



CHANDIGARH ADMINISTRATION

**GUIDELINES
FOR
DISPOSAL OF OBSOLETE / UNUSABLE
IT AND ELECTRONICS EQUIPMENT**

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1. Categories of items

A number of unusable, irreparable or redundant IT and Electronics equipment are lying in the stores of various Government Departments of Chandigarh Administration, which have been placed in the stores for being of outdated technology and non-usability. These items may have either been declared obsolete or on the verge of being obsolete and hence being a part of electronic waste need to be disposed off in a proper manner as per the e-Waste Management & Handling Rules-2011, published by Ministry of Environment & Forests, Govt. of India.

Depending upon the nature, intensity of usage, maintenance cost, serviceability, obsolescence in terms of technology, up gradation of technology etc., the related items are classified in following categories for the purpose of disposal of these items :-

- 1.1. **Category-I: Immediate Obsolescence:** These equipment / items can be referred to as “**Use and throw products**”. These equipment have no fixed life and can be used till these are consumed. However, the user departments must maintain proper inventory of purchase, issue and disposal thereof so as to ensure prudent official use of these items.
- 1.2. **Category-II: Fast Obsolescence:** These equipment / items can be referred to as “**Low Life products**”. The average productive life in the case of equipment/ items in this category is 3 years for replacement purposes and these items would become e-Waste on their end of life i.e. after 6 years. However, one may use the same for longer period so long as the item/ equipment serves the purpose.
- 1.3. **Category-III: Medium Obsolescence:** These equipment / items can be referred to as “**Medium Life products**”. The average productive life of equipment in this category is 5 years even though the equipment can be continued to be used for longer period in the department, being a multiple level of usage in terms of level of works to be done like Software development / testing, Data Processing, Information searching, Word processing etc. and these items would become e-Waste on their end of life i.e. after 8 years. However, one can use the equipment for longer period so long as it fulfills the user requirements.
- 1.4. **Category-IV: Slow Obsolescence:** These equipment / items can be referred to as “**Long Life products**”. It has been observed that these equipment can be used for longer period due to comparative stability in specifications / services. Accordingly, the productive life of these equipment is 7 years and these items would become e-Waste on their end of life i.e. after 10 years. However, one can use the same for longer periods so long as these equipment serve the user requirements.

2. Useful / Average life of items

The following table may be used for classifying the items for its replacement / disposal:

Category	Items	Productive life for replacement	Life for dispose off / End of Life
(1)	(2)	(3)	(4)
i. Immediate obsolescence	- Printing Consumables (Ink, Toners, Cartridges) - DVDs, CDs, Floppies - UPS Batteries	As per usage	Immediate on non-usability
ii. Fast obsolescence	- Laptops, Notebooks, Tablets - Mobile phones - Pen Drives - External Hard Disk Drives (HDD)	3 years	6 years
iii. Medium obsolescence	- Servers, Desktop Computers - Printers, Scanners, Copiers - Multi-Functional Devices (MFDs) - Typewriters - Projectors, UPS Systems - All Networking items	5 years	8 years
iv. Slow obsolescence	- FAX, EPABX - Electronic Attendance Systems - Digital Cameras - DVD Players - TVs, LCDs, LEDs - Other Electronics items	7 years	10 years

Table 1. Category-wise life span of items for replacement and disposal

- 2.1. The table describes only the average life of an equipment, however, all these items (except items under Category-I) can be used beyond the mentioned / specified life till the time these items continue to serve the purpose.
- 2.2. On completion of productive life period (column no. 3 of the above table), if required, the items may be replaced with equipment of latest and better configurations.
- 2.3. On completion of End of Life period (column no. 4 of the above table), the items may be declared as electronic waste (e-Waste), if not in use.

3. Calculating rates of depreciation

The depreciation value for the items (category-wise) may be calculated as per the following criteria:

3.1. Category-I: As most of the items in this category are consumable items and of junk value after one-time use, there is no need to calculate the depreciation value. Once used, the residual value of these items may be treated as **NIL**. The SMF (Sealed Maintenance Free) batteries under this category may be hazardous for health and environment and therefore, if not in use, immediately be declared as e-Waste.

3.2. Category-II: The depreciation value for items under this category may be calculated as under:

Items	On completion of					
	Year-1	Year-2	Year-3	Year-4	Year-5	Year-6
Items under Category-II	40%	40%	60%	60%	80%	100%
Bill Value (INR)	Illustrative depreciated value (INR)					
Rs. 50,000	30,000	18,000	7,200	2,880	576	NIL

Table 2. Depreciation calculation for Category-II

3.3. Category-III: The depreciation value for items under this category may be calculated as under:

Items	On completion of Year							
	1	2	3	4	5	6	7	8
Items under Category-III	40%	40%	40%	60%	60%	80%	80%	100%
Bill Value (INR)	Illustrative depreciated value (INR)							
Rs. 50,000	30,000	18,000	10,800	4,320	1,728	346	70	NIL

Table 3. Depreciation calculation for Category-III

3.4. Category-IV: The depreciation value for items under this category may be calculated as under:

Items	On completion of Year									
	1	2	3	4	5	6	7	8	9	10
Items under Category-IV	15%	20%	30%	40%	50%	60%	70%	80%	90%	100%
Bill Value (INR)	Illustrative depreciated value (INR)									
50,000	42500	34000	23800	14280	7140	2856	857	171	17	NIL

Table 4. Depreciation calculation for Category-IV

4. Procedure for replacement and disposal of obsolete items

The following procedure may be adopted for replacement and disposing off the items covered under these guidelines:

