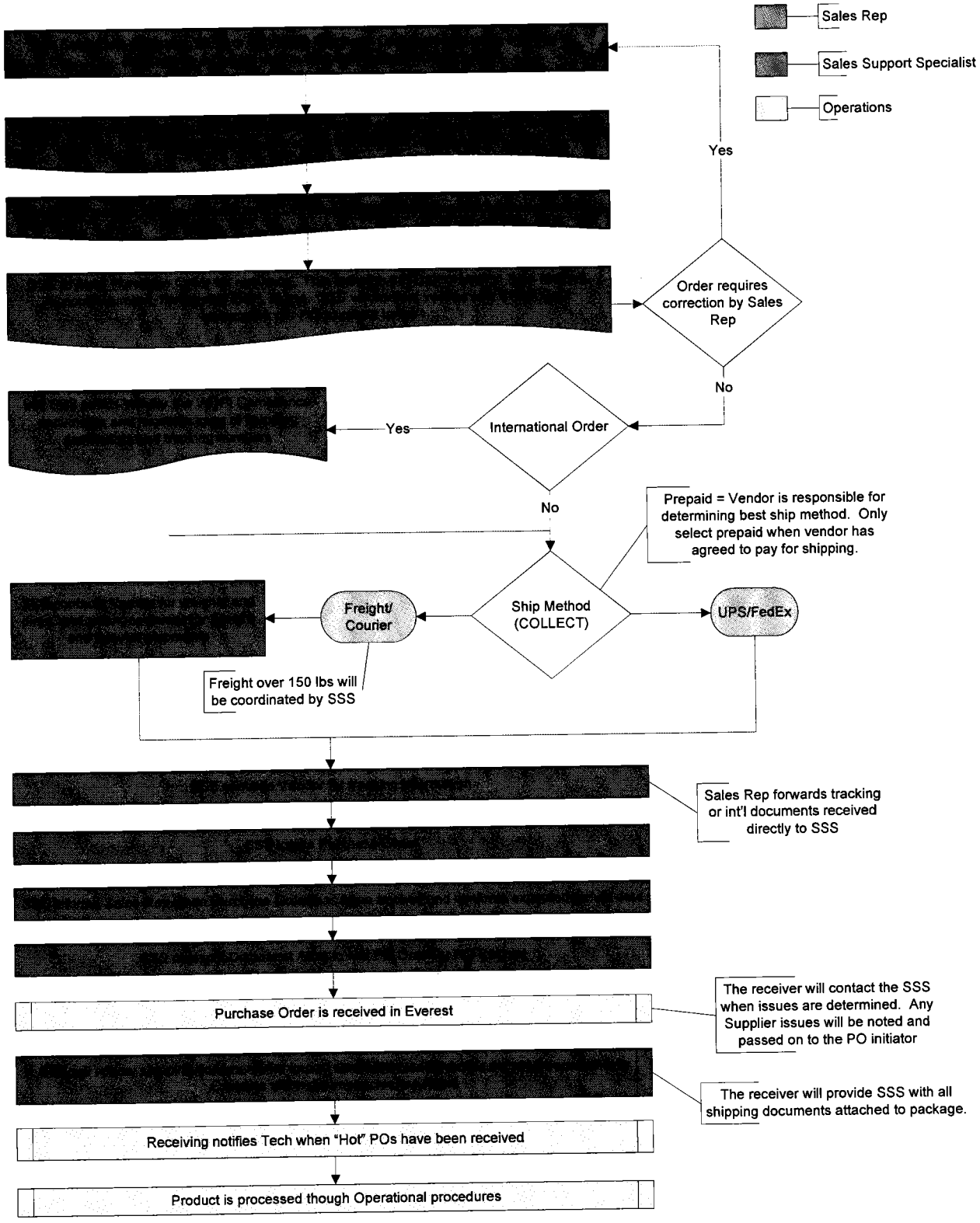
In the following Key Processes, nonconforming product may be detected at any stage of the Sales, Purchasing, Repair, Receiving, Refurbishment, Repair, Sales, and Shipping processes. Nonconforming product may also be detected by a customer following delivery of the product. Product is considered nonconforming when it is in any way different from the specified product.

Immediately upon detection, nonconforming product is identified by means of a stamp on the inventory tag to prevent inadvertently mixing with good product. Condition codes are also changed in the ERP system and notes are added as appropriate. See Control of Nonconforming Product Procedure on WorldNet for complete work instructions for handling nonconforming product.

