

GOVERNMENT OF NAGALAND
DEPARTMENT OF INFORMATION TECHNOLOGY AND COMMUNICATION
NAGALAND : KOHIMA

No.IT&C/13-19/08/17

Dated Kohima, the 9th March 2015

NOTIFICATION

Subject: Guidelines for Condemnation & Disposal of Information and Communication Technology (ICT) related Products/Equipments in Government Departments, Autonomous Bodies/Local Bodies and PSUs under the Government of Nagaland

There has been an increasing growth of Information and Communication Technology (ICT) infrastructure in all Government Department and whereas the average life period of ICT products / equipments is normally 5 years, in the State of Nagaland, the Government Departments are allowed to continue with these ICT products/equipments even though they are becoming non-repairable / beyond economical repair /technologically obsolete. Therefore there is an urgent need to define norms/guidelines in the State of Nagaland and this will act as a referral point for their condemnation & disposal of Information and Communication Technology (ICT) related items.

The Department of IT&C is the Nodal Department for all matters relating to Information Technology and Communications (ICT) in the State and therefore a guideline (copy enclosed) to address the concern for condemnation and disposal of obsolete ICT Products/Equipment is notified. This notification will be applicable to all Government Departments, Autonomous Bodies/Local Bodies, and PSUs under the Government of Nagaland

The guideline may also be downloaded from <http://www.nagaland.gov.in>

This is issued with the concurrence of Finance Department conveyed vide U.O.No 63 Dated 16/6/14 and U. O. No.403 Dated 09/10/2014.

Enclosed: As above

Sd/-Pankaj Kumar, IAS
Chief Secretary to the Government of Nagaland

No.IT&C/13-19/08/17

Dated Kohima, the 9th March 2015

Copy to:

1. The OSD to Hon'ble Chief Minister, Nagaland for kind information of Hon'ble Chief Minister please.
2. The PS to all Minister/Parliamentary Secretary/Advisers/Chairman of Boards for kind information please.
3. The OSD to Chief Secretary, Nagaland for kind information please.
4. All AHoDs / HoDs for kind information.
5. Director (Printing & Stationery) for Publication in the Nagaland Gazette.
6. Office copy.

K.D. Vizo, ITS

Commissioner & Secretary to the Government of Nagaland

GUIDELINES FOR CONDEMNATION & DISPOSAL OF ICT PRODUCTS/ EQUIPMENTS

1. Background

The Department of Information Technology and Communication (DITC) was created, with an aim of harnessing the potentials of Information Technology for rapid social and economic development aimed at significantly improving the quality of life of all citizens of the State.

The objectives of the Department of ITC are as follows:-

- a) To use IT based technologies to uplift the quality of life of the people of the State particularly in the rural areas.
- b) To develop the State as a preferred IT destination by creating an enabling environment with appropriate policy intervention and people's participation.
- c) To facilitate and support creation of sound IT infrastructure and skilled human resources thereby providing the State a competitive edge in attracting investment in the IT sector and to promote an IT led economy thereby generating employment opportunities.
- d) To promote e-Governance as a tool to enable the Government to be more proactive, transparent and responsive to its citizens.
- e) To enable the Government to play the role of facilitator by defining standards, providing infrastructure support, interfacing with related institutions and building regulatory mechanisms.
- f) To encourage eGovernance and bring in transparency, efficiency and effectiveness in Government service delivery system.

2. Current Objective

"Define uniform standard norms and procedures for the disposal of condemned ICT Products / Equipments".

While there has been an increasing growth of ICT infrastructures in all Government Departments and there is greater reliance on ICT for office automation in daily functioning of the Government offices, there has also been an increasing number of ICT products/equipments in Government offices across the State which are either becoming non-repairable / beyond economical repair / technologically Obsolete.

This is primarily due to the fact that the average life period of ICT products/equipments is 5(five) years and the same is becoming obsolete depending upon the intensity of usage, serviceability, type of technology and other related factors.

It is therefore felt that a policy must be in place to address the concerns for disposal of condemned ICT Products/Equipments in various Government Departments.

3. Guidelines for Condemnation & Disposal of ICT Products /Equipments

3.1. ICT Products/Equipments :

ICT Products/Equipments includes the following items:

- a) Personnel Computers
- b) Servers
- c) Laptops/Printers



- d) Scanners
- e) UPSs
- f) Data Communication Equipments
- g) Dumb Terminals
- h) Package Software
- i) Photocopier/Xerox machine
- j) Network equipments.

