IT Surplus Solution Set

Table of Contents

Acronyms List

Acronym List - K12 Computers	
CTA	Contractor Teaming Agreements
DoD	Department of Defense
ERP	Enterprise Resource Planner
IT	Information Technology
ITAD	Information Technology Asset Disposition
K12	K12 Computers
LEO	Level of Effort
NAID AAA	National Association for Information Destruction
ROI	Return on Investment
TA	Teaming Agreements
VSP	Various Strategic Partners

Company Information

Corporate Experience, Capabilities, and Teaming Arrangements

K12 Computers (K12) enters into prudent Contractor Teaming Agreements (CTA) and Teaming Agreements (TA) as necessary for client projects. These strategic alliances allow K12 to expand our footprint and capabilities to maintain best practices for Electronic Waste (E-Waste) and Information Technology Asset Disposition (ITAD). We utilize CTA's and TA's with Various Strategic Partners (VSP) to successfully deliver a wide range of technical expertise and established resell channels for functional products. Through past engagements, K12 has developed a strong capability to provide services and support to confidentially manage contracts, provide strategic tools, develop processing and analysis support, and facilitate required engagement procedures.

For this engagement to provide full ITAD services, K12 has formed a strategic alliance Teaming Agreement with All Win Industries and Blancco. In general, K12 Computers enters CTAs and TAs in order to provide a better, more valuable solution to clients by leveraging cross-company strengths and capabilities. This arrangement provides breadth and depth of field as well as the infrastructure, capacity, and past performance to meet and exceed requirements. While our focus is on maximizing the ROI on used computer equipment, our teaming agreements ensure non-functional components and e-waste are sent downstream according to industry practices. K12 alongside TA's manages product flow and provides end-to-end support, strategic planning, and quality control while collaborating in delivery and combining our expertise.

About K12 Computers -
www.k12computers.us

K12 Computers offers turn-key solutions to maximize return on investment for surplus IT equipment, reduce the level of effort on district staff, and responsibility process electronic waste. Our solution set is customized alongside district partners to meet various challenges in retaining value and efficiently processing surplus IT equipment. We utilize direct relationships with data erasure companies, IT resellers, and electronic recyclers to maximize overall school payout, create high-quality refurbished technology, and prevent harmful disposal of e-waste.

About All Win Industries -
https://www.allwinindustries.net/

All Win Industries is a fully integrated IT asset disposition provider and electronic recycler across the United States. They provide comprehensive services for processing troublesome, dangerous waste including copiers, televisions, batteries, monitors, and a variety of other electronic scrap. Services also include data destruction and reporting services for all failed and damaged drives. R2v3, ISO 9001, ISO 14001, and ISO 45001 certified.

About Blancco -
www.blancoo.com

Blancco provides certified erasure at scale for recyclable data storage assets, increasing the number of used drives and devices preserved for resale. With 20+ years of partnering with ITADs, Blancco provides IT recycling and remarketing organizations worldwide with labor-saving solutions. These accelerate end-of-life IT asset erasures, grading processes, device valuations, and time to market—minimizing costs and maximizing return.

Overview Of Our Capabilities To Serve

Turn-Key Solution Set To Maximize ROI and Reduce LOE

Our goal at K12 is to protect government dollars while reducing the level of effort (LOE) on school staff. Many districts are not equipped with the man-power or availability to fully process and maximize the value of their surplus Informational Technology (IT). Unfortunately, this leaves several districts without the power to make justified decisions regarding their surplus IT equipment. K12's Solution Set was designed alongside school clients to create more transparency in the resale process that enables a better understanding of the market. Our methodology comprises seven core areas: Product Evaluation, Organization & Pickup, Serialized Inventory Report & Audit, Data Deletion & Security, Public Re-Sale & Bid Transparency, Packing & Shipping, and Revenue Share. We are compliant to these services, which constitute the foundation of our core philosophy. These steps allow our company to protect client data while maximizing the value of individual units on the market.

Initial Evaluation of Product

Our team will provide your district and staff with an estimated potential return ahead of any collection, transportation, or processing. While the information technology market is constantly changing, we can create a rough estimate using our sales knowledge, prior experience, competitor pricing, and current market averages. Details such as make, model, quantities, and general quality will allow our estimate to be even more precise.