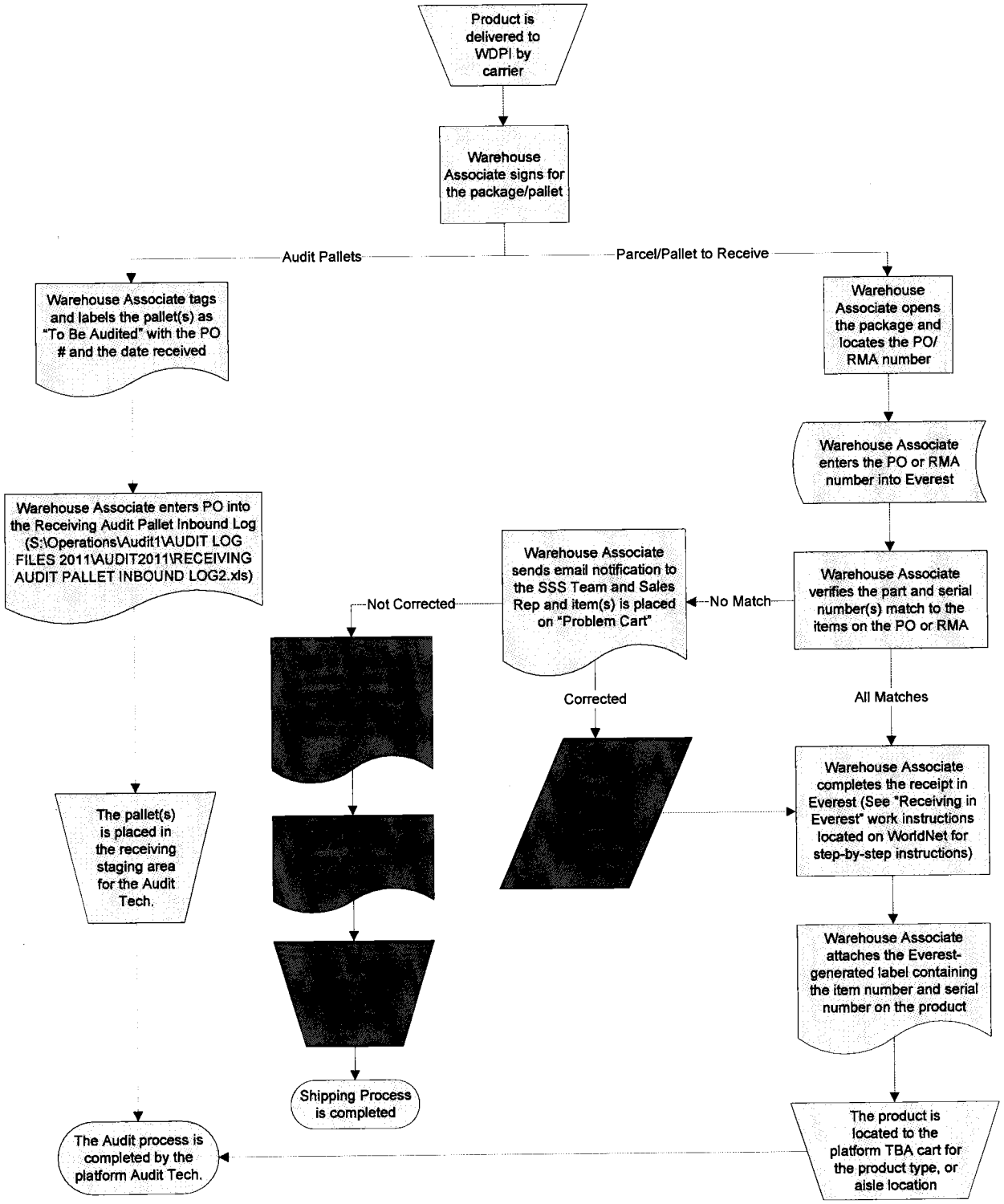
SALES ORDER PROCESSING

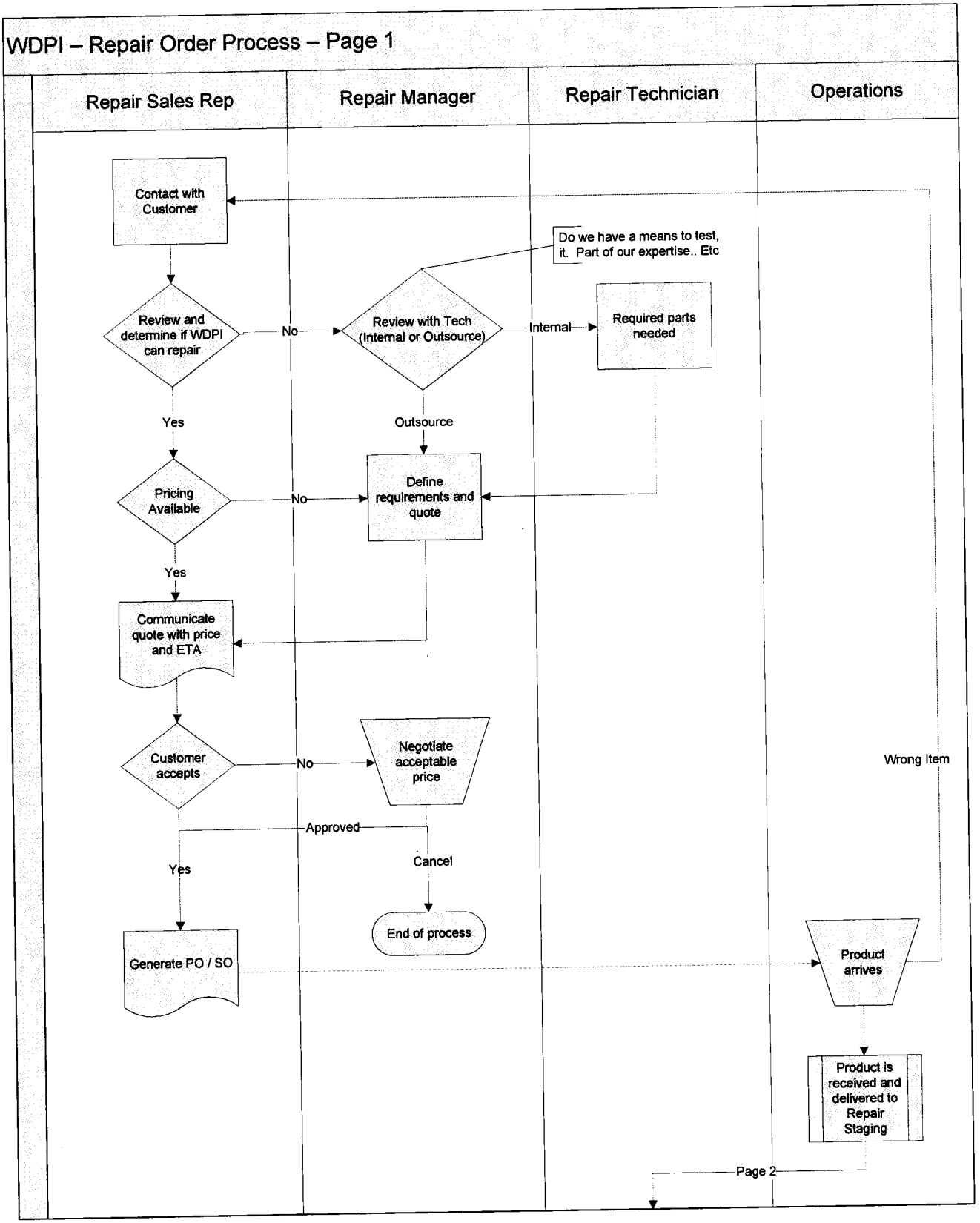


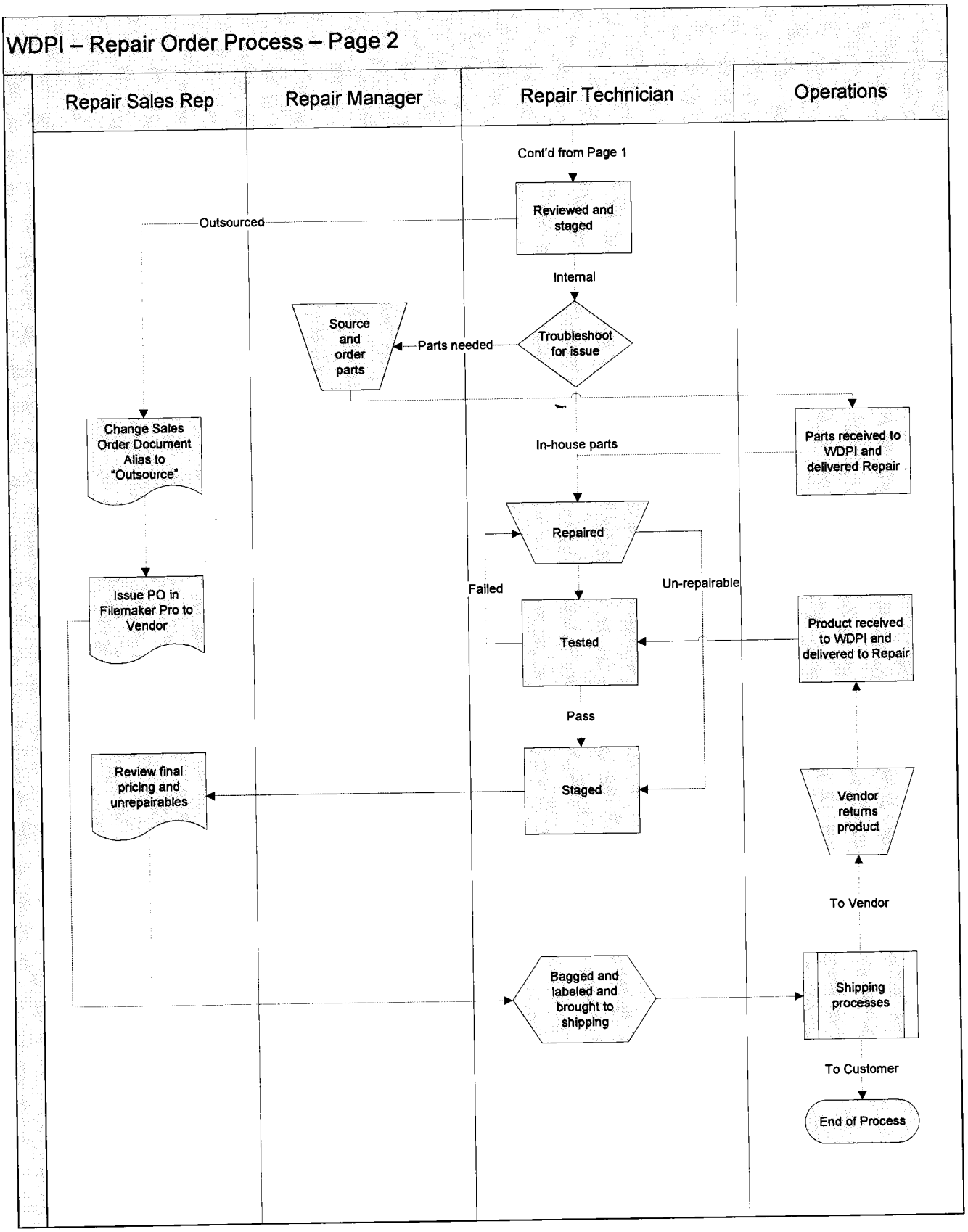
PURCHASE ORDER PROCESSING



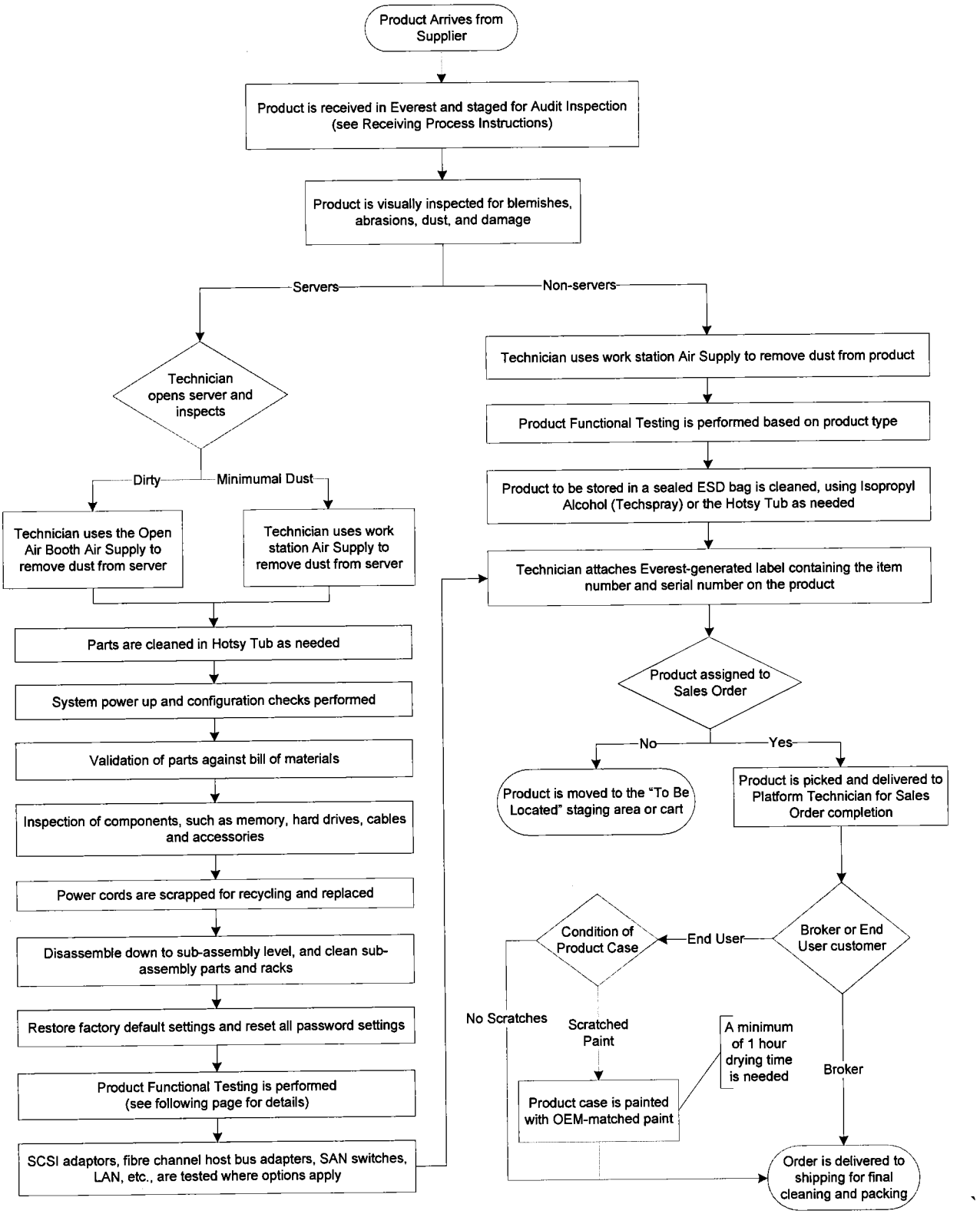
RECEIVING PROCESS INSTRUCTIONS




WDPI – Repair Order Process – Page 1
Repair Sales Rep
Repair Manager
Repair Technician
Operations
Contact with Customer
Do we have a means to test, it. Part of our expertise.. Etc
Review and determine if WDPI can repair
No
Review with Tech (Internal or Outsource)
Internal
Required parts needed
Yes
Outsource
Pricing Available
No
Define requirements and quote
Yes
Communicate quote with price and ETA
Customer accepts
No
Negotiate acceptable price
Wrong Item
Approved
Cancel
Yes
End of process
Generate PO / SO
Product arrives
Product is received and delivered to Repair Staging
Page 2