- 4.1.** All the IT & Electronics equipment covered under these guidelines are procured with a prescribed warranty period. No replacement of any of the equipment would be permissible so long as it is within the stipulated warranty period built in upfront at the time of the purchase order.
- 4.2.** The minimum life for replacement / disposal of the equipment must be followed as defined for each category separately (refer table no. 1, section 2). However, in case any equipment gives frequent problems before attaining its minimum recommended life or goes badly out of order and repair / maintenance cost is not economically viable (i.e. where the repair costs exceed the depreciated value of the item), such items can also be disposed off with the recommendation of a Technical Committee to be constituted for the purpose.
- 4.3.** All the Departments of Chandigarh Administration must constitute a Technical Committee for declaring the IT & Electronics equipment fit for disposal as per the instructions of these guidelines. One technical expert from Department of Information Technology, Chandigarh, must be the member of such Committee.

- 4.4. An “*e-Waste Management Cell*” shall be created by Department of Information Technology, Chandigarh in consultation with Chandigarh Pollution Control Committee, which would be responsible for auctioning, collection and disposal of the e-Waste generated by Departments of Chandigarh Administration in a proper manner as per the e-Waste (Management & Handling) Rules, 2011 and Batteries (Management & Handling) Rules, 2001 of Govt. of India.
- 4.5. No separate physical store would be set-up by the Department of IT. The items once declared to be fit for replacement / disposal would remain physically only within the stores of respective Departments till the process of auction / collection of e-Waste is completed by *e-Waste Management Cell*.
- 4.6. For items under **Category-I**, no residual value has been assigned. Hence, once consumed and on further non-usability, these items shall immediately be declared as electronic waste and be transferred to *e-Waste Management Cell* at **zero** value for electronic waste management and recycling purposes and can be written off from the books of the respective Department once the process is completed.
- 4.7. **Replacement of equipment:** Depending upon the specific requirements of the respective Department, the officers / officials using the items under **Category-II, III and IV**, may seek replacement of the equipment after the completion of productive life period (refer table no. 1, section 2). Once declared fit for replacement, the following procedure be followed:
- 4.7.1. On completion of replacement period, it would be at the discretion of the Department to allow the concerned user of the item to retain / purchase the item for its personal use at the depreciated value. In such cases, the user has to pay the depreciated value of the item to Department from its own pocket.
- 4.7.2. In case the concerned user is not interested, the items declared fit for replacement may also be offered to all the Govt. employees working across the various Departments of Chandigarh Administration at the depreciated value. In case more than one person are interested for same item, it may be allotted by holding a draw of lots.
- 4.7.3. Wherever no Government employee comes forward to purchase such items, the items shall be added for buy-back by the vendors in the indent for purchase of new items / equipment of better configuration to be made by the Department. However, the buy-back should not be made below the calculated Reserve Price.

- 4.7.4. In case the equipment is not to be replaced with a new one, the same may be transferred to *e-Waste Management Cell* at the depreciated value. These items would be auctioned centrally by Department of IT every six months by inviting rates through press tenders or from empanelled vendors. In such cases, the depreciation value of the item would be fixed as Reserve Price, unless fixed lower by the Technical Committee for reasons to be recorded in writing.
- 4.7.5. In cases where repeatedly either sufficient bids are not being received for disposal of items at the Reserve Price or bids received are for a value lower than the Reserve Price, it would be at the sole discretion of Department of IT to negotiate with the participating bidders to avoid re-auctioning. Such negotiations would be informed in advance to the respective Departments before finalizing the vendor for disposal.
- 4.7.6. Department of IT would be entitled to retain the funds / proceeds collected over and above the Reserve Price from disposal of such items in lieu of the processing / advertisement charges for inviting rates through press tenders. The Department of IT would also be liable to pay the applicable sales taxes to the Department of Excise & Taxation. The funds collected would be transferred to respective Departments after the necessary deductions of sales taxes; however, the amount transferred should not be more than the Reserve Price. The items can be written off from the books of the respective Department once the disposal process is completed.
- 4.8. **End of Life equipment:** The items who have attained / completed their end of life period (refer table no. 1, section 2), shall immediately be declared as e-Waste, if unusable. Once declared e-Waste, the following procedure be followed:
- 4.8.1. Such items shall be transferred to *e-Waste Management Cell* at **zero** value for electronic waste management and recycling purposes.
- 4.8.2. Department of IT would dispose off these items with the e-Waste collector / dismantler / recycler registered by the Pollution Control Boards / Committees of the States / UTs of India as per the provisions made under the e-Waste (Management & Handling) Rules, 2011.
- 4.8.3. Department of IT would be entitled to retain the funds / proceeds collected from disposal of such items. No payment would be made to the respective Department in such cases. The items can be written off from the books of the respective Department once the disposal process is completed.

- 4.9. The concerned Departments, in any case, would have to maintain the inventory of all the transfers / disposals made with the Department of IT in their books of record.
- 4.10. The respective Department shall be required to submit the details of such items to Department of IT in the following Performa:

S. No.	Item Description	Invoice / Bill date	Invoice / Bill Value (INR)	Qty. (No.)	No. of years from the date of invoice	Depreciated value (INR)

Table 5. Performa to be filled for submission of e-Waste to Dept. of IT

- 4.11. Department of IT may also consider donating the obsolete items after end of life period, which are still usable, to State / Central Govt. recognized non-profit service organizations / institutes. A certificate shall be recorded for such purposes.

The procedure and instructions under these guidelines shall be applicable to all the Departments / Corporations / Boards / Societies / Institutions etc. of Chandigarh Administration.