Organization, Collection, and Transportation

Our team provides a versatile series of solutions to help tailor our services for each district. Our process begins by speaking with warehouse and/or technology department staff to explore what solutions would best serve the district.. Specifics will be agreed on before work initiates to ensure our services are in line with your district's requirements. The safety of your equipment is one of our top priorities. Therefore, we have implemented the following logistics, transportation, and safety features to ensure accurate chain of custody.

Our dedicated and trained professionals are equipped to quickly and safely palletize, box, and count devices meant for collection and shipment to our off-site location for processing. The collection of devices can be tailored to meet your district's specific needs. We are able to offer multi-site pickup or centralized location collection, which can be scheduled at regular intervals or on-demand. Our locked transportation vehicles will deliver the equipment directly to our facility for unloading. Our technicians and staff are instructed to halt work and report any discrepancies to ensure proper management of your district's equipment.

Upon delivery, we will create a "Receiving and Triage Report" that contains the weights and categories of all devices received.

Receiving Report

Weighed By			Customer		
K12 Computers			**Smith County Schools**		
Address:	1302 Winston Rd		Address:	1515 Smith Road	
	Lexington, NC 27295			Smithville, VA,	
Phone:	(336) 754-6111		POC:	John Smith	
Email:	support@K12computers.us		Email:	JohnSmith@SMS.net	

Details		
Order: PO0915	Date Picked Up:	12-03-21
Shipment: 2834	Date Recieved:	12-03-21
Additional Notes:		

Description	Qty/Weight	Tare	Total Weight
AC Adapters	364 lbs	37 lbs	401 lbs
Networking Equipment/Servers	960 lbs	37 lbs	997 lbs
iMacs	3,758 lbs	74 lbs	3,832 lbs
Macbooks/laptops	341 lbs	37 lbs	378 lbs
ipads/Tablets	256.8 lbs	37 lbs	293.8 lbs
Monitors	143 lbs	37 lbs	180 lbs
Chromebooks	3,800 lbs	74 lbs	3,874 lbs
General E-Waste	315 lbs	37 lbs	352 lbs
Copiers/Printers/Projectors	380.6 lbs	37 lbs	417.6 lbs
Subtotals	**10,318.4 lbs**	**407 lbs**	**10,725.4 lbs**

Full Audit & Serialized Inventory Report

Once delivered, our trained technicians will begin a full audit process. Individualized testing will proceed according to our company standards. This process is meant to create a comprehensive serialized inventory report of all surplus equipment. We utilize these reports for three primary functions: 1) To track and direct product through our workflows. 2) To provide district leadership with the condition of their surplus devices by individual line items. 3) To obtain market value bids based on the exact condition of surplus

These serialized inventory reports also help school systems locate devices that may not have been deprovisioned in the admin console and/or still exist within the enterprise resource planner (ERP).

The audit and inventory list will provide a detailed register of make, model, specifications, condition, and functionality. Our trained computer technicians inspect each device in-depth, surveying the equipment for signs of damage, missing parts, cracked hinges, missing keys, screen white spots, screen scratches, screen cracks, damaged ports, and more. Each item will be function tested for audio, video, touch pad, and screen quality. This analysis will allow our team to assess the true value of each device, which will enable us to acquire the highest return on surplus without buyers assuming and/or taking risk on as-is products. An example serialized inventory report is included below:

K12 COMPUTERS — Serialized Audit Report

Weighed By

K12 Computers	
Address:	1203 Winston Rd.
	Lexington, NC 27295
Phone:	(336) 754-6111
Email:	support@K12computers.us

Customer

Smith County Schools	
Address:	1515 Smith Road
	Smithville, VA, 55555
POC:	John Smith
Email:	JohnSmith@SMS.net

Details

Order:	PO0931	Date Picked Up:	05-17-23
Shipment:	3828	Serials Report:	06-26-23

Additional Notes:

Serial	Make	Model	Processor Type	HDD/SSD	Grade	Notes
PF12KV0G	Lenovo	E570	i5-6200U	N/A	B	
LR0A6F66	Lenovo	Yoga 11e	i3-7100U	N/A	B	
LR0B1DVX	Lenovo	Yoga 11e	i3-7100U	128 GB	B	
LR0B1DQB	Lenovo	Yoga 11e	i3-7100U	128 GB	B	
LR0A6F6Y	Lenovo	Yoga 11e	i3-7100U	128 GB	B	
DVS4GS1	Dell	Vostro	i5-3210	320 GB	B	WS
PF12E1U3	Lenovo	E570	i5-6200U	N/A	C	CH(V)
PF2DZRFV	Lenovo	E15	i3-10110U	1 TB	C	MF

Upon completion of a full audit, our team will be able to accurately determine which devices are meant for remarketing and which devices for recycling. Our downstream recyclers are capable of responsibly recycling all electronic equipment using the following techniques: dismantling, shredding, smelting, and incinerating. Accurate chain of custody and reporting is made available at the district's request.

Data Destruction

Data deletion and security is a top priority for our team. Our team applies data destruction protocols approved by the US National Institute of Standards and Technology. We are committed to erasing, eradicating, wiping, cleaning, or otherwise destroying all data held on your school's equipment, where applicable. Devices that fail data deletion attempts or require removal will be physically destroyed and appropriately recycled.

A certificate will be automatically generated for each device sent through our data deletion process to verify all data has been overwritten or erased. Individual certificates certified by serial number allow for accurate and traceable data deletion security. These reports will be made available to your district upon request.

Example deletion certificate below:

2017-01-24T13:20:31+0200, BLANCCO FILE ERASER 8.0

Data Erasure Report

blancco

Erasure Results

Operation - Erasing 3 file(s)

Status:	Successful
Start/End Time:	2017-01-24T13:20:31+0200 / 2017-01-24T13:20:31+0200
Duration:	00:00:00
Method:	HMG Infosec Standard 5, Lower Standard

Target(s):			
	C:\Users\john.doe\Desktop\file1.txt	Size: 13 KB	Successful
	C:\Users\john.doe\Desktop\file2.txt	Size: 8113 KB	Successful
	C:\Users\john.doe\Desktop\file3.txt	Size: 16 MB	Successful

Software Information

OS Name:	Windows
OS Version:	6.1.7601
Computer Name:	WIN-PC
User Name:	BLANCCO\john.doe

Report Details

Report UUID:	5d42d23e-f4d3-4dec-a2e2-0b9530732f79
Report Date:	2017-01-24 13:20:31 (+0200)
Software Version:	Blancco File Eraser 8.0
Digital Signature:	49D6BADE6F982C181721FDBC8ACBA35188B92748

Information technology markets are constantly shifting and developing as new products enter the market. Our experienced market analysis team diligently works to maximize the value of each of your district's devices. We constantly follow market trends and share the value of individual devices as well as the best time to turnover equipment. In order to generate the most value out of your districts equipment, K12's inventory list will be made publicly available on multiple public electronic reseller platforms such as BrokerBin and Tradeloop, the schools listserv (if requested), as well as K12's listserv to drive bids from well-established channels.

Our team will promote your devices and share competitive bids with your team to ensure a transparent remarket process. After the final sale, we coordinate to determine the best approach for invoicing and distribution of the value generated. Please request a bid form (see example below) if your district would like to utilize K12 Computers as a processor and reseller in the place of a normal RFQ:

K12 Computers Bid Tabulation

Details

Order #:	PO0931	Bid Opened:	03-01-23
Invoice #:	7955	Bid Closed:	03-15-23

Signed	Bidder	Device Count	Device Grade	Total
Yes	Company Name #1	4222	As-Is	$15,000.00
Yes	Company Name #2	4222	As-Is	$17,500.00
Yes	Company Name #3	4222	As-Is	$20,000.00
Yes	Company Name #4	4222	As-Is	$22,500.00

District Payout (Per Pound vs. Net Revenue Share)
Overview of District Payout Options

K12 Computers will payout the district according to the greater of the two options below. Option A is the current state contract offered to K12 Computers with an additional 10% payout for all items. Option B is the Net Revenue Share method outlined above. For each lot, K12 computers will honor whichever payout method will generate the highest payout for the district.