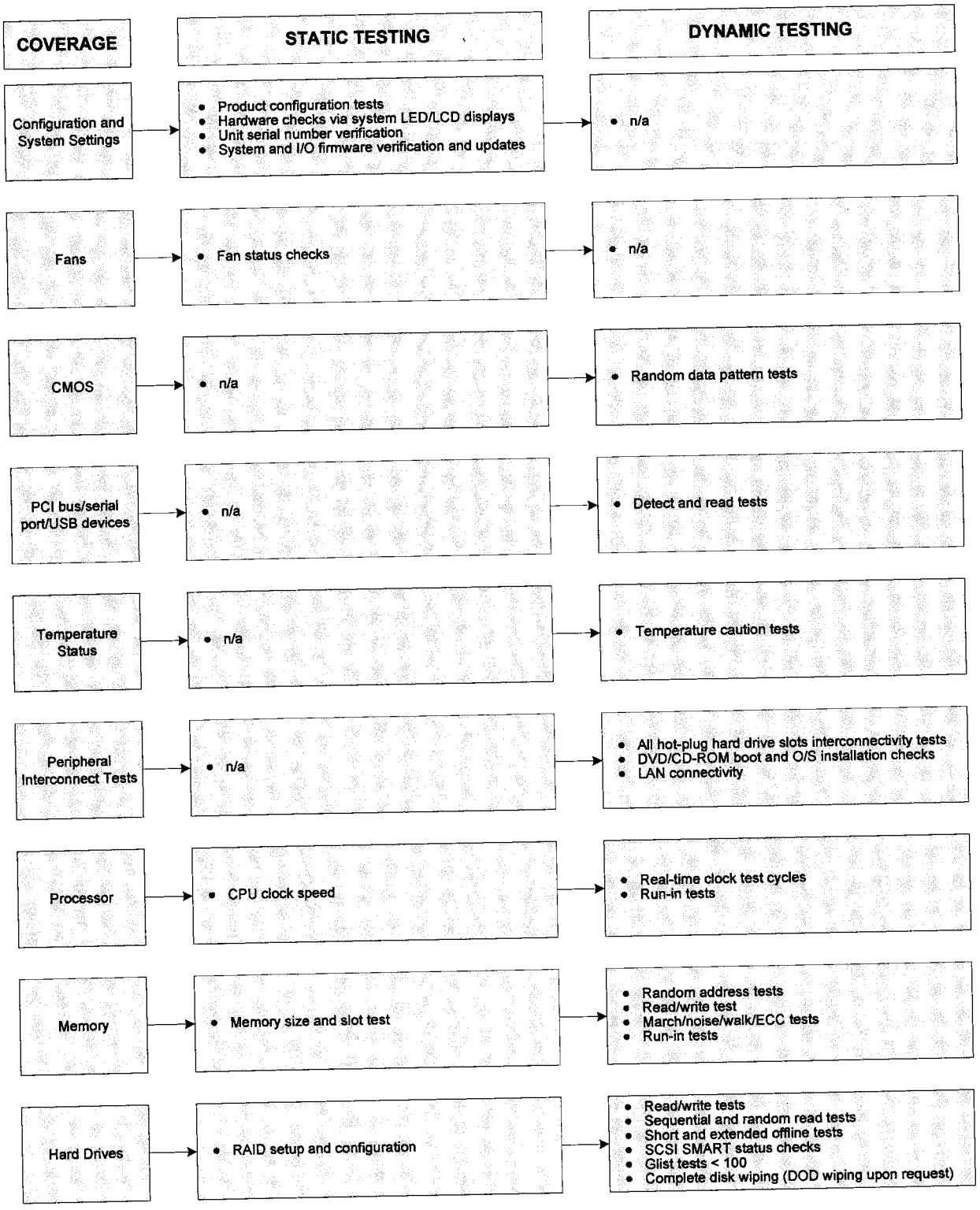

WDPI – Repair Order Process – Page 2
Repair Sales Rep
Repair Manager
Repair Technician
Operations
Cont'd from Page 1
Reviewed and staged
Outsourced
Internal
Source and order parts
Parts needed
Troubleshoot for issue
Change Sales Order Document Alias to "Outsource"
In-house parts
Parts received to WDPI and delivered Repair
Repaired
Issue PO in Filemaker Pro to Vendor
Failed
Un-repairable
Tested
Product received to WDPI and delivered to Repair
Pass
Review final pricing and unrepairables
Staged
Vendor returns product
To Vendor
Bagged and labeled and brought to shipping
Shipping processes
To Customer
End of Process

REFURBISHMENT PROCESS

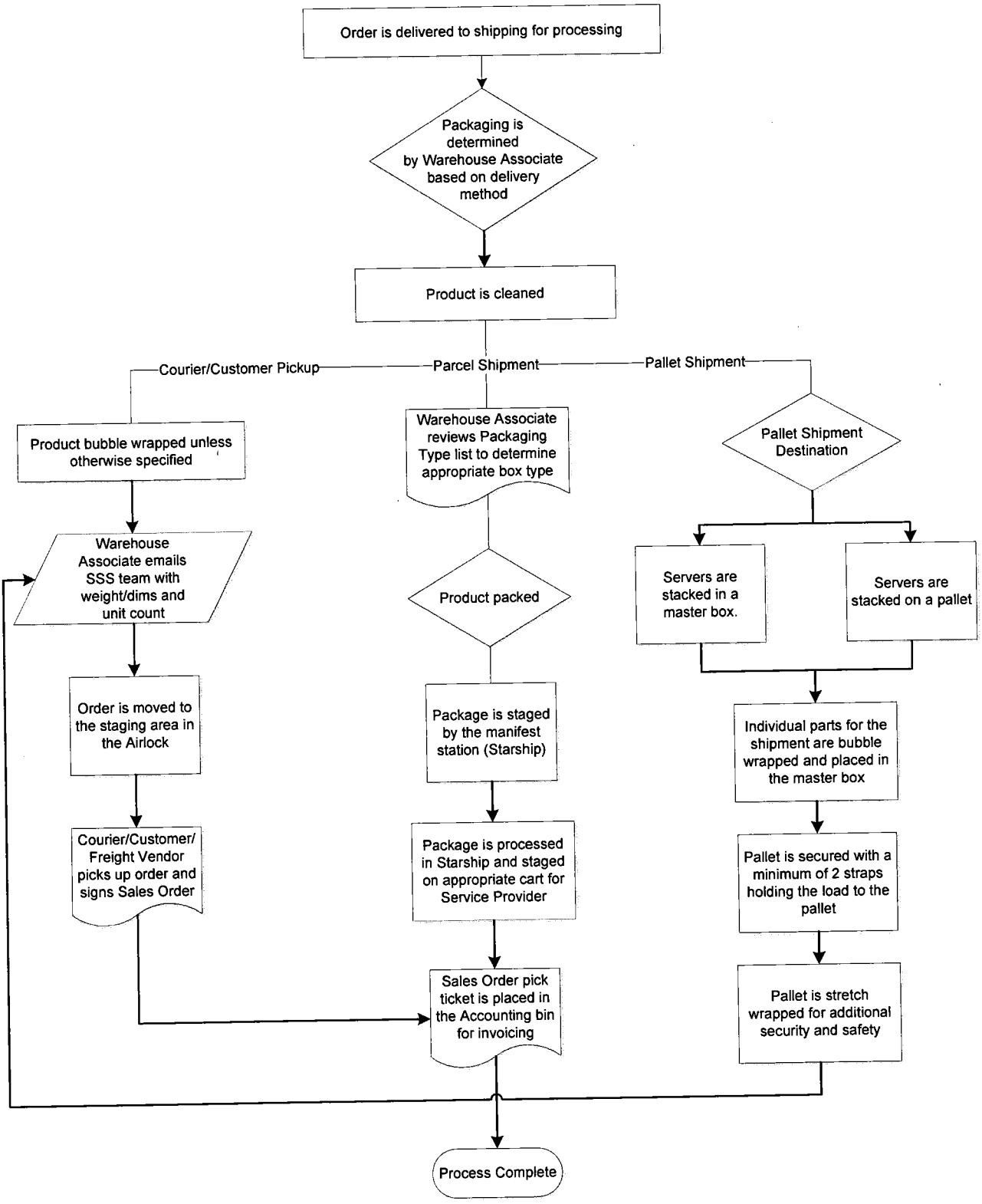


REFURBISHMENT PROCESS

Product Functional Testing for Servers



Shipping Process



Where the organization chooses to outsource any process that affects product conformity to requirements, the organization ensures control over such processes. The type and extent of control to be applied to these outsourced processes are defined within the quality management system.

Outsourced Processes

Outsourced Process	Provider	Controls
Testing	Various	Approved Supplier, Inspect and test returns to WDPI

4.2 Documentation Requirements

4.2.1 General

The quality management system documentation includes:

- documented statements of a quality policy and quality objectives,
- a quality manual,
- documented procedures and records required by ISO 9001, including Document Control, Record Control, Internal Audit, Control of Nonconforming Product, Corrective and Preventive Action,
- documents, including records, determined by the organization to be necessary to ensure the effective planning, operation and control of its processes.
- Controlled documents are located on the WorldNet intranet site.

4.2.2 Quality Manual

The organization has established and currently maintains a quality manual that includes:

- the scope of the quality management system, including details of and justification for any exclusions,
- the documented procedures established for the quality management system, or reference to them, and
- a description of the interaction between the processes of the quality management system.
- The Quality Manual is located on the WorldNet intranet site.

The Management Representative (see section 5.5.2) is responsible for maintaining the quality manual.

4.2.3 Document Control

Documents required by the quality management system are controlled. Records are a special type of document and are controlled according to the requirements given in section 4.2.4.

A documented procedure has been established (see Control of Documents Procedure located on the WorldNet intranet site) to define the controls needed:

- to approve documents for adequacy prior to issue,
- to review and update as necessary and re-approve documents,
- to ensure that changes and the current revision status of documents are identified,

- to ensure that relevant versions of applicable documents are available at points of use,
- to ensure that documents remain legible and readily identifiable,
- to ensure that documents of external origin determined by the organization to be necessary for the planning and operation of the quality management system are identified and their distribution controlled, and
- to prevent the unintended use of obsolete documents, and to apply suitable identification to them if they are retained for any purpose.

The Document Control Coordinator is responsible to maintain the Document Control Procedure, to ensure that relevant versions are available at points of use, to remove obsolete documents, and to control external documents. Documents are reviewed and approved, including re-approval as required, by the appropriate functional manager along with the Management Representative. The appointed Document Control Coordinator is the Sales Support Manager.

