



The Naperville Technology Group (NTG)

Business Partnership

Naperville School District 203

Computer Re-Deployment Program

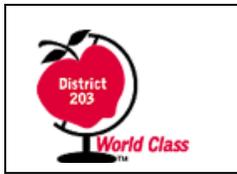
Proposed By:

Naperville Technology Group

ARDS Services, Inc.

Integral Corporation

March 25, 2008



Executive Overview

Each year hundreds of computers and notebooks are “retired” by District 203. These systems are sold for a small fee. The Computer Re-Deployment Program (CRP) is a plan to capture greater value from these computers by re-deploying them to aid needy D203 students, by potentially donating them to local non-profit organizations, and by reselling them to D203 families and community members at prices closer to their market value.

The CRP Program proposes to give these retired systems a second life by utilizing student and community volunteers to refurbish and reload these computers so that they can be redeployed within the district for needy students.

The initial phase of the project would focus primarily on providing computers to those students in need and possibly deploy surplus units back into the schools for student use where there is need. They can also be sold to students whose families reside in the district at a reasonable price.

In future years these refurbished computers could be introduced into other programs where the students may take some on consignment for resale in a Business or Marketing program project. Extra computers could be donated to local non-profits. And they could be sold to community members. Clearly, each of these future alternatives would require additional planning and consideration.

Our approach is to implement the CRP program in phases. This program is not proposed as a one-time effort; but is envisioned as an on-going program that may eventually even be run by the students exclusively! Some of the benefits of this program include helping disadvantaged students by providing them with much needed computers, providing real-world experience and education for IT-interested students, possibly incorporating real-world work into the IT curriculum, realizing greater value from these systems, providing opportunities for community members to get more involved in the district, building community goodwill, and more.

For systems sold to the public, the potential is to generate 3 times more revenue than what the District may have received from an “outside” re-cycling/liquidation firm while also benefiting the community and taxpayers, truly a “win-win” proposition. The CRP program gives back to the community while promoting community involvement and support.

This is a proposal to create a Business Partnership between Naperville School District 203 and the Naperville Technology Group. The Naperville Technology Group would produce, coordinate, manage this program and provide the Technical consultation for a District wide computer re-deployment program for retiring computers.



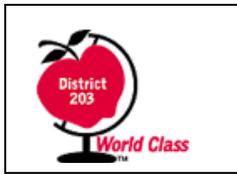
Program Overview

The Naperville Technology Group and its member firms propose to enter into a Business Partnership to develop the Computer Re-Deployment Program and processes. The goal of this program would be to realize greater value from the retiring systems and to enhance District 203's Technology Curriculum and also potentially the Marketing and Business Curriculums, The NTG proposes to provide Project Management and the required technical and business expertise to develop a program that re-deploys retiring laptop and desktop computers back into the district or the community by working initially with the High School teaching staff and students enrolled in the Technology Curriculum and later by rolling the program out to the Junior High Schools and possibly D203 school computer clubs and community groups such as Scouting and other volunteer groups.

Program Benefits

This program provides multiple compelling benefits.

- It provides computers for needy students
- It realizes and recaptures greater value from the computers by allowing their use over their full useful life
- It can realize enhanced revenues from the sale of the computers by getting closer to market value for the systems.
- It can enhance the IT Curriculum by allowing students and volunteers to participate in a real world IT project, supervised by working Information Technology Experts. Students benefit by being able to work on real projects as well as the ability to work with and consult with IT professionals.
- It increases community involvement with District 203 and can build community goodwill and support
- It can benefit local non-profit organizations by providing much needed systems, and can spawn off additional volunteer projects for those non-profits by students, building leadership skills and a sense of community among the students.



NTG Introduction

The Naperville Technology Group, Inc. (NTG) is a consortium of technology firms who have entered into a strategic partnership to share resources, knowledge and expertise. Each member maintains their independent businesses, but works together for the common good of the group and the community. NTG Members provide a full range of computer, software and network product solutions and services including server hosting, offsite backup, email and web site hosting, network infrastructure and security, server and computer sales, installation, services, software engineering, voice and data cabling, phone systems - everything a business needs to maintain an Information Technology infrastructure.

