



Board of County Commissioners

Leon County, Florida

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Agenda Item Executive Summary

Tuesday, February 09, 2010

Title:

Approval of Ongoing Transfers of Leon County Surplus Computing Equipment to Goodwill Industries

Staff:

Parwez Alam, County Administrator
Alan Rosenzweig, Assistant County Administrator
Pat Curtis, MIS Director

At the December 8, 2009 meeting, the Board expressed support for the new Goodwill Industries' Electronics Recycling/Computer Store. This action was relative to the Board's priorities to support the provision of jobs for citizens and accomplish green initiatives. Staff was directed to bring back an agenda item to allow on-going transfers of surplus computer equipment to Goodwill.

Fiscal Impact:

This item has no current fiscal impact; however, there is a potential of minimal loss to the County, as the revenue, related to the sale of the surplus equipment, will disappear.

Staff Recommendation:

Option #1: Approve ongoing transfers of Leon County surplus computing equipment to Goodwill Industries for its electronics recycling/computer store.

Option #2: Approve the one-time donation of surplus server equipment to Freenet.

Report and Discussion**Background:**

At the December 8, 2009 meeting, Mr. Fred Shelfer of Goodwill Industries, made a presentation to the Board regarding the grand opening of Goodwill Industries' Electronics Recycling/Computer Store (Store), scheduled for December 11, 2009. All the electronics at the Store are donated from different sources, such as, state agencies, universities, colleges, and the community. All donations are tested on-site by technicians to see if the electronics could be resold. Any electronic devices that cannot be fixed or sold are shipped to recyclers, where they are stripped for parts. The revenue generated from the recycling is used for Goodwill's training program. The Goodwill Store plans to hire individuals with disabilities, recruit persons through prison work-release programs, and provide free training. The Store refurbishes and resells used computer equipment, as well as, providing service on computers.

Analysis:

Goodwill accepts all computer electronics, including mainframe, minicomputer, networking, and other gear. They refurbish what they can and separate the rest for recycling. For complete working systems, Goodwill performs a full Department of Defense certified data wipe and issues a certificate for each hard drive submitted. In addition, they remove all labels identifying the previous owner and load an operating system, which will allow the computer to boot up to a working condition. The system is then resold in the electronics Store. Non-working equipment, or parts that can't be resold for public reuse, are sold to various electronics recycling companies. To alleviate any concerns regarding toxic e-waste overseas, CompuPoint USA, Goodwill's e-recycling vendor, states, in writing, that they do not ship any materials overseas (Attachment #1). Goodwill picks up the surplus equipment, so Leon County incurs no additional shipping or delivery charges.

Currently, the County's surplus computer systems have been processed through the County's surplus auction sales. The County's receipt, per computer, at auction historically ranged from more than \$250 in the past, to \$35 most recently. An average of 65 computers are sold at each auction. With the drop in the cost of new computers and increased features, the demand for older, used computers has diminished. Any remaining equipment from an auction is sent to the County's Solid Waste electronic recycling program.

Leon County's current surplus computer equipment inventory includes approximately 170 systems (50 personal computers (PC) and 120 file servers) that have been removed from useable service and are awaiting auction. The potential sale price of a file server is unknown, as this will be the first time defunct servers have become available for surplus. Usually, working parts of defunct servers were reused internally for repairs. The quantity of servers currently in surplus is a result of the upgrade to a virtualized server infrastructure, where a large number of servers were collapsed into eight mega-servers. An estimated auction value of a server is \$75. Therefore, with an assumed \$35 value for each PC, and a \$75 dollar value for each server, the potential value of the current inventory for surplus is \$10,750.

Current law allows for such transfer of surplus equipment to Goodwill Industries because it qualifies as a private non-profit agency, as defined under Section 273.01(3)(b), Florida Statutes. Additionally, Section 274.05 states that the County may classify any tangible property as surplus and the property may be sold or donated to any other governmental unit or private non-profit agency.

Although there could be a loss of revenue of approximately \$10,750, transferring the surplus equipment to Goodwill Industries will support its mission in providing jobs and technical training for citizens. Therefore, staff recommends surplus electronic equipment be transferred to Goodwill Industries, now and in the future.

In the meantime, FreeNet had planned to purchase some surplus servers from the January auction to support its ongoing computing needs. Since the auction was cancelled in anticipation of the donation of surplus equipment to Goodwill Industries, it is recommended to the County provide FreeNet a one-time donation of server equipment from the existing surplus inventory.

Options:

1. Approve ongoing transfers of Leon County surplus computing equipment to Goodwill Industries for its electronics recycling/computer store.
2. Approve the one-time donation of surplus server equipment to Freenet.
3. Approve a single transfer of current Leon County surplus computing equipment to Goodwill Industries and require future transfers to require further Board approval.
4. Do not approve ongoing transfers of Leon County surplus computing equipment to Goodwill Industries for its electronics recycling/computer store.
5. Do not approve the one-time donation of surplus server equipment to FreeNet.
6. Board Direction.

Recommendation:

Options #1 and #2.

Attachment:

1. CompuPoint USA letter

