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August 17, 2004

PROCUREMENT CIRCULAR NO. 2004-03

TO: Executive Department Heads
Chief Procurement Officers

FROM: Aaron S. Fujioka, Administrator

SUBJECT: Young Brothers, Ltd.

Effective October 1, 2004, Young Brothers will no longer accept purchase orders as a method of payment for their shipping services, as well as issue duplicate copies of the Bills of Lading on a post-shipment basis. Copies of the Bill of Lading will be issued to the shipper at the time of check-in and to the consignee at the time of cargo pick-up.

Young Brothers is currently absorbing all costs associated with processing purchase orders, adjusting numerous COD invoices to charge accounts due to agencies failure to tender a purchase order at the time of shipment, and mailing to agencies duplicate copies of purchase orders and bill of lading after the shipment is made. This current practice of processing State of Hawaii shipments for payment has been very cumbersome, inefficient and costly. Young Brothers has indicated that these changes are necessary to improve their administrative operating efficiency.

In lieu of purchase orders, Young Brothers will accept credit cards, including the State of Hawaii Purchasing Card (pCard). To allow pCard holders to make charges with Young Brothers, departmental pCard administrators must do either one of the following:

1. When establishing a new pCard, set up the cardholder's card to accept Merchant Category Code (MCC) no. 4214 "Motor Freight Carrier;" or
2. For existing pCards, contact Nelson Nakagawa of First Hawaiian Bank at (808) 844-3184, to request changes to the MCC.

If you have any questions, please call me at 587-4700 or your staff may call Justin Fo at 586-0577 or Bonnie Kahakui at 587-4702.

c: Lisa Sakamoto, Young Brothers, Ltd.
Nelson Nakagawa, First Hawaiian Bank