3.2. Applicable to :

- a) All Government Departments under Government of Nagaland
- b) All Autonomous Bodies/Local Bodies under Government of Nagaland
- c) All PSU's under Government of Nagaland

3.3. Grounds for Condemnation :

The ICT Products/Equipments can be condemned on following grounds:

3.3.1. Technically obsolete :

- a) Completed 5 years life-span and not in working condition.
- b) Completed 5 years life-span and technology outdated thereby affecting performance and output that is expected out of it.
- c) Package Software can only be condemned by declaring it as technically obsolete when no more updates or support are available from OEM.

3.3.2. Beyond Economical Repairs(BER) :

ICT Products/Equipments can be declared BER when these Products/Equipments cannot be upgraded / maintained economically / warrant extensive repairs and replacement of sub-assemblies or accessories and the combined cost of which exceeds 50% of the current cost of an equivalent system. If required the same can be ascertained from the vendor who is giving Annual Maintenance Contract support.

3.3.3. Non-repairable :

ICT Products/Equipment can be condemned due to non-availability of spare-parts.

3.3.4. Physically damaged :

ICT Products/Equipments that have been damaged beyond repair due to fire or any other reasons beyond human control can be condemned as Physically Damaged.

3.4. Mode of Condemnation :

The condemnation report so prepared by the Departments based on these guidelines shall be sent to Department of IT&C for approval by Standing Condemnation Committee (SCC) and the condemnation will be done only after approval is obtained. The Standing Condemnation Committee (SCC) will specify the disposal mode of condemnation and the concerned Department can dispose it through Tender, Auction or Scrap depending on assessed residual value of the ICT Products/Equipments and as per the procedure laid down in General Finance Rules 2005 as given below:

1. For the Products/Equipments with residual value above **Rs. Two Lakhs**, the Departments can dispose it through Advertised Tender or Public Auction.

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2. For Products/Equipments with residual value **less than Rupees Two Lakhs**, the mode of disposal will be determined by Departments/Competent Authority, keeping in view the necessity to avoid accumulation of such Products/Equipments and consequential blockage of space and also the deterioration in value of Products/Equipments to be disposed of.

3.4.1. Process of Disposal through Advertised Tender

(1) The broad steps to be adopted for this purpose are as follows:

- a) Preparation of bidding documents.
- b) Invitation of tender for the condemned ICT
- c) Opening of bids.
- d) Analysis and evaluation of bids received.
- e) Selection of highest responsive bidder.
- f) Collection of sale value from the selected bidder.
- g) Issue of sale release order to the selected bidder.
- h) Release of the condemned ICT Products/Equipments that were sold to the selected bidder.
- i) Return of bid security to the unsuccessful bidders.

(2) The important aspects to be kept in view while disposing the condemned ICT Products/Equipments through advertised tender are as under:

- a) The basic principle for sale of condemned ICT Products/Equipments through advertised tender is ensuring transparency, competition, fairness and elimination of discretion. Wide publicity should be ensured of the sale plan and the Condemned ICT Products/Equipments to be sold. All the required terms and conditions of sale are to be incorporated in the bidding document comprehensively in plain and simple language. Applicability of taxes, as relevant, should be clearly stated in the document.
- b) The bidding document should also indicate the location and present condition of the condemned ICT Products/Equipments to be sold so that the bidders can inspect the condemned ICT Products/Equipments before bidding.
- c) The bidders should be asked to furnish bid security along with their bids. The amount of bid security should ordinarily be 10% (ten percent) of the assessed or reserved price of the condemned ICT Products/Equipments. The exact bid security amount should be indicated in the bidding document.
- d) The bid of the highest acceptable responsive bidder should normally be accepted. There should normally be no post tender negotiations. If at all negotiations are warranted under exceptional circumstances, then it can be with HI (Highest tenderer) if required.
- e) In case the total quantity to be disposed of cannot be taken up by the highest acceptable bidder, the remaining quantity may be offered to the next higher bidder at the price offered by the highest acceptable bidder.
- f) Full payment, i.e. the residual amount after adjusting the bid security should be obtained from the successful bidder before releasing the condemned ICT Products/Equipments.
- g) In case the selected bidder does not show interest in lifting the sold condemned ICT Products/Equipments, the bid security should be forfeited and other actions may be initiated after obtaining legal advice.