Option A: State Contract Pricing

Bid Number# 202101178 - Current State Contract Pricing Example

EQUIPMENT TYPE	UNIT PRICE PER LB.
Cathode Ray Tube (CRT) containing televisions and monitors	$ 0.20
Non-CRT televisions & monitors	$ 0.12
Laptop Computers	$ -1.00
Desktop Computers	$ -0.45
Servers and Network Equipment	$ -0.50
Printers/Scanners/Copiers/Faxes	$ -0.01
Consumer Electronics	$ -0.01

A negative Unit Price indicates payment from K12 Computers to UGU. A positive Unit Price indicates payment from UGU to K12 Computers

K12 Computers per pound payout at 10% increased payout for District:

EQUIPMENT TYPE	UNIT PRICE PER LB.
Cathode Ray Tube (CRT) containing televisions and monitors	$ 0.18
Non-CRT televisions & monitors	$ 0.11
Laptop Computers	$ -1.10
Desktop Computers	$ -0.50
Servers and Network Equipment	$ -0.55
Printers/Scanners/Copiers/Faxes	$ -0.01
Consumer Electronics	$ -0.01

A negative Unit Price indicates payment from K12 Computers to UGU. A positive Unit Price indicates payment from UGU to K12 Computers

Option B: Net Revenue Share

In the product evaluation phase K12 Computers sorts material by value and sends resellable material into the audit chain and recycle material into parts/component recovery chain. Units sent into the audit chain will have the potential to have at least a $8 resell price. This ensures that the expense in processing those units will generate a higher payout than price per lb. Units that fail testing will go through the repair department to increase value on devices deemed

non-functional/scrap. The case studies above show the net revenue share model payouts and the specific breakdown of pricing is listed below:

The Net Revenue share will be calculated by taking the total revenue created from each lot and subtracting it by the total expense items below. The school district's payout will be sixty percent of this result. The $3/device covers all expenses including packing, auditing, data deletion, and resale as well as all packaging materials requested. The $1.75 per mile covers all transportation costs between K12's facilities and all pickup sites. Please see an outline of each income and expense line item below.

INCOME/EXPENSE CATEGORIES	PRICING
Expense: Deduction from Total Revenue for Audited/Tested Equipment[1]	$3/ Per Audited Device
Expense: Mileage Per Pickup[2]	$1.75/ Per Mile
Income: Revenue of Resale Equipment	**Total Revenue Generated**
Income: Revenue of Recycle Equipment	**Total Revenue Generated**
Payout: Final Payout	60% of Net Revenue

[1] All audited/tested equipment will appear on the serialized audit report submitted for each pickup from the district. An example of this report is included here and includes the serial/asset tag, unit information, specs, and condition. The expense deduction covers evaluation, packing, materials, auditing, data deletion, testing, repair, and resale.
[2] The mileage expense is calculated by taking the total mileage from the closest K12 Facility to the district and back, including multi-site pickups if applicable, and multiplied by the rate above.

Net Revenue Share Formula

The majority of items going through Resale avenues will be laptops, desktops, monitors, sever equipment, and other high value equipment. The majority of items that pass through to recycle revenue will be wire scrap, consumer electronics, most printers/copiers, most projectors, smartboards, and metal scrap. K12 Computers do not charge for items such as CRT's that are recycled at an expense. Most purchase orders will fall into the Option B category to maximize value.

Please see an expanded example of the net revenue formula below:

Income - Expense * .60 = Final Payout

(Recycle Revenue + Resale Revenue) - ($3*Device + $1.75*Mileage) * .60 = Final Payout