4.2.4 Control of Records

Records established to provide evidence of conformity to requirements and of the effective operation of the quality management system shall be controlled.

A documented procedure has been established (see Control of Records Procedure located on the WorldNet intranet site) to define the controls needed for the identification, storage, protection, retrieval, retention and disposition of records.

Records are legible, readily identifiable and retrievable.

The Document Control Coordinator is responsible to maintain the Records Control Procedure.

5.0 Management Responsibility

5.1 Management Commitment

Senior Management provides evidence of its commitment to the development and implementation of the quality management system and continually improve its effectiveness by:

- communicating to the organization the importance of meeting customer as well as statutory and regulatory requirements,
- establishing the quality policy,
- ensuring that quality objectives are established,
- conducting management reviews, and
- ensuring the availability of resources.

Senior Management includes the following members: The President & CEO, VP of Finance, Director of Operations, Repair Sales Manager, End User Sales Managers, Assistant Controller, HR Generalist, and Sales Support Manager.

5.2 Customer Focus

Senior Management ensures that customer requirements are determined and are met with the aim of enhancing customer satisfaction.

5.3 Quality Policy

Senior Management ensures that the quality policy:

- is appropriate to the purpose of the organization,
- includes a commitment to comply with requirements and continually improve the effectiveness of the quality management system,
- provides a framework for establishing and reviewing quality objectives,
- is communicated and understood within the organization, and
- is reviewed for continuing suitability.

The World Data Products Quality Statement is as follows:

"World Data Products, Inc. is committed to complete customer satisfaction and continuous improvement. Every World Data Products, Inc. employee will understand our Vision and their individual responsibilities in fulfilling our Quality Metrics as defined in our Quality System."

The Management Representative is responsible for ensuring the quality statement is reviewed during the Management Review process (see section 5.6).

5.4 Planning

5.4.1 Quality Objectives

Senior Management ensures that quality objectives (Key Process Indicators: KPI's), including those needed to meet requirements for product, are established at relevant functions and levels within the organization. The quality objectives are measurable and consistent with the quality policy.

Senior Management is responsible for establishing and maintaining the quality objectives.

WDPI QUALITY OBJECTIVES				
Name of Measure	Minimum Target	Current Result	Meets Target?	Action Needed
Shipping - LTM				
RMA - LTM				
Receiving - LTM				
Audit - LTM				
Sales Order Accuracy - LTM				
Inventory - LTM				
Repair Warranty RMA - Monthly				
Repair Orders > 10 Bus. Days				
Infrastructure Outages - QTR				
Terms and Definitions: • LTM – Last Twelve Months • RMA – Return Merchandise Authorization • QTR - Quarter				

The Quality Objectives table represents the measured objectives and format used for tracking. Quality objectives and results are reviewed at the quarterly Management Review meetings.

5.4.2 Quality management system planning

Senior Management ensures that:

- the planning of the quality management system is carried out in order to meet the requirements given in section 4.1, as well as the quality objectives, and
- the integrity of the quality management system is maintained when changes to the quality management system are planned and implemented.

5.5 Responsibility, Authority and Communication

5.5.1 Responsibility and authority

Senior Management ensures that responsibilities and authorities are defined and communicated within the organization. This is achieved through an organization chart, job descriptions, procedures and instructions located on WorldNet.

5.5.2 Management Representative

Senior Management has appointed a member of management who, irrespective of other responsibilities, has responsibility and authority that includes:

- ensuring that processes needed for the quality management system are established, implemented and maintained,
- reporting to Senior Management on the performance of the quality management system and any need for improvement, and
- ensuring the promotion of awareness of customer requirements throughout the organization.

The appointed management representative is the Director of Operations who will serve as the liaison to external parties on matters relating to the quality system.

5.5.3 Internal communication

Senior Management ensures that appropriate communication processes are established within the organization and that communication takes place regarding the effectiveness of the quality management system. This is achieved by Management status report meetings, Sales and Operations updates, all staff meetings, including quarterly all-employee meetings, department meetings, WorldNet intranet site, email announcements, and training.

5.6 Management Review

Senior Management reviews the organization's quality management system, at planned intervals (at least quarterly), to ensure its continuing suitability, adequacy and effectiveness. This review includes assessing opportunities for improvement and the need for changes to the quality management system, including the quality policy and quality objectives.

Records from management reviews are maintained by the Management Representative.

The input to management review includes information on:

- results of audits,
- customer feedback,
- process performance and product conformity,
- status of preventive and corrective actions,
- follow-up actions from previous management reviews,
- changes that could affect the quality management system, and
- recommendations for improvement.

The output from the management review includes:

- any decisions and actions related to improvement of the effectiveness of the quality management system and its processes,
- improvement of product related to customer requirements, and
- resource needs.

The following individuals attend Management Reviews: The President & CEO, VP of Finance, Director of Operations, Repair Sales Manager, End User Sales Managers, Assistant Controller, HR Generalist, and Sales Support Manager.

6.0 Resources Management

6.1 Provision of Resources

The organization determines and provides the resources needed to implement and maintain the quality management system and continually improve its effectiveness and to enhance customer satisfaction by meeting customer requirements. Resource needs are discussed during management review.

6.2 Human Resources

6.2.1 General

Personnel performing work affecting conformity to product requirements are deemed competent on the basis of appropriate education, training, skills and experience. The hiring manager is responsible for assessing competence. Competency requirements are defined in job descriptions and job postings.

6.2.2 Competence, training and awareness

The organization:

- determines the necessary competence for personnel performing work affecting conformity to product requirements,
- where applicable, provides training or takes other actions to achieve the necessary competence,
- evaluates the effectiveness of the actions taken,
- ensures that personnel are aware of the relevance and importance of their activities and how they contribute to the achievement of the quality objectives, and
- maintains appropriate records of education, training, skills and experience.

Senior Management is responsible to determine competency requirements and to oversee the training process. Training requirements are defined in training procedures, annual employee evaluations, and Senior Management review.

Human Resources also maintains appropriate records of education, training, skills, and experience.

As of the initial release of this document, all current employees are competent.

6.3 Infrastructure

The organization determines, provides and maintains the infrastructure needed to achieve conformity to product requirements.

Infrastructure includes, as applicable:

- buildings, workspace and associated utilities,
- process equipment (both hardware and software), and
- supporting services (such as transport, communication or information systems).

The Assistant Controller is responsible for all computer system and data backup via a co-location. Forklifts have associated maintenance plans. (Ref: Business Continuity & Disaster Preparedness Plan on the WorldNet intranet site.)

6.4 Work Environment

The organization determines and manages the work environment needed to achieve conformity to product requirements. The Director of Operations is responsible to identify and control work environment requirements which include electrostatic discharge (ESD) controls and ambient room temperature in technician's work area.

7.0 Product Realization

7.1 Planning of Product Realization

The organization plans and develops the processes needed for product realization.

Planning of product realization is consistent with the requirements of the other processes of the quality management system.

In planning product realization, the organization determines the following, as appropriate:

- quality objectives and requirements for the product,
- the need to establish processes and documents, and to provide resources specific to the product,
- required verification, validation, monitoring, measurement, inspection and test activities, specific to the product and the criteria for product acceptance,
- records needed to provide evidence that the realization processes and resulting product meet requirements.

The output of this planning is in a form suitable for the organization's method of operations. Planning output includes open orders in the ERP system, sales orders and documentation, purchase orders, and pick tickets.

Operations is responsible for planning production or service provision and for maintaining associated records.

7.2 Customer-related Processes

7.2.1 Determination of requirements related to the product

The organization determines:

- requirements specified by the customer, including the requirements for delivery and post-delivery activities,
- requirements not stated by the customer but necessary for specified or intended use, where known,
- statutory and regulatory requirements applicable to the product, and
- any additional requirements considered necessary by the organization.

Sales Reps are responsible for determining all customer requirements, whether specified; not stated, but necessary; or statutory and regulatory. Requirements are determined by review of customer configuration requirements.

7.2.2 Review of requirements related to the product

The organization reviews the requirements related to the product. This review is conducted prior to the organization's commitment to supply a product to the customer (e.g. submission of tenders, acceptance of contracts or orders, acceptance of changes to contracts or orders) and ensures that:

- product requirements are defined,
- contract or order requirements differing from those previously expressed are resolved, and
- the organization has the ability to meet the defined requirements.

Requirements are reviewed during order entry by Sales Support and the Order Processing Technician.

Records of the results of the review and actions arising from the review are maintained in the ERP system and in hard copy. Operations is responsible for maintaining the records.

Where the customer provides no documented statement of requirement, the customer requirements are confirmed by the organization before acceptance. Confirmation of verbal orders is done by repeating orders back to customer and by a confirmation sent to the customer via a Sales Order or Purchase Order.

Where product requirements are changed, the Sales Rep or the Technician (depending on the order status) ensures that relevant documents are amended and that relevant personnel are made aware of the changed requirements.

7.2.3 Customer communication

The organization determines and implements effective arrangements for communicating with customers in relation to:

- product information,
- enquiries, contracts or order handling, including amendments, and
- customer feedback, including customer complaints.

Product information is communicated via brochures, the company website, sales visits and calls to customers, and is maintained by Marketing.

Customer inquiries, contracts, and orders, are received by phone, email, fax, instant messaging, and website form.

Customer feedback is recorded and managed by the Sales Rep per incident. Data is also summarized from customer visits, emails from customers, and other customer communications.

7.3 Design and Development

This section is excluded.

7.4 Purchasing

7.4.1 Purchasing process

The organization ensures that purchased product conforms to specified purchase requirements. The type and extent of control applied to the supplier and the purchased product is dependent upon the effect of the purchased product on subsequent product realization or the final product.

The organization evaluates and selects suppliers based on their ability to supply product in accordance with the organization's requirements. Criteria for selection, evaluation and re-evaluation are established.

Criteria	Selection	Evaluation/ Re-evaluation
Technical specifications	x	x
Product quality	x	x
Price and availability	X	x
On time delivery	x	x

Records of the results of evaluations and any necessary actions arising from the evaluation are maintained in management review.

Sales is responsible for controlling the purchasing process and for maintaining appropriate records. Approved suppliers are listed in the ERP system.

