



## **TECHNOLOGY ASSET RECOVERY SERVICES**

### **EXECUTIVE SUMMARY**

Vernon Technology Solutions (VTS) is pleased to provide this overview of our Asset Disposal and Recovery Services. Our approach is to offer a comprehensive solution and single point of accountability for Disposition and Recovery Services.

Vernon recognized that companies worldwide are saddled with technology that no longer meets their needs. Replacing outdated equipment with newer equipment raises multiple questions. What should be done with the existing equipment? Does it have any value? What are the environmental considerations? Usually the answers to these questions are not simple ones.

To navigate the complexities in resolving these questions, companies are looking for one-stop solutions regarding the disposition of their end-of-useful-life equipment. VTS has established full asset recovery services, which includes resale of equipment that has retained some market value, and provides asset recovery services for obsolete equipment with a process that recycles all possible commodities in a responsible and environmentally sound manner.

VTS' asset recovery options can help you determine the value in your existing equipment and facilitate your move to a solution that better meets your needs. If your technology no longer meets your needs, but might have some market value, VTS may purchase it or remarket it on your behalf. The equipment is brought to one of our certified processing centres across Canada. Our technicians then test, assure disks are clean of any proprietary information; disk drives that fail during cleaning are pulled and crushed ensuring data destruction. VTS, removes all customer identification such as labels remove labels, and prepares the products for resale, continuing the lifecycle of your products.

Sometimes the equipment has no market value, having outlived its technological and economic life. This presents an asset recovery challenge for both businesses and local governments. Millions of retired computers are creating a huge waste stream of both solid and hazardous waste. Additionally, many components in a computer require special disposal processes. We understand these challenges and have partnered with a team of experts to develop a process to manage these end-of-life products. Our process for recovering this material includes:

- Review by VTS internal environmental Health, Safety and Security Team.
- Separates the non-marketable materials into commodities that can be either recycled or managed via our approved hazardous materials partners.
- Is in compliance with all current local, provincial and federal standards.

## **WHY LOOK TO VTS FOR ASSET DISPOSAL AND RECOVERY SERVICES?**

When you choose VTS for asset recovery services, you can take advantage of the professionalism, expertise, existing VTS infrastructure, and best practices knowledge gained from over 20 years of experience. VTS has implemented a controlled, standardized process for all asset recovery. Long before we began to offer this service to companies like yours, we've been performing disposition internally on our own technology. We've seen all product types and manufacturers so there are no surprises.

We offer this service in most cities across Canada, so you can work with one company for your asset recovery needs, wherever you are located.

VTS Technology Brokerage Team is in place to help you to determine the value of your current stable of product, and facilitate your move to a solution that better meets your needs. The Technology Brokerage Team provides these services both internally to VTS and externally to customers. The external portion of this set of services is managed through the Asset Management Program.

The mission of this group is threefold:

- Protect the environment, our customers and VTS from any future environmental liabilities.
- Protect and destroy our customer's data and proprietary information when the equipment is turned over to VTS.
- Obtain for our customers the highest possible return from their used technology assets.

We are one of a select few computer companies in North America that not only manage their own non-productive electronic products but also offer this service to any customer that has a requirement to dispose of their excess computers and associated products. We have documented procedures that have been made efficient over the many years we have been in this business so that we can hold costs to a minimum, maximize recoveries and meet our customer's requirements.

Our service starts at arranging the appropriate carrier to pickup your material in an expeditious manner. The material is processed to maximize recoveries from those products still having value in the marketplace and to dispose of those products that no longer have value through recycling. Customers are provided with reports that highlight exactly what was received and what was done with the material, including the required financial audit trail.

Our processes and documentation are audited to assure all procedures are followed and that the procedures produce the desired results. Some of the advantages of having VTS manage your disposition requirements are:

- Tightly controlled processes and business practices
- Over twenty years of experience with operating a brand neutral business

- National capabilities
- Logistics options available
- Capacities for the largest of requirements
- Security of working with a mature company that will stand behind its obligations

VTS has the knowledge, the capacity, the capability and the desire to assist your disposition requirements.