Past Performance

Summary of Solution Set and Results of Recent Districts

K12 Solution Set is utilized by districts across the country. Below are four use cases that display an increase in ROI. Contact information for each reference can be shared upon request.
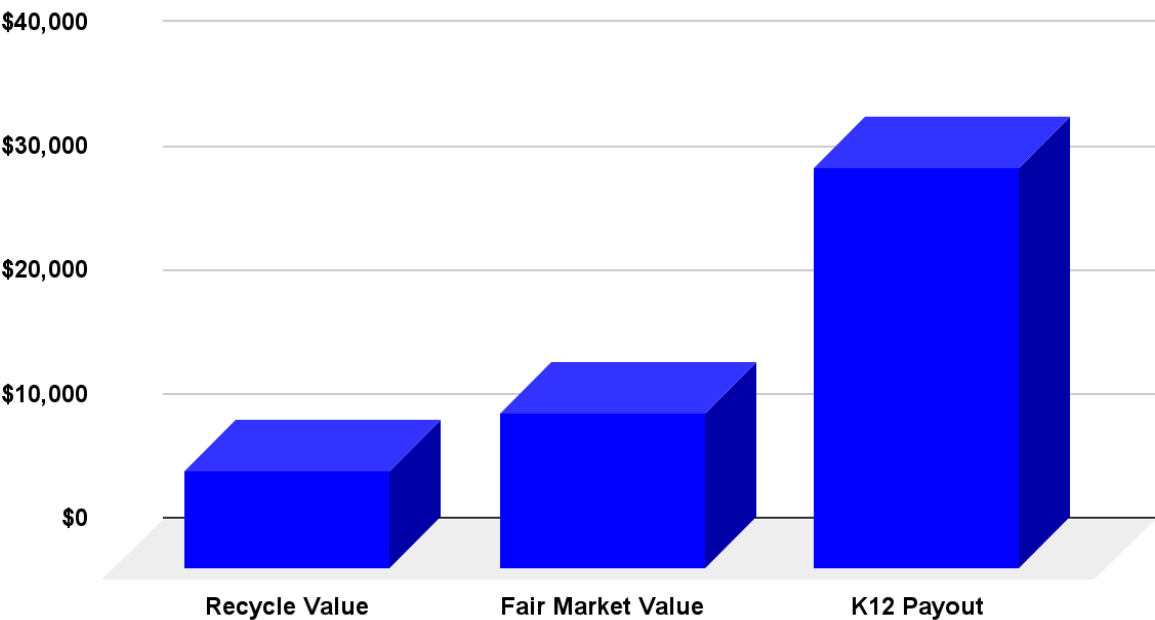
K12 Solution Set - GCS

District Information:

Location: North Carolina

Enrollment: 72,682 Students

Services Provided:

Trailer Storage   Full Solution Set

Off-Site Processing   E-Waste Disposal

Value of Most Recent Pickup
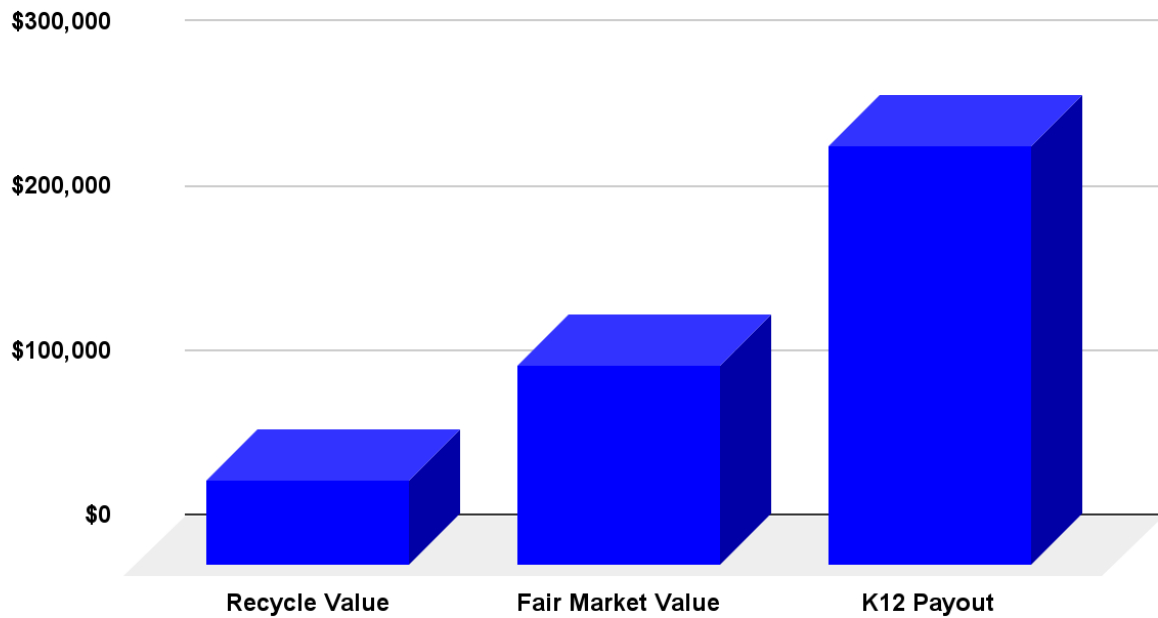
K12 Solution Set - TPS