As of the initial release of this document, all current suppliers in good standing are considered to be approved.

7.4.2 Purchasing information

Purchasing information describes the product to be purchased, including where appropriate:

- requirements for approval of product, procedures, processes and equipment,
- requirements for qualification of personnel, and
- quality management system requirements.

Purchasing information is communicated to suppliers via purchase orders, instant messaging, and emails.

The organization ensures the adequacy of specified purchase requirements prior to communication to the supplier.

7.4.3 Verification of purchased product

The organization establishes and implements the inspection or other activities necessary for ensuring that purchased product meets specified purchase requirements. Purchased product is verified by receiving inspection, review of supplier documentation, count/quality verification, and testing.

Where the organization or its customer intends to perform verification at the supplier's premises, the organization states the intended verification arrangements and method of product release in the purchasing information.

7.5 Production and service provision

7.5.1 Control of production and service provision

The organization plans and carries out production and service provision under controlled conditions. Controlled conditions include, as applicable:

- the availability of information that describes the characteristics of the product,
- the availability of work instructions, as necessary,
- the use of suitable equipment,
- the availability and use of monitoring and measuring equipment,
- the implementation of monitoring and measurement, and
- the implementation of product release, delivery and post-delivery activities.

The Director of Operations is responsible for controlling all phases or product and service provision and for maintaining appropriate records.

7.5.2 Validation of processes for production and service provision

This section is excluded.

7.5.3 Identification and traceability

Where appropriate, the organization identifies the product by suitable means throughout product realization. Products are identified by means of barcode labels, sales orders, purchase orders, packaging, shelf markings, condition codes and notes.

The organization identifies the product status with respect to monitoring and measurement requirements throughout product realization.

Where traceability is a requirement, Operations controls the unique identification of the product and maintains records. Traceability is documented by use of serial numbers.

7.5.4 Customer property

The organization exercises care with customer property while it is under the organization's control or being used by the organization. The organization identifies, verifies, protects and safeguards customer property provided for use or incorporation into the product. If any customer property is lost, damaged or otherwise found to be unsuitable for use, the organization shall report this to the customer and maintain records. Customer property can include intellectual property and personal data. Parts brought in for repair are considered to be customer property.

Customer property is controlled by means of a sequential serial number and associated paperwork.

Operations is responsible for controlling and recording customer property. The Sales Rep is responsible for all communication with the customer regarding their property.

7.5.5 Preservation of product

Operations is responsible for preserving the product during internal processing and delivery to the intended destination in order to maintain conformity to requirements. As applicable, this preservation includes identification, handling, packaging, storage and protection. Preservation also applies to the constituent parts of a product.

Special handling techniques include anti-static bagging, and special storage cabinets.

7.6 Control of monitoring and measuring equipment

The organization determines the monitoring and measurement to be undertaken and the monitoring and measuring equipment needed to provide evidence of conformity of product to determined requirements. The organization establishes processes to ensure that monitoring and measurement can be carried out and are carried out in a manner that is consistent with the monitoring and measurement requirements. The Quality Department (Consists of various teams in the Operations group) is responsible for all aspects related to the system of controlling monitoring and measurement.

Where necessary to ensure valid results, measuring equipment is:

- calibrated or verified, or both, at specified intervals, or prior to use, against measurement standards traceable to international or national measurement standards; where no such standards exist, the basis used for calibration or verification is recorded,
- adjusted or re-adjusted as necessary,
- identified in order to determine its calibration status,
- safeguarded from adjustments that would invalidate the measurement result,
- protected from damage and deterioration during handling, maintenance and storage.

In addition, the organization assesses and records the validity of the previous measuring results when the equipment is found not to conform to requirements. The organization takes appropriate action on the equipment and any product affected. Records of the results of calibration and verification are be maintained.

When used in the monitoring and measurement of specified requirements, the ability of computer software to satisfy the intended application is confirmed by the platform technician. This is undertaken prior to initial use and reconfirmed as necessary.

8.0 Measurement, Analysis and Improvement

8.1 General

The organization plans and implements the monitoring, measurement, analysis and improvement processes needed:

- to demonstrate conformity to product requirements,
- to ensure conformity of the quality management system, and
- to continually improve the effectiveness of the quality management system.

This includes determination of applicable methods, including statistical techniques, and the extent of their use. The Management Representative is responsible for systems related to monitoring, measurement, analysis and improvement.

8.2 Monitoring and measurement

8.2.1 Customer satisfaction

As one of the measurements of the performance of the quality management system, the organization monitors information relating to customer perception as to whether the organization has met customer requirements.

Customer satisfaction is monitored by means of customer interviews and meetings, measuring repeat sales, and measuring rates of returned products.

The methods for obtaining and using this information are determined by Senior Management.

8.2.2 Internal audit

The organization conducts internal audits at planned intervals to determine whether the quality management system:

- Conforms to the planned arrangements, to the requirements of ISO 9001 and to the quality management system requirements established by the organization, and is effectively implemented and maintained.

An audit program has been scheduled, taking into consideration the status and importance of the processes and areas to be audited, as well as the results of previous audits. The audit criteria, scope, frequency and methods are defined. This selection of auditors and conduct of audits ensures objectivity and impartiality of the audit process. Auditors do not audit their own work.

A documented procedure has been established (see Internal Audit Procedure) to define the responsibilities and requirements for planning and conducting audits, establishing records and for reporting results. Records of the audits and their results are maintained. The Management Representative is responsible to oversee the internal auditing system and for maintaining appropriate records.

The manager responsible for the area being audited ensures that any necessary corrections and corrective actions are taken within two weeks of identification of a nonconformance to eliminate detected nonconformities and their causes. Follow-up activities include the verification of the actions taken and the reporting of verification results.

8.2.3 Monitoring and measurement of processes

The organization applies suitable methods for monitoring and, where applicable, measurement of the quality management system processes. These methods demonstrate the ability of the processes to achieve planned results. When planned results are not achieved, correction and corrective action is taken by the appropriate personnel, to ensure conformity of the product.

Methods for monitoring and measuring of processes include internal audits, and quality performance data (see section 5.4.1).

8.2.4 Monitoring and measurement of product

The organization monitors and measures the characteristics of the product to verify that product requirements have been met. This is carried out at appropriate stages of the product realization process in accordance with the planned arrangements.

Methods for monitoring and measuring of products include inspection results, and testing (see section 5.4.1).

Evidence of conformity with the acceptance criteria is maintained. Records indicate the person(s) authorizing release of product for delivery to the customer. Product and service release is indicated by means of initials on the Quality Assurance sheet, and authorization in the ERP system.

The release of product and delivery of service to the customer does not proceed until the planned arrangements have been satisfactorily completed, unless otherwise approved by a relevant authority and, where applicable, by the customer.

8.3 Control of nonconforming product

The organization ensures that product which does not conform to product requirements is identified and controlled to prevent its unintended use or delivery. A documented procedure has been established (see Control of Nonconforming Product Procedure, and the WDPI Anti-Counterfeit Policy) to define the controls and related responsibilities and authorities for dealing with nonconforming product.

Where applicable, the organization deals with nonconforming product by one or more of the following ways:

- by taking action to eliminate the detected nonconformity;
- by authorizing its use, release or acceptance under concession by a relevant authority and, where applicable, by the customer;
- by taking action to preclude its original intended use or application;
- by taking action appropriate to the effects, or potential effects, of the nonconformity when nonconforming product is detected after delivery or use has started.

When nonconforming product is corrected, it is subject to re-verification to demonstrate conformity to the requirements.

Records of the nature of nonconformities and any subsequent actions taken, including concessions obtained, are maintained.

8.4 Analysis of data

The organization determines, collects and analyzes appropriate data to demonstrate the suitability and effectiveness of the quality management system and to evaluate where continual improvement of the effectiveness of the quality management system can be made. This includes data generated as a result of monitoring and measurement and from other relevant sources.

The analysis of data provides information relating to:

- customer satisfaction,
- conformity to product requirements,
- characteristics and trends of processes and products including opportunities for preventive action, and
- suppliers.

Data analysis is conducted by means of management review, team meetings, summary reports, and KPI data analysis.

The Management Representative is responsible for determining the data requirements and for coordinating with other departments to collect and subsequently analyze the data in order to make improvements.

8.5 Improvement

8.5.1 Continual improvement

The organization continually improves the effectiveness of the quality management system using the quality policy, quality objectives, audit results, analysis of data, corrective and preventive actions and management review.

8.5.2 Corrective Action

The organization takes action to eliminate the cause of nonconformities in order to prevent their recurrence.

Corrective actions are appropriate to the effects of the nonconformities encountered.

A documented procedure has been established (see Corrective and Preventive Action Procedure) that defines requirements for:

- reviewing nonconformities (including customer complaints),
- determining the causes of nonconformities,
- evaluating the need for action to ensure that nonconformities do not recur,
- determining and implementing action needed,
- recording and maintaining records of the results of action taken, and
- reviewing the effectiveness of the corrective action taken.

The Management Representative is responsible for maintaining the procedure and the associated records.

8.5.3 Preventive Action

The organization determines action to eliminate the causes of potential nonconformities in order to prevent their occurrence.

Preventive actions are appropriate to the effects of the potential problems

A documented procedure has been established (see Corrective and Preventive Action Procedure) to define requirements for:

- determining potential nonconformities and their causes,
- evaluating the need for action to prevent occurrence of nonconformities,
- determining and implementing action needed,
- recording and maintaining the results of action taken, and
- reviewing the effectiveness of the preventive action taken.

The Management Representative is responsible for maintaining the procedure and the associated records.

9.0 Reference Documents

Control of Documents Procedure
Control of Records Procedure
Control of Nonconforming Product Procedure
Corrective/Preventive Action Procedure
Internal Audit Procedure
Operations Team Bonus Incentive Plan
Business Continuity & Disaster Preparedness Plan
WDPI Anti-Counterfeit Policy

Reference Documents are located on WorldNet.

10.0 Change Log

Revisions to this manual are tracked and listed in SharePoint located on World Data Products Inc.'s Intranet system.

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Government Agency Type: Federal
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General Comment

Thank you for the opportunity to respond to the GSA Federal Registry: Providing Refurbishment Services to Federal Agencies; Notice FAS-2001-01.

