

## **DECOMMISSIONING KITS**

Decommissioning kits are essentially “knocked down” wooden shipping crates. They can be drop-shipped from NES to an end user’s location and are utilized to properly protect a piece of equipment during return shipment via common carrier. They also help to insure that all the related component pieces are not separated during transit.

- The component pieces are banded to a skid base and include: the base, four sides, a top, drywall screws for assembly, machine bolts and washers for securing the machine to the base, an instruction sheet & a return shipping label.
- Cost of the kits range from \$108 for a small chiller size to \$825 for a large oven size.
- A typical 850 size processor kit would cost \$427. The cost of the decommissioning kit is deducted from the remanufacturing cost of a unit if a unit is returned in one to NES.

## **WAREHOUSING LOGISTICS / INVENTORY MANAGEMENT**

NES provides a complete equipment inventory management system. Units can drop-shipped directly from the field to NES’s Westfield, MA facility. Upon receipt, we check each piece to verify the model, serial number, condition and note any missing major components. We then enter all receiving data to our computer database, send notification to our customer, and place the equipment in a protected inventory location.

It is now designated in the database as “Unrefurbished Equipment”.

- We utilize heavy duty crating and racking systems to reduce overall space requirements. It also provides for better organization of the inventory for purposes of physical audits, which are done at least annually or as requested by the customer.
- When a machine is ordered for remanufacture, it is placed on the open order list and designated in the system as “WIP”.
- After completion of the rebuild process, a machine that is not scheduled for immediate shipment (either a stocking order or one waiting for shipping instructions) will be marked, physically segregated and entered into the system as “RTS” (ready to ship).
- Machines are typically drop-shipped from NES to the end user and entered into our system as “Shipped”. This removes them from current inventory. A permanent record of the machine, its “received from” and “shipped to” information remains in the system and is accessible at any time for reference.
- Periodically, machines are received in unusable condition or are determined to be obsolete. A recommendation to scrap the unit is made. If approved, a purchase order is issued to cover labor and waste removal. The current fee for this service is \$150 per unit. It is then dismantled, reusable parts are saved for future rebuilds, remaining materials are sorted for waste removal, serial tags are pulled, and the unit is recorded in our system as “Scrapped”.
- From our computer records we can customize reports to fit our customers’ needs as required. We currently generate regular reports that include; receiving information, shipping information, inventory status by model or serial number, open order reports and inventory status (WIP, RTS, etc.). These reports can be generated at regularly scheduled intervals or upon request as needed. They can be distributed via mail, email or fax. Status of the inventory & individual machine histories are always available at an overview or a detail level.

Proposed fees for the inventory services described above are:

- Up to 10 units, any size, pending rebuild – No Charge.
- 11 or more units, up to 5,000 sq ft - \$3750 per month.
- 5,001 to 10,000 sq ft - \$6500 per month.
- 10,001 to 20,000 sq ft - \$9950 per month.
- 20,001 to 40,000 sq ft – \$12,500 per month.

Square footage of each machine is calculated as the “crated footprint” of each unit. This allows us to stack or rack equipment vertically to maximize the use of our space requirements.