VTS's Asset Recovery Service options can help you determine the value in your existing equipment and facilitate your move to a solution that better meets your needs or help you clear out non-performing or excess computer products.

## **Receive credit for your equipment with three program options:**

### **Purchase option**

VTS will accept your computer products, perform an audit, test, remove labels (if necessary), clean, reconfigure (if this would increase the value) and separate into marketable products and those that no longer have salable value. VTS will then offer to purchase those products that are still marketable. VTS will provide valuation of technology recovered within 15 days of receipt and audit at our facilities. Clients can then choose payment or credit towards new or refurbished product from VTS.

The non-sellable products will be processed as per VTS "Environmental Disposal outlined below. As part of our trade-in process we will remove all customer identification and assure that your proprietary data is removed from the hard drives using industry standard software. Failed drives are crushed and disposed of with other non-saleable products.

The non-sellable products will be processed as per VTS "Environmental Disposal outlined below.

### **EPP option**

If your equipment does not meet the trade-in criteria, VTS still has a way to meet your needs and reduce your disposition costs.

VTS will accept your computer products, perform an audit, test, remove labels (if necessary), clean, reconfigure (if this would increase the value) and separate into marketable products and those that no longer have salable value. VTS will then offer these products for sale to Employees of the firm disposing these products via VTS website.

Again, we will wipe all hard drives and remove all customer identification to maintain your company's information security.

The non-sellable products will be processed as per VTS "Environmental Disposal" outlined below.

### **Consignment option**

If your equipment does not meet the trade-in criteria, VTS still has a way to meet your needs and reduce your disposition costs.

VTS will accept your computer products, perform an audit, test, remove labels (if necessary), clean, reconfigure (if this would increase the value) and separate into marketable products and those that no longer have salable value. VTS will then offer to sell those products that are still marketable. Revenues from the sale of this product will be shared on a 70/30% split supplier/VTS. Reconciled quarterly funds recovered are provided as a credit against VTS products and services.

Again, we will wipe all hard drives and remove all customer identification to maintain your company's information security.

The non-sellable products will be processed as per VTS "Environmental Disposal" outlined below.

### **Environmentally safe disposition**

Sometimes the equipment has no market value at all and has outlived its technological and economic life. This presents a disposal challenge for both businesses and local governments. Millions upon millions of retired computers are creating a huge waste stream of both solid and hazardous waste. Additionally, many components in a computer require special disposal processes.

We understand these challenges and have created a team of experts and a process to dispose of these end-of-life products. Our process for recycling this material:

- Has been established and certified by VTS Environmental Health, Safety and Security Organization
- Separate the materials into commodities that can be either recycled or managed via our approved hazardous materials controls
- Is in compliance with all local, provincial and federal Environmental standards

Our Technology Value Solutions team and processes protect the environment and your proprietary information. Our facilities are audited regularly to ensure each lot of equipment was processed according to environmental standards.

Again, VTS removes all customer identification and either wipes the hard drives of proprietary information or renders the drive inoperable with our crusher technology.

## **The VTS Services Advantage**

When you choose VTS for asset management services, you take advantage of professionalism, expertise, and best practices knowledge gained from years of experience.

- Long before we began to offer this service for companies like yours, we've been performing disposition internally on our own technology. We understood the challenges and the requirements before we turned this into an external product offering in 2000.
- We've seen all product types and manufacturers so there are no surprises.
- VTS uses a tightly controlled standardized process for all asset recovery activities.
- VTS processes meet or exceed all governmental regulations.
- We offer this service nationally. You can deal with one company for your asset recovery service needs.
- Whichever option is right for you, our goal is to provide you with the best possible outcome on your existing equipment while facilitating your move to your new system.
- We can also arrange for any logistics requirements you may have like packaging or shipping, if requested.

