



CIRCULAR

STATE OF NEW JERSEY

DEPARTMENT OF THE TREASURY

NO.: 13-18-DPP	ORIGINATING AGENCY: DIVISION OF PURCHASE AND PROPERTY	PAGE 1 OF 4
EFFECTIVE DATE: 4/15/2013	EXPIRATION DATE: INDEFINITE	SUPERSEDES: 00-17-DPP
SUBJECT: DISPOSITION OF EXCESS AND SURPLUS COMPUTER EQUIPMENT		
ATTENTION: ALL STATE AGENCIES: EXECUTIVE BRANCH PROCUREMENT OFFICERS AND CHIEF INFORMATION OFFICERS		
FOR INFORMATION CONTACT: DSS, SURPLUS PROPERTY UNIT DPMC, BUREAU OF SPECIAL SERVICES WAREHOUSE		PHONE: (609) 530-4782 PHONE: (609) 588-2015

I. PURPOSE

This Circular sets forth the policy and procedures for the disposition of surplus computer equipment, computer related peripheral equipment, and data storage capable devices, including but not limited to copiers, printers, fax machines, cell phones, PDAs, electronic tablets and networking equipment such as routers. The overriding concerns of this Circular are maximizing the value to the State of this equipment as it reaches the end of its useful life and preventing unintentional disclosure of confidential, personal and sensitive information (data) that may have been stored on the equipment.

This Circular is to be used in conjunction with Circular 08-03-DPP, Excess/Surplus Property Procedures; and the Office of Information Technology Circular 09-10-NJOIT, Information Disposal and Media Sanitization.

II. DEFINITIONS

The following terms and their definitions apply to this Circular:

"Agency" means any State agency, or any other public entity set forth in N.J.S.A. 52:27B-56.1.

"Excess" refers to State property that is no longer needed by the owning agency, but may be needed by another agency within the owning Department.

"Surplus" refers to State property that is no longer needed by the owning Department.

"Computer Equipment" as used in this circular encompasses all electronic data storage, processing and retrieval devices, and all peripheral devices that support, operate, communicate with or otherwise enhance the operation of such devices. This includes copiers, printers, facsimile machines and multi-function devices which include a hard drive or other non-volatile data storage capability.

III. POLICY

It is the policy of the State of New Jersey to ensure that the Departments and Agencies comprising State government achieve the maximum possible benefit from use of computer equipment, related peripheral equipment and other data storage capable devices in conducting their programs and operations. It is also State policy that, at the end of their useful lives, all such equipment and devices must be disposed of in a manner that recoups any residual value, while protecting the confidentiality of all data which they may hold or have held. To that end, it is the responsibility of individual Departments and Agencies to comply with the procedures set forth in this Circular and in OIT Information Security and Media Sanitization Policy, Standards and Procedures Circulars (currently, OIT Circular 09-10-NJOIT).

IV. PROCEDURE

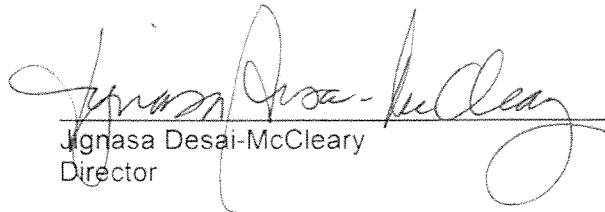
- A. Departments/Agencies shall continue to use their established procedures for redistributing/redeploying Excess computer/electronic assets within the Department or Agency, and for fixed asset reporting and accounting. Note that Circular 09-10-NJOIT also cover assets redistributed within the owning organization.
- B. If redistribution within the Department or Agency is not accomplished, or if the equipment is obsolete, in excess of projected needs, or inoperable, the Department or Agency shall declare the computer/electronic equipment to be Surplus. Unlike other surplus property, surplus computer equipment is not first declared Excess and offered to other Departments.
- C. Surplus computer equipment is typically disposed of through one of three methods: shipment to the DPMC, Bureau of Special Services (BOSS) warehouse for aggregation and auction; on-site auction directly from the using agency; or removal and aggregation for auction by a contract vendor, typically as part of a contracted roll-out of replacement assets.
- D. In each case, the Department or Agency must physically remove the computer's hard drive, and any other device that has data storage capability. This includes the removal of all memory sticks, flash drives, tapes, CDs, floppies and other nonvolatile memory. All hard drives and other data storage devices must remain with the owning Department or Agency and must be disposed of in accordance with OIT Circular 09-10-NJOIT.
- E. Some types of equipment (i.e. mail sorters, video editors) may include data storage devices that contain only operating code, user settings and job specifications, and that are not used to store confidential data. Because removal of these storage devices and operating code may greatly diminish the value of the surplus equipment, in such cases the Department or Agency may petition the Director for an exemption to the drive removal requirement.
- F. Departments/Agencies must segregate Surplus computer equipment into two categories. Category A equipment includes computers (desk tops, towers, laptops, servers, routers, etc.) and all other devices capable of storing data (copiers, printers, cell phones, etc.). Category B equipment includes peripherals (keyboards, mice, cables, connectors, switches, monitors, etc.) and other electronic devices incapable of storing data.
- G. Departments/Agencies must notify the Surplus Property Unit or the DPMC BOSS Warehouse of the computer equipment declared Surplus. Notification shall consist of completion and forwarding of Form PB-160, "Excess/Surplus Property Notice" (copy attached) or the Department's own inventory, asset or property disposal form. In addition, each unit of Category A equipment must be certified on a Form PB-180, "Declaration of Removal of all Hard Drives and Other Data Storage Devices on Surplus Computer and other Electronic Devices" (also available as Form OIT-0120). No equipment will be accepted at the BOSS Warehouse, without the required documents.