3.4.2. Process of disposal through Auction



- 1) If the residual value is above **Rupees Two Lakhs** the Department may as well undertake auction of condemned ICT Products/Equipments to be disposed.
- 2) The basic principles to be followed here are similar to those applicable for disposal through advertised tender i.e ensuring transparency, competition, fairness and elimination of discretion. The auction plan including details of the condemned ICT Products/Equipments to be auctioned and their location, applicable terms and conditions of the sale etc. should be given wide publicity.
- 3) While starting the auction process, the condition and location of the condemned ICT Products/Equipments to be auctioned, applicable terms and conditions of sale etc., should be announced again for the benefit of the assembled bidders.
- 4) During the auction process, acceptance or rejection of a bid should be announced immediately. If a bid is accepted, earnest money (not less than 25% (twenty-five percent) of the bid value should immediately be taken on the spot from the successful bidder either in cash or in the form of Deposit-at-Call-Receipt (DACR), drawn in favor of the Department selling the condemned ICT Products/Equipments.
- 5) The condemned ICT Products/Equipments should be handed over to the successful bidder only after receiving the balance payment.
- 6) The composition of the auction team will be decided by the Department/competent authority. The team should however include an Officer of the Internal Finance Wing of the Department.
- 7) A sale account should be prepared for goods disposed of, as mentioned in **Annexure 1** and it has to be duly signed by the Officials who supervised the sale or auction.

3.4.3. Process of disposal at Scrap value or by other modes

- 1) In general, for items whose residual value is less than 2(two) lakhs the Departments may opt for disposal at scrap/depreciated value or by other modes. In such cases the items should be recommended by the internal finance officer and duly signed by the Head of the Department and forward the same to the Department of IT&C for approval. The depreciation value of the ICT product/Equipments on completion of 5 years may be calculated as given in **Annexure-4**.
- 2) If the Department is unable to sell condemned ICT products /Equipments in spite of 3(three) attempts through auction and advertised tender, it may dispose-off the same at its scrap/depreciated value after completing formalities such getting recommendation of the Internal Finance Officer, getting the matter duly signed by the Head of Department and obtaining final approval from the Department of IT&C. The depreciation value of the ICT product/Equipments on completion of 5 years may be calculated as given in **Annexure-4**.
- 3) In case the Department is unable to sell condemned ICT Products/Equipments even at its scrap value after 3(three) attempts, it may obtain permission from the Department of IT&C to adopt any other mode of disposal including destruction of the Products/Equipments in an eco-friendly manner so as to avoid any health hazard and environmental pollution and also the possibility of misuse of such Products/Equipments. If the items are still usable, it may also be considered for donation to State recognized service organisation /NGO. In all such cases the matter should be recommended by the Internal Finance Officer and duly signed by the Head of Department before forwarding the matter to the Department of IT&C for final approval.

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3.5. Responsibilities of Department

- 1) The competent authority should constitute a Departmental Condemnation Committee at Departmental level to declare ICT Products/Equipments as non-repairable / beyond economical repair / technologically Obsolete.
- 2) Departmental Condemnation Committee will prepare ICT Products/Equipments condemnation report which should be individually numbered having Products/Equipments description including Make, Model, Serial Number, Asset Register Number, Purchase Date, Purchase Price, Reason for Condemnation etc as given in **Annexure 2**.
- 3) All procedure and rules of the Government on maintenance of records for condemnation of non-consumable items will be adhered to in all these cases.
- 4) The Condemnation report so prepared by Departmental Condemnation Committee of will be reviewed and approved by Standing Condemnation Committee (SCC) of the Department of IT&C. The Condemnation will be done only after approval is obtained from Standing Condemnation Committee (SCC) of IT&C Department.

To avoid piece-meal approach, all cases of a Department may be processed once in a year during the months of Nov-Dec.

- 5) The Department should appoint a senior level Official to represent the case before the Standing Condemnation Committee (SCC) of the Department of IT&C.
- 6) The Department must ensure that all service and inventory labels including Data Operating System must be removed from condemned ICT Products/Equipments after taking proper backup.
- 7) Once the ICTProducts/Equipments have been condemned it should not be used for office purpose and subsequently it should be kept in the area allocated for scrap within 1 week from the date of condemnation.
- 8) All the Money realised from the disposal of condemned ICT Equipments/product , should be deposited to the Government Account.

