



1

Fax No.: HFCI ND

00911123413241

16-20, बाराखम्बा लेन, नई दिल्ली-110001, दरभाष: 011-43527697, 43527698 00911143527433 16-20, BARAKHAMBA LANE, NEW DELHI - 110001, PHONE: 011-43527697, 43527698

New Delhi, 20.05.2013

Circular IT/01/2013

Subject: Guidelines for disposal of Old/Obsolete/unserviceable/Beyond Economic Repairs Computers and its peripherals.

References have been received from field offices that in the absence of guidelines for declaring old IT equipment as obsolete and further their disposal, the matter has been examined based on the procedure followed by FCI headquarters for disposal of old IT equipment.

The procedure to be followed is as under:

<u>A.</u> I.T. equipment will include the following Items

- i. Personal/Desktop Computers (PCs)
- ii. Servers
- iii. **Dumb Terminals**
- Printers iv.
- ٧. Scanners
- vi. Uninterrupted Power Supply (UPS)
- All type of Laptops and notebooks vii.
- Original packaged software viii.
- ix. Technical books and manuals pertaining to Hardware and software
- Data Communication Equipments (Routers, Switches, hubs, modems and Χ. other LAN equipments).
- xi. All type of cables(Network/power/data etc.)
- LCD Projectors and other projection devices. xii.
- All types of devices pertaining to Video Conferencing. xiii.
- All type of backup devices (DVDs, CDs, Floppies, Old tapes, Dat drives and xiv. Data cartridges, etc.).
- All type of Racks and boxes to hold servers and network equipment's etc. XV.
- Other IT equipments xvi.

Preliminary Action B.

The Computers / ICT Products/equipments will be condemned on the following grounds:

(a) Technically obsolete.

Hardware / Data Communication Equipment / Packaged Software which have

- i. Been used for last 5 years or more and are not in working condition may be declared as obsolete.
- ii. Completed 5 years life-span and technology outdated affecting performance and output that is expected out of it.
- iii. Package software can only be condemned by declaring it as technically obsolete when no more updates or support are available from OEM.

(b) Beyond economic repair

When repair cost in respect of Hardware / Data Communication Equipment / Packaged Software is too high as compared to the current value (taking depreciation into account) and the age of the equipment. ICT Product/Equipments can be declared beyond economical repair when these products/equipments cannot be upgraded or maintained economically /warrant extensive repairs and replacement of sub-assemblies/accessories and the combined cost of which exceeds certain percentage (50%) of the current cost of an equivalent system. The same can be ascertained from vendor who is giving AMC.

(c) Non-repairable

ICT products/equipments can be condemned due to non-availability of spare parts.

(d) Physically damaged

ICT products/equipments that have been damaged beyond repair due to fire or any other reason beyond human control can be condemned as physically damaged.

The following action shall be taken before declaring computers and peripherals obsolete/ unserviceable beyond economic repair (BER):

- The computer/peripherals ancillaries will continue to be used in the service as long as they can be maintained or upgraded economically.
- ii. The computers/ peripherals/ ancillaries shall be processed for condemnation only when they cannot be upgraded or maintained economically and warrants extensive repairs and cost of which exceeds 50% of the current cost of an equivalent system.
- iii. The computers/ peripherals / ancillaries shall have completed their stipulated 'life period' or 5 (five) years, whichever is more. In cases, where the 'life period' is not over or no 'life period' has been prescribed or stipulated, the reasons for declaring the item unserviceable may be normal wear & tear, excessive use in public interest.

- iv. Accident, fire, flood & other natural causes, damage due to insects, rats, etc. In any case the systems/ items should have completed 5 (five) years.
- v. The list of all such equipment having equipment description (including make, model, purchase date, purchase price, reason for condemnation and additional information, if any) be prepared in tabular form.
- vi. The written down value of all the items shall be obtained from Accounts section.
- vii. Ascertain from the vendor who is giving AMC support that the machine is beyond economic repair (BER) in the form of a technical report.
- viii. Record the reasons for the machine to be declared obsolete.
- ix. In case an item becomes unserviceable due to negligence, fraud or mischief on the part of Government servant, responsibility for the same should be fixed.

C. Declaration of computers and peripherals as obsolete / unserviceable

- Old computers and peripherals can be declared as obsolete/unserviceable by a committee of officers constituted with the approval of the competent authority of the concerned office.
- ii. The committee shall comprise of three officers (not below the rank of Asst. General Manager at Headquarter, Zonal and Regional level and Manager Level at District/Depot level) of whom, one from finance & accounts, other be a member of IT and third member shall be from Engineering/House Keeping.
- iii. The committee members shall take into account the requirements at B above (Preliminary action) and the WDV (written down value of the assets) and thereafter assess the optimum reserve price for the items.
- iv. The recommendation of the committee report along with reserve price and the list of the items for disposal shall be forwarded to Finance for concurrence and the administrative approval of the competent authority.

D. Disposal

- i. A committee of officers shall be constituted, to dispose of the items through auction, with the approval of the competent authority of the concerned office comprising three officers (Asst. General Manager/Manager Level) of whom, one shall have knowledge of finance & accounts, other be a technical member having knowledge of IT and third member shall be from Engineering/House Keeping having the experience of the auctioning of the items.
- ii. Such equipment shall be disposed of as per the procedure laid down in Rule 197 to 201 of GFR 2005.
- iii. The disposal shall be done through auction by inviting the Bids from Recycler/
 Reprocessor of e-waste (Electronic waste) Registered with Central/State Pollution
 Control Board (C.P.C.B.) to participate in the auction to dispose of various
 unserviceable/ obsolete IT equipment as per Central Pollution Control Board
 guidelines (www.cpcb.nic.in).

- iv. Thereafter, a sale account should be prepared for goods disposed of duly signed by the officer who supervised the sale or auction and be forwarded to Accounts Section for removal of the disposed assets from the books of Assets.
- E. Model Notice Inviting Tender is enclosed.

Issued from file no. No. K-3 (MISC-GENL)/2011.

(Anil Dhillan) Assistant General Manager (IT)

Distribution:

- i) All Executive Directors (Zone), FCI.
- ii) Director (IFS), Gurgaon.
- iii) All General Managers Hqrs/(Region), FCI.
- iv) PS to Hon'ble C&MD, FCI, Hqrs.
- v) PS to all Executive Directors, FCI, Hqrs.
- vi) All Area Managers, FCI.
- vii) AGM (Bills), FCI, Hqrs.,
- viii) Guard File.