NTG Role

The role of the NTG in the CRP Project would be to:

- Develop the program
- Provide project management
- Function as the Program's Technical and Business Consultant
- Work with D203 Staff

D203 Role

The Role of District 203 in the CRP Project would be to:

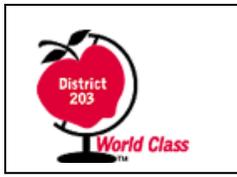
- Provide Manpower and Logistical support
- Act as the Liaison to Students, Teachers and Computer Clubs
- Promote the Program
- Funding and Reward Program

Computer Unit Estimates

Each year, a number of District 203's desktops and laptops reach a point in their lifespan in which it becomes necessary or desirable to replace them with newer equipment - but this is not necessarily the end of their useful life. Based on information attained from discussions with District 203, we estimate that there will be:

Initial year – Approximately 1,200 laptops and 500 desktops retired

Future years – Approximately 1,200 laptops retired



Given these numbers, we estimate that:

10% of each computer type will be inventoried as Spares & Parts for repairs

75% of computers will be re-deployable

Laptops – 900 less 10% = 810

Desktops – 375 less 10% = 337

Total – 1,147

Retaining some systems for Spares and Parts will enable us to provide warranty service for the systems. We suggest we establish the following warranty policies:

Students in need would receive – Unlimited hardware only warranty

Sold to District families – 90 days hardware only warranty

In this, the CRP program would commit to providing support for failed hardware only. No software support would be given for problems such as viruses, spyware, etc.

Economic Impact Projections (preliminary)

Initial year – assumes 1,700 units

1,275 units – retained within D203

Non-functional Sold to Liquidator – 425 units (25% of 1,700) @ \$90 each = \$38,250

2nd year – assumes 1,200 units

120 units – retained within D203 for spares

Resell within D203 - 780 units (65% of 1,200) @ \$250 each = \$195,000

Sell to Liquidator - 300 units (25% of 1,200) @ \$90 each = \$27,000

Total - \$222,000 (\$750 away from break even from just liquidating)



3rd year – assumes 1,200 units

120 units – retained within D203 for spares

Resell within D203 - 780 units (65% of 1,200) @ \$250 each = \$195,000

Sell to Liquidator - 300 units (25% of 1,200) @ \$90 each = \$27,000

Total - \$222,000 (\$113,250 additional versus just liquidating)

4th year and future years - assumes 1,200 units

120 units – retained within D203 for spares

Resell within D203 - 780 units (65% of 1,200) @ \$250 each = \$195,000

Sell to Liquidator - 300 units (25% of 1,200) @ \$90 each = \$27,000

Total - \$222,000 (\$227,250 additional versus just liquidating)

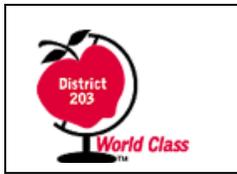
Program Methodology

Embark on a two phase Pilot program that will be completed before the end of the '07 – '08 school year. These phases will be conducted at Integral Corporation's office and possibly another District location. The Pilot phase will produce the initial policies, procedures, technical documentation, and training criteria for the CRP program. Once the Pilot is validated it will move into a "limited production" phase with a target completion by end of July. Upon completion the program can swing into full production once school is back from summer break. At that point the staff would have been updated and the NTG will be available to assist introducing the program to the students if desired.

Pilot Phase 1 – planned start by 4/15, estimated completion by 4/30

The initial phase is the "proof of concept" process phase where NTG develops a process to inventory, categorize computers by type, model, physical and functional condition. Then the steps undertaken during the actual refurbishment process would be documented and tested to ensure it is repeatable with precautions to prevent deviations causing mixed results. About 6 computers would be required of each model.

Units required – 4 to 6 of each model, maximum estimate is less than 20 units



Location – Integral Corporation

Manpower – NTG members only

Create procedures that describes how to:

1. Inventory units – form factor, make, model, serial number, note general condition
2. Perform exterior inspection
 - a. Check for broken or cracked exterior
 - b. Condition of - Keyboard & display, battery & power supply
3. Function / Operation testing – standalone program diagnostic
4. Wipe disk information – standalone program
5. Reload factory image
6. Perform QC and testing
7. Handle re-stock of re-deployable units
8. Handle sparing & DOA's
9. Establish shrinkage controls

Upon completion of this phase a clear understanding of the steps required and timing will be identified.

Pilot Phase 2 – start 5/1, end before 5/29 - school year ends

Once Pilot Phase 1 “proof of concept” is completed the next phase is to go to a “live test” phase where 6 to 8 students will follow the refurbishment procedures produced during the Phase 1 to determine if any further “tweaking” is required before moving into a “limited production” phase. Upon completion of the Pilot phase it is estimated a total of between 30 to 60 units will be completed.