3.6. Responsibilities of Standing Condemnation Committee (SCC)

- 1) Department of IT&C will constitute a Standing Condemnation Committee (SCC) comprising of representatives from Department of IT&C, Finance Department and the concerned Department.
- 2) The Standing Condemnation Committee (SCC) will review and approve the condemnation report prepared by Departmental Condemnation committee.
- 3) The Standing Condemnation Committee (SCC) will also be responsible to decide on the mode of condemnation whether Advertise Tender / Public Auction / Disposal at Scrap value or other mode.
- 4) The Standing Condemnation Committee (SCC) will record the proceedings as in **Annexure 3** which will serve as an approval for the concerned Department to condemn the ICT Products/Equipments mentioned therein.

3.7. Responsibility Matrix

SIno	Responsibility	Department	Standing Condemnation Committee (SCC)
1	Identification of ICT Products / Equipments to be condemned	✓	
2	Preparation of Condemnation report		

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3	Review and approval of condemnation report		✓
4	Mode of Condemnation (whether Advertise Tender / Public Auction / Disposal at Scrap value or other mode)		✓
5	Process of Condemnation	✓	
6	Deposit Money realised to Govt Account	✓	

4. This is issued with the approval of Finance Department vide U. O. No. 63 Dated 16/6/14 and U.O.No403 Dated 09/10/2014.

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Annexure 1
(for use by department in case of condemnation through Auction)
Sale Account

Item no	Name of Item	Quantity/weight	Name and full address of purchaser	Highest bid accepted	Bid rejected	Earnest money realised on the spot	Date on which the complete money is realised and deposited to the Government Treasury	Whether the articles were actually handed over on the spot. If not, the actual date of handing over the articles with quantities

Members of Sale or Auction Committee (Head of Department and Finance Officer Mandatory).

Name of Competent Authority: _____

Name : _____

Name : _____

Designation _____

Designation _____

Designation _____

Signature _____

Signature _____

Signature _____

Office Seal

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Annexure 2
(For use by Department)
OBSOLETE DECLARATION FORM

Item no	Particulars of ICT product/Equipments	Asset Register Number	Name of section/sub office	Manufacturer	Model	Serial No.	Year of Purchase	Original Purchased Value	Condition of the Equipments Functioning /Non-Function	Reason for condemnation. Technically obsolete / Beyond economic repair/ Non repairable. / Physical damaged.	Mode of condemnation proposed (Tender/ Auction/Scrap)

Prepared By: Finance Officer

Reviewed By: Head of Department

Forwarded by

Name : _____

Name : _____

Name of Competent Authority: _____

Designation _____

Designation _____

Designation _____

Signature _____

Signature _____

Signature _____

Office Seal

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Annexure 3
(For use by Standing Condemnation Committee)

Item no	Particulars of ICT product/Equipments	Asset Register Number	Serial No.	Certified that ICT product/Equipments below is	Mode of Condemnation	Remark (if any)
				<input type="checkbox"/> Technically obsolete <input type="checkbox"/> Beyond economic repair <input type="checkbox"/> Non repairable. <input type="checkbox"/> Physical damaged.	<input type="checkbox"/> Tender <input type="checkbox"/> Auction <input type="checkbox"/> Scrap/depreciate	

Condemnation summary

Mode of condemnation	Number of items proposed for condemnation	Number of items approved for condemnation	Number of items rejected for condemnation
Tender			
Auction			
Scrap			
Total			

Approved by :

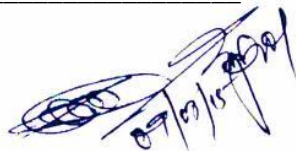
Chairman SCC

Name: _____

Designation _____

Signature _____

Office Seal

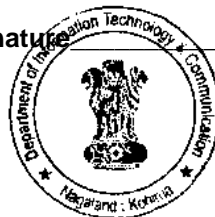


Representative from State Finance Department.

Name : _____

Designation _____

Signature _____



Representative from Department of IT&C

Name : _____

Designation _____

Signature _____

Annexure-4

Depreciation of ICT product/Equipments using straight line method.

ITEM NO	ITEMS	BILL VALUE (RS)	DEPRECIATION VALUE (PERCENTAGE) BASE AGE OF EQUIPMENTS (YEARS)					
			5 Years	7 Years	9 YEARS	11 YEARS	13 YEARS	15 YEARS
			50% (Rs)	60% (Rs)	70% (Rs)	80% (Rs)	90% (Rs)	95% (Rs)
1	LAPTOP		<i>ILLUSTRATIVE RESIDUAL VALUE</i>					
		60000	30000	24000	18000	12000	6000	3000
		25000	12500	10000	7500	5000	2500	2500
2	DESKTOP							
		35000	17500	14000	10500	7000	3500	1750
		30000	15000	12000	9000	6000	3000	1500

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