Redemtech has submitted this response in a true effort to help the GSA to identify sustainable best practices in response to new GSA Sustainability Plan requirements regarding electronic stewardship.

For your review we have attached several documents that will provide you with industry best practices and Redemtech case studies showing the economic, social and environmental value of proper IT asset management and disposition strategies.
Jill Vaske
Executive Vice President
Redemtech

Attachments

GSA_Providing Refurbishment Services to Federal Agencies_FINAL

Case Study - Financial Services

Case Study - Education

REDEMTECH.

Response to:

GSA U.S. General Services Administration

Providing Refurbishment Services to Federal Agencies Notice-FAS-2011-01 (Document ID GSA-GSA-2011-0006-0017)

Submitted: March 8, 2012

By: Jill Vaske
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Executive Summary

This response will explore best practices supported by innovative solutions, and how they can be implemented to achieve sustainability goals for technology refurbishment and redeployment. Redemtech has submitted this response in a true effort to help GSA identify sustainable best practices in response to new GSA Sustainability Plan requirements regarding electronic stewardship. The best practices presented here focus on true sustainability coming from the ability to execute and measure the reuse of assets first and foremost, as sustainable recycling is exponentially less impactful than sustainable reuse of equipment. Due to the very nature of electronics, refurbishment must only be one consideration in an overall solution. Because many electronics are data-bearing, this new sustainable process must account for data security practices that cannot only guarantee each asset's data is eradicated, but also that sufficient proof is available in the form of an audit trail. We encourage discussion regarding this response, and would be happy to answer any questions.

GSA seeks to determine whether providing refurbishment as a service to Federal agencies fits into viable business models, what appropriate standards and certifications ought to be considered, and how best to build Federal contracts for such services. GSA is seeking this information through voluntary responses to the following questions:

1. If you currently provide refurbishment as a service to customers, including Federal, state, or local government entities; describe the process of obtaining equipment and returning it to the customer, including the typical amount of time between pick-up and return.

   Redemtech is a leader in the Gartner's ITAD Magic Quadrant. Utilizing a variety of sources, and calling upon our years of leadership in the business and our subject matter experts, provides customized solutions that have been adopted by some of the world's largest organizations.

   Redemtech provides IT asset recovery and disposition (ITAD) services, repair and refurbishment services, deployment/redeployment, and remarketing/investment recovery services to more than 100 Global 1000 end-user companies, many in privacy-regulated industries such as banking and financial services, insurance and healthcare. We also provide services to several educational institutions and non-profit organizations. We are an industry leader and an acknowledged authority on such subjects as secure reverse logistics, warranted data destruction, e-scrap recycling, regulatory compliance, and IT asset management best practices.

   - Redemtech was named the #1 Microsoft Authorized Refurbisher in 2011
   - Redemtech offers value appropriate repair and refurbishment services geared towards:
     - Creating an exceptional end-user experience when redeploying
     - Maximizing remarketing yields
       - Employ category experts to ensure highest returns
       - Multiple retail channels for maximum returns

   Each customer engagement delivers a unique suite of services based on Redemtech's commitment to understanding the specific business goals of the customer, and architecting a custom solution that is optimal for their needs.

   The web-based Customer Service Center, which is accessible from any location worldwide, provides a robust online interface and streamlines the entire asset recovery process.

   The process begins when designated customer personnel login to a secured area to submit a recovery request via the web-based Recovery Request Form. This form is customized to ensure all necessary

information is recorded. Automatically populated by Redemtech's Retrac system with site contact information, the form prompts the requester for information about the type and quantity of equipment to be recovered. When completed, the prepopulated online form feeds directly into Redemtech's logistics management queue, expediting the service process.
Logistics chain-of-custody begins with getting assets recovered quickly. Redemtech can be anywhere in the continental U.S. to recover any quantity of assets within 48 hours. Redemtech has developed technologies and methods to substantially improve the accountability of the recovery process, which are exclusively available to Redemtech customers. In brief, this solution integrates broadband-enabled scanners with Retrac to provide request-to-disposition serial number level control over assets throughout the entire logistics process.

Ideally, the customer will furnish Redemtech, via our web interface, a list of serial numbers and/or asset numbers to be recovered, which are uploaded into broadband-enabled scanners. When an asset is scanned at pick-up, its serial number is compared to the serial numbers provided, and the system will reconcile the recovery and provide immediate exception reporting, identifying "assets requested but not scanned" and "assets scanned, but not requested." Along with serial numbers, these scanners also document asset tag numbers as well as manufacturer and model information.

Predetermined customer rules will govern how exceptions are managed. Once variances have been resolved according to those rules, or if no serialized asset list was furnished in advance, the system will print a list for the local site contact of all assets scanned. The customer site contact will confirm agreement with the inventory list through electronic signature capture.

Once assets have been scanned, they are then assigned to secure containers, which are then sealed with a serialized, tamper-evident seal to be validated upon arrival at Redemtech. Non-sensitive or non-valuable assets will be scanned to pallets according to Redemtech packaging standards.

Chain-of-custody tracking is also supported through Redemtech's program of agent and agent facility certification. Each agent's personnel must be trained on Redemtech's specific recovery processes and packaging standards, and each facility must be equipped with CCTV, keep Redemtech's inventory segregated in a secure area, and must perform reconciliations into and out of their facilities. Upon arrival at the Redemtech facility, container seals are verified as being intact and serial numbers are again reconciled prior to the logistics carrier's departure.

Finally, optional high-security measures can be added to recoveries involving especially sensitive data-bearing assets. These options include use of dedicated sealed trucks, point-to-point transport from the customer location to a Redemtech facility, and dedicated accompaniment during transport.

Redemtech promotes refurbishment and redeployment as a means of conserving capital, reducing cost of ownership, and improving sustainability. Redemtech initially consults with the customer to define standard refurbishment and redeployment guidelines for equipment models in each platform, and determines thresholds for quantities to hold in stock. Refurbishment and redeployment services are also defined per operating platform, and codified in the customer automated business rules (SmartFile). Anytime a Redemtech facility receives an asset qualifying for redeployment, if the stock on hand is below the established threshold, the predefined refurbishment services are performed, and the unit is added to inventory. If stock on hand is equal to the model quantity hold thresholds, the item is serviced for remarketing and placed in the public inventory for sale.

Redeployable inventory views and order management is available via the Redemtech online Webstore, or on the customer's e-procurement site via data exchange or system interface. Typical refurbishment and redeployment services include advanced diagnostics, imaging, cosmetic restoration, upgrades, and cleaning. All platforms are eligible, including desktop, servers, mobile, telecom, networking, and specialized devices such as banking teller equipment or retail POS.
End-user satisfaction is a critical success factor for any refurbishment and redeployment program, and Redemtech works to ensure that users enjoy a "new device experience" when receiving refurbished product. Refurbishment & redeployment services require the greatest degree of customization to support the individual customer's situation. Redemtech can support this customization down to the agency or business unit level.

For all calls and requests received during Redemtech's normal business hours (8 am – 8 pm ET Monday through Friday, excluding holidays), *Service Levels* will be as follows:

- Response to Telephone Inquiries – 2 hours
- Schedule Recovery – Within 4 hours of request
- One-Stop Recoveries Completed – Within 48 hours of request
- Multi-Stop & Roundup Recoveries Completed (USA Only) – Within 72 hours of request
- Inbound Shipping
    - Reno – 2 to 4 business days
    - Columbus – 3 to 5 business days
    - Richmond – 4 to 5 business days
- Audit Services Completion
    - Audit Services and Basic Repairs – 10 business days after receipt
    - Out-of-Warranty Repairs, No Parts Constraint – 13–15 business days after receipt
    - Warranty Repairs – 10 business days after receipt plus OEM support lead-time
- Lease-Return Audits – Per lease return schedule
- Outbound shipping back to the business unit or agency – based on Order Size
    - 25 or less – 2 days
    - 26-250 – 3 days
    - 251-500 – 4 days
    - 501-1000 – 5 days
    - 1000+ – 6 days

2. Is there a minimum number of pieces of electronic equipment that must be provided (e.g., a pallet load, a truckload)?

   There are no minimums or maximums, however, for very large quantities, we recommend a logistics walk-through in advance of the recovery to ensure that the pick-up is performed as efficiently and cost effectively as possible. Additionally, Redemtech clients who opt-in to our "Round-up" logistics offering will receive automated notices whenever Redemtech recoveries are occurring near their facilities, and can save freight expense when combining their recoveries with those of other Redemtech clients. To ensure that the recovery process itself is fast and efficient, Redemtech Client Program Management provides a pre-recovery briefing to the customer site contact, and a post-recovery satisfaction check. The day of the recovery the client site contact receives an automated message reminding them of the arrangements in the medium of their choice--voice, text, or email.

3. Does providing refurbishment as a service (rather than refurbished equipment) fit into viable business models for computer refurbishment companies?

   Yes.

   Redemtech has helped one company redeploy 10,400 assets over two years for nearly $9.2 million in cost avoidance savings. And the program is gaining steam. The company has experienced a 72 percent year-over increase in the number of assets redeployed, which has resulted in a 260 percent increase in cost avoidance savings and a 14.5 savings to service cost ratio from their redeployment program. (See attached: Financial Services Case Study)

   In another example, Redemtech helped an educational organization save more than $1.9 million annually in new equipment costs through the utilization of refurbishment and redeployment services. (See attached: Education Case Study)

   Redemtech delivers value to its customers by rigorous control of individual assets to manage risk, and by automated decision making per asset based on exhaustive discovery information, the customer's business rules, and Redemtech's database of market values. Redemtech's TCM solution, and the products and/or services contained therein, constitutes our company's Core Business.

   The Value Optimization Model provides maximum equipment value recovery under a variable service approach. This program allows the Redemtech Retrac system to dynamically allocate limited repairs and service activities to reduce the cost of redeployment or increase the sales results from each asset. It includes essential reporting, data sanitization and recycling procedures, as well as refurbishment and repair - where economically viable.

   Redemtech works with the customer to consider various ways to capture value from the retired inventory. That may include employee sales, donations, parts stocking, hot swap inventory, disaster planning stock, and of course resale and recycling. These program features have variable costs that allow flexible decisioning.