District Information:

Location: Oklahoma

Enrollment: 35,675 Students

Services Provided:

On-Site Processing   Full Solution Set

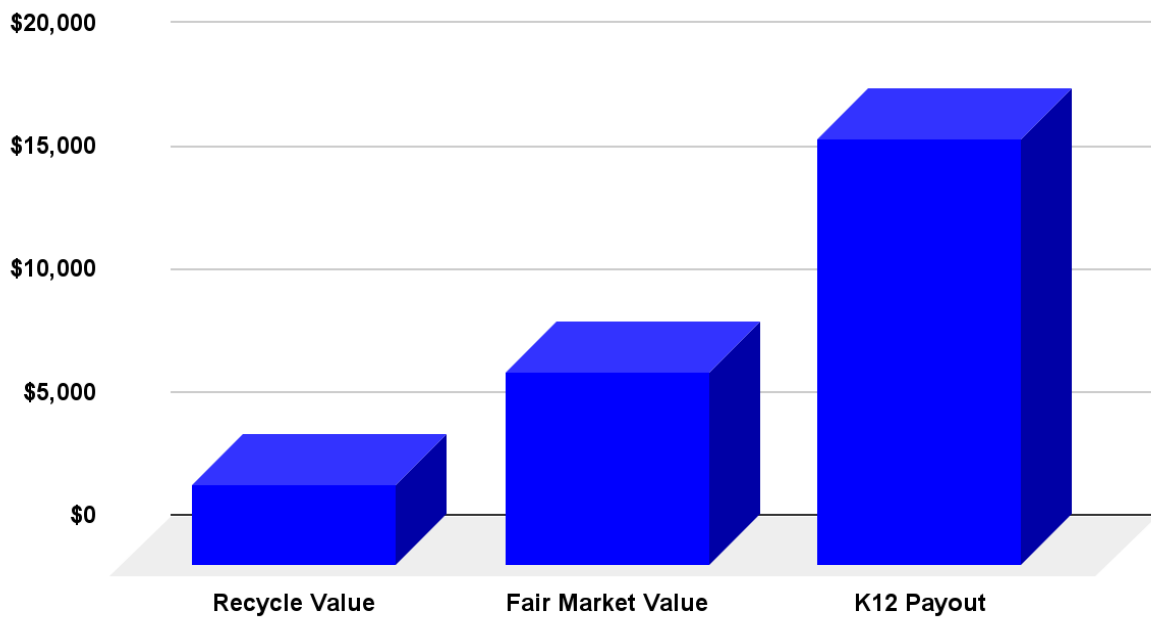ITAD Only

Value of Most Recent Pickup

K12 Solution Set - LCS

District Information:

Location: Georgia

Enrollment: 10,848 Students

Services Provided:

Off-Site Processing   Full Solution Set

E-Waste Disposal

Value of Most Recent Pickup

$20,000	
$15,000	
$10,000	
$5,000	
$0	

Recycle Value   Fair Market Value   K12 Payout

K12 Solution Set - JCS

District Information:

Location: South Carolina

Enrollment: 2,656 Students

Services Provided:

On-Site Processing   Full Solution Set

Multi-Site Pickup   ITAD Only

Value of Most Recent Pickup

$25,000	
$20,000	
$15,000	
$10,000	
$5,000	
$0	

Recycle Value   Fair Market Value   K12 Payout