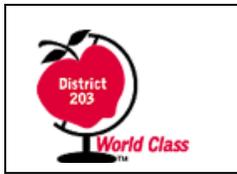
Units required – 12 to 24 of each model, maximum estimate is less than 40 units

Location – TBD or possibly Integral Corporation

Manpower – Approximately 4 to 6 of D203's A+ level students plus NTG members, these students would be expected to participate in the “Limited” production phase over the summer break too.

Students validate refurbishment procedure created during Phase 1

Gather student feedback, revise process and re-test process again



Other administrative procedures are finalized

Limited Production Phase – starts month of June & ends before end of July

This preliminary phase is pending further discussion. This phase requires more space at one of the District's school's using at least 10 to 15 students to re-validate and confirm suitability for the "full production" phase process. Once completed the project would then move in to "full" production phase. By the end of this phase about a total of 110 units would be completed.

Units required – 12 to 24 of each model, maximum estimate is less than 50 units.

Location – Possibly at Kennedy Junior High School.

Manpower – 10 to 15 of D203's A+ level students and 1 -2 District staff that ideally would be involved with the program during the next school year plus NTG members as needed.

Students each would be required to refurbish no more than 3 to 4 computers each following the established procedures. Staff would oversee this mini- program production version as if it were used in the classroom during the next school year.

Upon completion the entire program could then be reviewed thoroughly with experienced participants prior to the next school year start to adjust where necessary.

Full Production Phase – starts during '08 – '09 School Year

D203 High School students enrolled in the A+ curriculum will each either is required or as optional course credit work on 10 to 15 computers during the semester. By the end of this phase the remaining 1,000 units should be completed.

Units required – approximately 1,000 or all the remaining units.

Location – North and Central High Schools.

Manpower – A+ students and educators plus NTG members as needed

Assuming there are at least 100 students in the A+ program each would be required to refurbish no more than 10 computers each following the established procedures. Teaching staff would oversee this program.

Upon completion the entire program could then again be reviewed thoroughly with experienced participants prior to the next school year start to adjust where necessary.



The timeframes and approximate production rates are based on manpower estimates and may vary widely based on the resources available and the number of students, faculty, and possibly community members involved in the project.

Program Requirements

Inventory control process and authorization (Accountability)

Computer security procedure approval (Wiping disk information licensed software)

Adequate manpower (A+ and others in the Technology Program)

Disk wiping software license

Software Licensing for those in need (Microsoft Office software)

Internet access for those in need (Dial-up or DSL options)

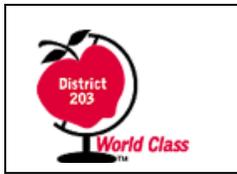
Central Repository & Logistics arrangements (Secure Storage & transportation)

District Interface (NTG's District liaison)

Other requirements – TBD

Summary

This proposed program will enrich the technical learning experience within D203 and benefit the community and position the District to gain additional revenues. The Naperville Technology Group is committed to the success of this program and improving our community.



NTG “D203 Partnership” Member Firms

ARDS Services – Richard Stompanato, President

ARDS Services, Inc. is a Naperville, Illinois based business serving the Chicagoland area with over 25 years of experience in a wide range of computer and software disciplines. These range from legacy era mainframe computing and "pre-Windows" DOS based computer programs up to the most current Windows versions including XP or Vista and all Windows 2003 Server versions of computer programs. This experience level extends to the newest computer & network equipment including the latest general purpose software used in Business today.

Integral Corporation – Sun Kwok, President

Integral Corporation was established in June 1989. Our original clients included several commercial banks, a management psychology firm, and a nationwide automotive service chain. As we've grown, our client base has diversified and we now work in many different industries, including banks, county government, restaurants, manufacturers, and even an Indy car racing team. Integral has several full time consultants on staff and provides a wide range of PC, networking, support, and Internet services that are unrivaled by most other consulting firms.

Expetec Technology Services of Naperville - Arthur Flowers, Owner

Originally a computer repair franchise organization. Expetec now provides a full range of IT services for small and medium businesses.

Today Expetec offers the technology services businesses need to be successful in today's marketplace—including network administration, network security, business continuity and web services. Services are delivered by independently-owned franchise organizations across the U.S. and Canada. Each franchisee serves as a virtual IT department, primarily for small-to mid-sized businesses

JW Tech & Associates, Inc. * – Wes Ague, President

Our staff and associates have extensive experience in developing computer hardware, software and networking solutions. Our strong background with a variety of software and hardware platforms gives us unparalleled versatility in choosing the right solutions to meet our clients' needs. Most importantly, though, it is our outstanding ability to listen carefully to those needs and construct thoughtful solutions that allows us to produce results that will meet the test of time.

* Pending