4. How do the fees you charge per refurbished item compare to the cost of new or used equipment?

   Refurbished technology represents a positive impact on both the financial and environmental bottom line. Fees for refurbishment and redeployment are significantly less than the investment in new technology as represented in the attached Financial Services and Education case studies; not to mention the environmental impact diverted from reducing the need to manufacture new technology.

   The actual savings for each organization is unique based on the procurement strategies and anticipated price of new technology and the service and pricing model implemented by the customer.

   Redemtech recognizes that different organizations have different financial models, and as such, the method in which they manage their assets may require modification to achieve the financial goals of their program. Redemtech's Practice Advisory Group works with organizations to assess their desired outcome and offers models for lifecycle management that can aid customers in achieving the expected financial outcomes; whether it's a zero cost program, a profit based program, or the standard end-of-life service cost model.

5. Describe the process for disposing and recycling of failed equipment. Have all facilities in your recycling and disposal process been certified to safely recycle and manage electronics? If so, what certifications do they hold?

   The main objective of the Redemtech Environmental Program is to keep e-waste out of landfills and to prevent overseas dumping. Redemtech's policies dictate that all e-waste be processed into its commodity materials for resale back into the manufacturing channel; and strictly forbids shipping any e-waste to other countries. Redemtech's e-waste policies exceed all state, federal and international environmental requirements.

   During processing, at all facilities, the Redemtech Retrac system applies customer specific services, including data sanitization, as indicated within the client SmartFile. For non-functional and incomplete assets, Redemtech technicians will repair or supply parts in order to maximize remarketing value for the customer. These services are applied only in those instances where the net financial impact is positive for the customer. By leveraging parts from assets bound for recycling to prevent other assets from becoming part of the e-waste stream; Redemtech reduces overall e-waste volumes and ultimately captures greater remarketing returns for customers.

   Redemtech sub-contracts all end-materials refining to a network of partners which includes highly rated, fully vetted, and strictly monitored organizations. However, Redemtech will always be the primary provider of service and liability protections. Our end-materials refiners must adhere to Redemtech regulations, policies, and SLAs in order to retain their contract status.

   Redemtech's Corporate Operations Group oversees all vetting of downstream recycling partners. All recycling partners are vetted on a quarterly basis, which includes both a financial and an operational review. As part of the operational review Redemtech employs mass balancing, which measures the inputs and outputs of the recycler's operation to validate that no e-waste is being diverted.

   Redemtech is ISO 14001 Certified as an e-Steward Recycler, which exceeds all EPA environmental regulations and standards of operating in the e-waste industry. E-Steward Certification is the only international standards organization (ISO) certification for e-waste and complies with the internationally ratified Basel Treaty, which among other tenets, forbids the export of hazardous materials into the developing world.

   Redemtech is the first, and currently only, international firm to be certified nationally as an e-Steward. E-Steward Certification requires that all operations, owned and downstream partners, be audited by ANAB accredited third party audit firms.

6. Who is responsible for disposition of equipment that cannot be refurbished, the customer or the provider of refurbishment services? Is there an additional fee for disposition of equipment that cannot be refurbished?

   Assets that cannot be refurbished or repaired in a value appropriate way, or for which there is no secondary market value, are directed to our e-Steward certified recycling processes. Assets are packaged and shipped in dedicated, sealed trucks. Redemtech's vetted and audited downstream recyclers then separate e-waste into commodity raw materials for resale back into the manufacturing chain. Fees vary and are dependent upon the type of technology as well as the services and pricing model selected by the customer.

7. What certifications should the government require of firms offering refurbishment services, including those developed specifically for recycling facilities (e.g., R2 and e-Stewards)?

   Redemtech supports the e-Stewards certification. The e-Stewards Electronic Recycling Certification is the first fully accredited, independently audited certification program designed to ensure that e-waste will be responsibly – and accountably – recycled, and not dumped in developing countries. The e-Stewards Certification was developed by a group of concerned electronics recyclers, environmentalists, industry leaders and health and safety and technical experts working with the Basel Action Network (BAN), a non-governmental organization focused on stopping illicit e-waste exports.

   Redemtech was successfully certified in early 2010, and is one of the first organizations to have completed this process and presently the only service provider to hold an e-Stewards certification in Europe. Because certification comes through accredited third party auditors, customers can be confident their e-waste is being disposed of in a way that is consistent with their beliefs and public commitments. Certification mandates complete and auditable data security and destruction as well as complete, auditable, ethical disposal of IT assets including no shipment of e-waste to landfill or out of the country, no incineration and no use of prison labor in processing. Redemtech is the only certified e-Steward currently approved as a vendor with a GSA contract (#GS-35F0566W).

FINANCIAL SERVICES

Greening the Bottom Line through Reuse

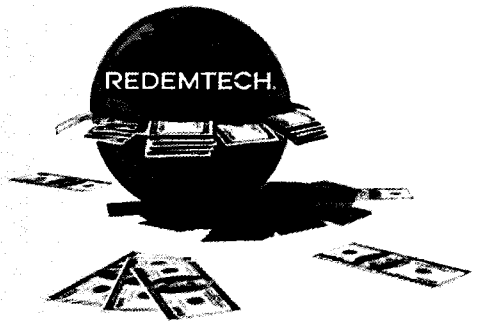
REDEMTECH.

Saving More than Money at a Large U.S. Bank

Need a demonstration of how compatible business and environmental objectives can be? Look no further than one of the country's largest financial institutions. This top five bank has realized a net return of $7.8 million over a two-year period by investing in a program that increased the utilization of its IT assets. The financial benefits also translated directly into significant environmental benefits, including saving enough electricity to power 35,622 homes in a year and reducing solid waste volume equivalent to that produced by 1,468 households in a year.

Net Return
from TCM Program

$7.8 Million



Situation

Due to a corporate mandate, this financial services giant needed to cut costs by hundreds of millions. All departments within the company were challenged to develop and execute revenue strategies and expense initiatives that would contribute significant cost efficiencies. One solution was to increase opportunities to reuse existing computer technology and banking equipment, rather than procuring new. As is the case with many large organizations, the company had technology assets sitting idle that could delay or eliminate the need for new technology, but lacked the capabilities to identify usable equipment, prepare it for reuse and redeploy it within the organization.

Challenge

The business lacked visibility into its equipment surplus and so was forced to buy more new equipment than was necessary. It also didn't have information on the condition of existing assets that could be used to drive decisions on appropriate asset lifecycles and refresh strategies.

Further complicating the situation, the company's existing vendor could not recover, process and redeploy equipment fast enough or to sufficient quality standards. This slow turn resulted in only a small number of assets being redeployed, higher downtime, and increased end-user dissatisfaction.

Also, without any cost benefit analysis over buying new, the company could not demonstrate to executive management their actual savings, nor could they quantify potential additional savings from expanding the redeployment program across all business lines—in support of the corporate initiative to drive greater cost efficiencies.

The company needed a way for IT asset management personnel to gain visibility into its redeployable inventory across a widely distributed enterprise and repurpose assets back into the field quickly. Redemtech was brought in to provide the technology, expertise and capacity required to allow the bank to extend the investment it had made in technology that was now sitting idle.

Solution

Redemtech used its Retrac™ system to provide visibility into idle equipment and define value-appropriate business rules for processing recovered equipment according to the bank's business goals and strict service-level requirements.

Redemtech set up demonstration stations at key locations within the enterprise replicating the customer's hardware configurations to test and diagnose business systems prior to redeployment. For equipment that wasn't redeployable or did not have an immediate opportunity for reuse, the company found that by releasing on-hold assets sooner and turning sales faster they could generate higher yields from their surplus and increase proceeds back to their business units.

To increase efficiencies in the redeployment process, Redemtech performed inline parts harvesting, repairing and integrating parts as necessary while simultaneously reducing costs. Redemtech also gathered requirements to bypass their configuration center when redeploying servers to eliminate unnecessary shipping and handling.

Providing real-time, online access to all recovered equipment on hold and ready for disposition was crucial. Redemtech used a daily data feed to document recovery and disposition performance and conformance with service-levels.

Results

During the first nine months of outsourcing their asset recovery and disposition to Redemtech, the company successfully redeployed 2,700 assets and generated $1.5 million in savings. In addition, with Redemtech's assistance, their IT asset management group was able to demonstrate to management an additional $4.2 million in savings that could have been realized during this time period had they reused all of the nearly 80 percent of their on-hand inventory that met redeployment standards.

As a result of the success and demonstrable savings, the company has been able to expand its redeployment program and contribute even more to the company's cost-cutting objectives. Redemtech has helped the company redeploy 10,400 assets over two years for nearly $9.2 million in cost avoidance savings. And the program is gaining steam. The company has experienced a 72 percent year-over increase in the number of assets redeployed, which has resulted in a 260 percent increase in cost avoidance savings and a 14.5 savings to service cost ratio from their redeployment program.

In addition to cost savings, the organization realized improved end-user satisfaction and reduced downtime as a result of consistently meeting strict standards for asset recovery, processing turns and service quality.

Redemtech was also able to meet and often exceeded remarketing service-level agreements, turning sales within 30 days, increasing their yield by more than 5 percent and generating over $3.3 million in proceeds.

The program also had a significant impact on the environment because reuse consumes significantly less energy and resources than recycling. Huge amounts of electronic scrap were diverted from premature retirement, and hazardous materials from the landfill.

Using the Electronics Environmental Benefits Calculator from the U.S. EPA, and taking into account only desktops, laptops and CRT and LCD monitors the company reused, its green impact over a two-year period is equivalent to:

Energy Savings

Electricity to power 34,739 households/year

Greenhouse Gas Reduction

Removing 24,545 cars from road/year

Hazardous Waste Reduction

Weight of 345,776 bricks

In total, the company has realized $7.8 million in net return during the past two years from its outsourced Technology Change Management program with Redemtech. Additional savings resulted from reduced tax expenses on un-depreciated assets and reduced maintenance and software license fees.

EDUCATION

CASE STUDY

Transforming Education.
Transforming Lives.

Optimizing IT Lifecycle through Technology Change Management

Challenge

A leading virtual academy, K12 can only be successful if the technology systems it provides for its 70,000+ students are managed efficiently, and IT lifecycles are optimized. Prior to engaging Redemtech, K12's growth was limited by its ability to manage peaks in technology change that coincide with the beginning and end of the school year.