## **Don't Let Existing Non-performing Equipment Stand in Your Way**

Technology obsolescence is a reality. But it doesn't have to prevent you from obtaining the right solution for you. One phone call to our Technology Brokerage Team can help you uncover the value in your technology and find the possibilities it may hold. Some of the quality checkpoints for this process are:

- Random tests performed on units having gone through the test/disk wipe area to verify they are clean and operational
- Daily inventory audits to verify counts and descriptions
- Hazardous waste control audits to verify compliance with environmental regulations

## **ASSET RECOVERY PROGRAM**

### ***Standard process:***

### **Process for those units that are purchased and/or recycled**

The Asset Recovery process starts at the point where products are available for pickup at a customer site. Prior to this, de-installers have transferred data from the old machine to the new one, unplugged and removed the product from the desktop and have consolidated excess products at or near a loading dock or pickup area. All accessories are with the products such as cables, AC adapters, keyboards, mice, etc.

An inventory of the material should be generated at the site and emailed to VTS plus attaching it to the shipment. De-installed products should be packaged using the boxes and dunnage from the new products being installed, if possible.

Someone at the site calls the VTS Call Centre and requests a pickup. The caller will supply all required data to the Call Centre and the pickup will be arranged. A tracking number will be assigned to each pickup and that number must be put on all skids of material being shipped.

Typically, a pickup will be made within 72 hours (24 hour pickup is available in selected metropolitan areas, if required). The selected carrier will call prior to arriving at the site. The carrier will pick up the products and perform any packaging required if instructed to do so by the Call Centre when the arrangement was made. The carrier will transport the material to the designated processing location.

The processing location will perform an inventory of what was received or verify receipts to the inventory generated at the site. This inventory will include make, model, serial number & asset number, if available. This inventory is sent to the customer to verify what was received. All customer identification is removed from the products. Products are separated into salable and non-salable (Note: this division is controlled by the marketplace and varies over time). The remaining non-saleable products are disassembled or shredded into salable commodities such as steel, aluminum, plastics, etc. Hard drives are rendered inoperable. Salable products are put through the test area to determine the configuration, make sure the hard drives are wiped clean (Note: if the drives have not been cleaned they are wiped using industry standard software) and that they operate. They are then cleaned up and put into inventory for sale.

The financials for this service are as follows: There is a disposition fee for handling non-saleable products. This fee is based on current market rates per KG to deposit electronic waste at approved facilities. A debit to the customer is generated to cover the handling fee for all products received in this category. This cost will be netted against the value of any products purchased for re-sale.

For all salable products a credit to the customer is generated using the monthly-published product purchase pricelist. \* Note: There is no processing fee for purchased product. All the credits and debits for each customer lot of material are summarized when the lot is completed. At the end of each month a monthly closed lot report is generated that includes all lots that closed that month. If the credits are larger than the debits a payment is issued to the customer. If the debits are greater than the credits an invoice is issued to the customer. Transportation and packaging, if used, are added to this monthly report as an additional expense to the customer.

- Note: The purchase prices used are developed by real-time review of the latest wholesale prices of like products by our product brokers plus reviewing various publications with applicable sales data.

## **Confidentiality and Limitations of this Document**

*The information shared in this document from Vernon Technology Solutions Company to (Customer) is proprietary and confidential. The Customer should share the information contained within this document with only those employees who require the information to evaluate Vernon Technology Solutions Company. All information contained in this document should be held in the strictest confidence. Neither party acquires any intellectual property rights under this proposal response, except the limited rights necessary to carry out the purpose set forth above.*

*This is a proposal for (Customer) and is subject to further discussion and change to meet the needs of the parties. Notwithstanding any provisions in the Request for Proposal, it is understood that neither party shall be under any legal obligation until they execute a mutually satisfactory legal agreement.*

*Vernon Technology Solutions Company has provided our response on the basis of our best understanding of the requirements. Vernon Technology Solutions Company represents and warrants that the information provided here is true and correct to the best of our knowledge.*