- H. The BOSS Warehouse will then coordinate with the owning Department or Agency and the DSS Surplus Property Unit to either effect the movement of the surplus computer equipment to the BOSS Warehouse for auction, or arrange an on-site auction. All auctions, whether on-site or at the BOSS warehouse, will be conducted by the Surplus Property Unit. For on-site auctions, the owning agency must provide an auction contact to coordinate appointments for bidder inspections and transfer of the assets.
- I. For contract vendor roll-outs, the Department or Agency must notify the Surplus Property Unit of the anticipated roll-out schedule in advance. The owning Department or Agency may require a contract vendor to conduct the drive removal and complete the PB-180, but the responsibility to ensure the proper removal and disposal of all data storage devices remains with the Department, and the PB-180 must still be certified by the Department's IT Officer. No auction will be scheduled without the required certification.
- J. It is the responsibility of the owning Department or Agency to arrange for all movement of surplus computer equipment and to fund any cost associated with transporting equipment to the BOSS Warehouse. If the computer equipment is to be offered for sale on-site, the equipment will be held by the owning Department or Agency until completion of the auction process.
- K. All computer equipment delivered to the BOSS Warehouse or held for onsite auction will be visually inspected for data storage devices, and a percentage of computers will be opened and checked for hard drives before the shipment is accepted for auction. If any data storage device is found, or if the physical count does not match the PB-180 count, the entire shipment will be rejected and must be reinspected and recertified. Additionally, an incident report may be filed with OIT. Repeated violations may result in suspension of all surplus computer movement from the offending Department until it submits and the Division accepts a corrective action plan detailing how the Department will ensure future compliance.
- L. All computer equipment held for auction at an agency site may be inspected or audited at any time to confirm proper compliance with this Circular. Any discrepancy between physical count and PB-180 count shall result in suspension of that auction and reinspection/recertification of all affected computers. Discovery of a data storage device in a computer designated as free of data devices shall result in suspension of all on-site auctions and reinspection/recertification of all inventory on hand. All movement of equipment from the Department or Agency may be suspended until it submits and the Division accepts a corrective action plan detailing how the Department will ensure future compliance.
- M. All computer equipment held for auction at a contractor's warehouse may be inspected or audited at any time to confirm proper compliance with this Circular. Any discrepancy between physical count and PB-180 count shall result in suspension of that auction and reinspection/recertification of all affected computers. Discovery of a data storage device in a computer designated as free of data devices shall result in suspension of all on-site auctions and reinspection/recertification of all inventory on hand. All movement of equipment from the contractor's warehouse may be suspended until it submits and the Division accepts a corrective action plan detailing how it will ensure future compliance. Contractor violations of this Circular shall be documented in the Division's vendor compliance database by filing a formal complaint on Form PB-36 with the Division's Contract Compliance and Audit Unit. Complaints may be cause for contract revocation and may be considered in the award of future contracts.
- N. All costs associated with the movement and disposal of surplus computer equipment shall be the responsibility of the owning Department or Agency, including the destruction and/or sanitization of hard drives and data storage devices. Any disposal costs incurred by the BOSS Unit will be charged back to the owning Department or Agency.
- O. All records and documentation pertaining to the disposal of excess and surplus computer equipment must be maintained for five years and must be made available to the Division's Contract Compliance and Audit Unit upon request.

V. EXCEPTIONS AND NONCOMPLIANCE

All requests for exemptions from this Circular must be submitted to the Director in writing.

Any State employee found to have violated this Circular may be subject to disciplinary action. Any State contractor found to have violated this policy may be subject to revocation of current State contract or bypass on future State procurements.



Ignasa Desai-McCleary
Director