Solution

Redemtech implemented an equipment recovery plan that took pain and cost out of the process.

Results

Redemtech has provided K12 with the scalability to manage year-end tech refresh initiatives, but also day-to-day deployments, while implementing process improvements that have generated more than $2 million a year in savings through increased redeployment, lower costs and improved inventory management. Recovery increased to 99%, from previous rate of about 60%, and K12 is able to reuse more PCs and printers.

Managing IT Costs, Risks and Rapid Growth

What can an IT organization learn from an education company? According to Gene Rigoni, Senior Director of Operations for K12, the company not only has a lot to teach its more than 70,000 students, it has also learned a few lessons that can benefit any IT organization seeking to enhance technology utilization and reduce total cost of ownership.

K12 was founded in 1999 with the mission to provide any child access to exceptional and meaningful curriculum and tools that enable that child to maximize their success in life regardless of geographic, financial or demographic circumstance. K12 partners with public virtual schools where students can access the K12 program customized to their individual learning needs. Students that enroll in a K12 public virtual school typically receive a computer system from the company that is used to access the curriculum. Changes in student enrollment status, or in their technology needs, require K12 to deploy and/or recover computers from students that are located throughout the United States. Computers that are recovered must be sanitized in compliance with the Family Educational Rights and Privacy Act (FERPA), which regulates the sharing of students' educational records and/or information publicly, and evaluated to determine whether they should be refurbished and redeployed or retired.

Redemtech improved recovery rates and saved more than $1.9 million annually in new equipment costs.

k12™
unleash the xPotential

"...Our ability to master Technology Change Management [is] absolutely critical to the success of our business."

– Gene Rigoni, K12 Senior Director of Operations

REDEMTECH.

Growing a Dynamic Learning Environment with Technology Change Management

The most challenging aspect of executing a TCM program for K12 isn't just managing the technology assets that are issued to the more than 70,000 students, it is managing them all within a tight time period: between end of year and back to school.

"From a technology standpoint, my job is not that different from an IT executive who is responsible for supporting the technology requirements of a dynamic workforce," says Rigoni. "Except that 80% of our asset management activity occurs within three months of each year, and we essentially manage a tech refresh cycle every year. This makes our ability to master TCM absolutely critical to the success of our business."

In addition to adhering to this timeline, K12 also had the following objectives:

- Improve recovery rate to reduce the need to purchase new equipment
- Minimize turn-around time from recovery-to-deployment to gain maximum inventory utilization
- Establish an accountable privacy compliance process
- Secure alternate sources of equipment supply
- Improve the refurbishment and deployment process to ensure customer satisfaction and reduce customer service calls
- Maintain detailed asset accounting

To ensure success K12, working with Redemtech, has taken a disciplined and scalable approach to TCM. The lessons they learned in the process can be applied to any organization managing IT asset disposition for a large group of knowledge workers in a distributed computing environment.

Like many organizations, K12 found that managing its IT assets was entirely controllable at first. Over time, however, as the company continued to grow, the task became more cumbersome and therefore a burden.

"When we first started out, we were able to manage computer shipments and recoveries internally," says Rigoni. "But as we grew, we quickly reached a point where our ability to scale the computer reclamation and redeployment processes became a major prohibitive factor in our ability to grow."

The company first attempted to outsource technology change processes to a computer reseller who had the requisite experience in procurement and deployment, but lacked expertise in IT asset recovery and redeployment. That gap created operational inefficiencies that included:

- Inconsistent computer equipment recoveries from student homes
- Redeployment of recovered equipment was not optimized
- Lack of visibility into asset quality, quantity and location
- High volume of customer service calls were required to facilitate recoveries and deployments
- Low customer satisfaction with the quality and timeliness of equipment deployed
- Inability to minimize inventories of idle equipment

Recognizing the need for a more expert partner with the breadth of knowledge it required, K12 turned to Redemtech.

Working with Redemtech, K12 was able to deploy a comprehensive approach to TCM that included defining business and technical

rules that met financial and quality objectives, and establishing automated processes for asset recovery, reuse, security, deployment and quality control, including:

- Value-appropriate systematic repair or refurbishment of used technology to optimize return on assets, minimize break/fix costs and ensure end-user satisfaction
- Alternate sourcing of computers, peripherals and parts to reduce cost and improve delivery times
- Custom web tools and automated communications to reduce customer service calls
- Custom reporting for asset accounting
- Automated data destruction, verification and logging for FERPA compliance
- Processes to improve refurbishing and shipping quality

Driving Down TCO, Driving Up Quality

"My focus has been on reducing our total cost of ownership," says Rigoni. "The data and support we get from Redemtech has been instrumental in that effort."

Using data supplied by Redemtech, Rigoni was able to analyze the reliability of the nine models of equipment being deployed. He discovered that five models were exhibiting below average reliability. As a result, he standardized on the four models that proved most reliable. This change, along with improvements to the refurbishing and shipping processes implemented by Redemtech, resulted in an 80% reduction in quality problems at a time when equipment shipments rose 20%.

Quality metrics collected by Redemtech also enable greater understanding, and faster resolution, of issues. Redemtech provides detailed reporting on all quality issues, allowing K12 to identify root causes and make appropriate process or technology changes.

By outsourcing deployment to Redemtech, K12 has been able to improve recovery rates and save more than $1.9 million annually in new equipment costs through increased redeployment, while enhancing quality, reliability and end-user satisfaction.

The company has benefited from improved operational flexibility in other ways. When K12 needed to upgrade the memory of all computers in the field, Rigoni worked with Redemtech to distribute the RAM, with step-by-step instructions, directly to families who were willing to perform the upgrade themselves, saving the time and expense of having to ship the computers to a processing center for the upgrade and then back to the families.

Redemtech has also helped K12 realize $125,000 in savings by taking advantage of a rebate program for new inkjet printers sponsored by Redemtech sister-company, Micro Center. More than $60,000 in savings was achieved by mailing shipping labels directly to users, rather than having them provided by the shipping company. Freight costs on monitors were reduced by 50% by replacing CRTs with lighter-weight LCD panels.

About K12

K12 is a technology-based education company, offering proprietary curriculum and educational services created for individualized learning for students primarily in kindergarten through 12th grade. The K12 curriculum combines content with innovative technology to allow students with a wide spectrum of learning styles to receive an effective and engaging education regardless of geographic location or socio-economic background. This learning system combines a cognitive research-based curriculum with an individualized learning approach well-suited for virtual public schools, online school district-wide programs, public charter schools, hybrid programs and private schools that combine varying degrees of online and traditional classroom instruction, and other educational applications. K12 offers use of a personal computer and varying levels of academic and management services which can range from targeted programs to complete turnkey solutions.

Improving the Virtual Learning Environment, Delivering Measurable Results

TTo help K12's more than 70,000 students manage their IT assets, Redemtech created a simple online portal where students and/or their parents can log on to schedule a pick up or drop off or request an additional FedEx shipping label for returning an item. Around 60% of students are using the portal regularly to return their school equipment. With this virtual ease, K12 is free to spend additional time delivering improved education programs, rather than coordinating technology returns.

In total, K12 has generated savings of more than $2 million annually as a result of the Technology Change Management services.

"Redemtech has the resources, technology and expertise we need to get the most from our investment in technology," says Rigoni. "It allows me to focus on efficiently growing the Supply Chain infrastructure while they help us ensure our students have exactly the technology they need when they need it."

Results by the Numbers

Source: Gartner IT and Software Asset Management Summit K12 Case Study

Logistics Management

- Nearly 33,000 assets recovered or 95% of total assets
- More than 39,000 assets deployed

Sourcing

- Saved 28% in sourcing 2,500 used computers over new
- Saved $125,000 leveraging a rebate program for 2,500 new, free inkjet printers
- Saved $24,000 sourcing 1,500 new LCD displays and thereby reduced freight expenses by more than 50% in facilitating the deployment of complete systems

Student Systems Redeployed

- Saved nearly $1 million by redeploying more than 8,100 used systems
- Improved quality, reliability and end-user satisfaction
- 6.2% Returned Materials Authorization (RMA) rate continues to decrease through Inventory Management and Quality Programs

Reporting and Compliance

- Assured FERPA compliance with 100% data destruction verification and logging
- Established Asset management and accountability via automated reports and on-demand queries

eWEEK Channel Solutions

"Adhering to the maxim that true wisdom is knowing what you don't know, K12 decided that since its expertise is educating students, tracking and monitoring computer equipment was best left to someone else. So the company ... turned to solution provider Redemtech for its IT needs."

"Redemtech and K12 worked together to define business and technical rules to make it easy to figure out whether a system should be salvaged or scraped by measuring it against specific financial and quality objectives... By all accounts the methodology Redemtech employs has produced huge improvements."

– *"Technology Lessons Learned,"* eWEEK, November 12, 2007

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General Comment

Response to questions posed in Notice-FAS-2011-01:
1. The reverse logistics process of reconditioning and returning refurbished equipment to the customer in a cost effective, efficient manner is feasible but will vary based upon the specific customer security and functionality parameters. Time between pick-up and return will vary based on quantity and quality of material. ERI can accept obsolete electronics, wipe the hard drives, remove old asset tags, verify the cell are functionality within the hard drive, clean and recondition units in a cost-effective manner, and redeploy to a designated location/s in accordance with customer specifications.
2. There is no minimum but consolidated quantity shipments are warranted for efficiency. To maximize efficiencies, it is best to transport 20,000 lbs. or more of material per truckload. However, it is feasible to transport less than full truckloads of material if warranted or needed.
3. Yes, providing refurbishment as a service fits into a viable business model.
4. Fees charged for refurbished items will vary greatly based on customer reconditioning specifics, security requirements and redeployment requirements. A cost effective estimate would be in the range between 20-25% of the cost of new equipment.
5. Equipment that has failed will be sent for environmentally proper recycling at the ERI facility at which the material was received. ERI will handle the recycling process internally at our R2 and

e-Stewards certified facilities across the U.S. All ERI facilities are both R2 and e-Stewards certified.
6. ERI would be responsible for the disposition of equipment that cannot be refurbished. For material that cannot be refurbished, ERI will develop a cost-effective program with the customer to provide for final disposition of the material.
7. The government should require that firms providing refurbishment services be R2 and/or e-Stewards certified. Many firms that special in refurbishment are already certified.