

DAVID Y. IGE
GOVERNOR



SARAH ALLEN
ADMINISTRATOR
PAULA A. YOUNGLING
ASSISTANT ADMINISTRATOR

STATE OF HAWAII
STATE PROCUREMENT OFFICE
P.O. Box 119
Honolulu, Hawaii 96810-0119
Tel: (808) 586-0554
email: state.procurement.office@hawaii.gov
<http://spo.hawaii.gov>
Twitter: [@hawaiispo](https://twitter.com/hawaiispo)

March 21, 2016

PROCUREMENT CIRCULAR NO. 2016-05

TO: Office of the Governor, Chief of Staff
Office of the Lieutenant Governor, Chief of Staff
Executive Department Heads
Hawaii State Public Library System, State Librarian

Chief Procurement Officers (CPOs):

Department of Education, Superintendent
University of Hawaii, President
Office of Hawaiian Affairs, Chairperson of the Board
Hawaii Health Systems Corporation, President and Chief Executive Officer
Judiciary, Administrative Director of the Courts
Senate, President
House of Representatives, Speaker

Counties of Hawaii, Kauai, and Maui; and City & County of Honolulu
Executive Branch, Finance Director
Legislative Branch, Chairperson of the County/City Council
Board/Departments of Water Supply, Manager/Chief Engineer
Honolulu Authority for Rapid Transportation, Executive Director and CEO

FROM: Sarah Allen, Administrator 

SUBJECT: Pre-Sale of GSA Fixed Price Vehicles

The State Agency for Surplus Property ("Surplus") has been authorized, by the General Services Administration ("GSA"), to conduct pre-sales of GSA fixed priced vehicles through their office prior to GSA public auction. **This allows departments, agencies, and jurisdictions to benefit in time and cost-savings (often, thousands of dollars per vehicle!).**

In order to ensure the sustainability of this valuable program, effective immediately, Surplus is enacting a new process for conducting purchases and paying for GSA fixed priced vehicles. **The State Procurement Office (SPO) will require state agencies interested in purchasing these vehicles to sign a Memorandum of Understanding ("MOU").** The MOU attached sets forth the

roles and responsibilities of the parties and the general procedures that will be followed in conducting GSA fixed price vehicle sales. All future purchases will be conducted solely in accordance with this process and only entities with an executed MOU on file will be allowed to purchase GSA fixed price vehicles.

If your department, agency, or jurisdiction is interested in participating in this valuable program please download the MOU attached to this Procurement Circular and seek approval and signature by the Department Head. Please forward a pdf of the signed MOU to the SPO at the following address: state.procurement.office@hawaii.gov. A copy of the fully executed MOU will be returned to you for your files.

Questions concerning this Procurement Circular may be directed to Mei Phillips at 831-6757 or mei.phillips@hawaii.gov.

[Attachment: Memorandum of Agreement \(hyperlink\)](#)

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE STATE PROCUREMENT OFFICE
(STATE AGENCY FOR SURPLUS PROPERTY)
AND
THE DEPARTMENT/AGENCY/JURISDICTION
REGARDING THE PURCHASE OF
GENERAL SERVICES ADMINISTRATION (GSA) FIXED-PRICE VEHICLES**

This MEMORANDUM OF UNDERSTANDING ("MOU") is entered into and effective as of _____, by and between the STATE PROCUREMENT OFFICE, STATE AGENCY FOR SURPLUS PROPERTY ("SASP"), State of Hawaii, whose mailing address is 729 Kakoi Street, Honolulu, Hawaii 96819, and the DEPARTMENT/ AGENCY/ JURISDICTION ("ACRONYM/NICKNAME"), State of Hawaii, whose mailing address is XXXX ADDRESS, CITY, Hawaii 96XXX. SASP and ACRONYM are collectively referred to as the "Parties."

WHEREAS, Hawaii Revised Statutes ("HRS") 103D-1102 establishes a State Agency for Surplus Property ("SASP");

WHEREAS, the General Services Administration ("GSA"), an independent agency of the United States government, offers exchange sale property (fleet vehicles) as "pre-sale" items by fixed price to States, territories, possessions, and political subdivisions thereof prior to public auction on a first-come, first-served basis;

WHEREAS, in accordance with "Memorandum for National Association for State Agencies for Surplus Property and GSA Fleet Users" dated December 30, 2008, such GSA fixed price pre-sales are to be conducted through a State Agency for Surplus Property (SASP);

WHEREAS, ACRONYM has expressed interest in possible purchase, from time to time, of certain fixed price pre-sale vehicles;

WHEREAS, the Parties wish to enter into an agreement concerning how such GSA fixed price vehicles sales shall be conducted; and

NOW, THEREFORE, the Parties hereto agree as follows:

1. SASP shall administer the GSA fixed price pre-sale program and will be the single point of contact between GSA and ACRONYM.
2. ACRONYM shall provide direct payment for the vehicle to GSA at the agreed fixed price and an administrative fee payable to the SASP as the program administrator.
3. SASP will administer all procedures for viewing and selecting available GSA vehicles for the various Departments, Agencies, and jurisdictions.
4. Once ACRONYM has selected a vehicle and accepted GSA's offered price, ACRONYM will be responsible for designating a staff member with pCard authority to purchase the

selected vehicle(s), on the date and time specified by GSA, by utilizing that pCard.

ACRONYM will send an email to SASP identifying the vehicle(s) to be purchased, total purchase price, and staff member who will execute the payment transaction.

5. SASP will be responsible for making the payment appointment with GSA and emailing the payment receipt and/or confirmation to ACRONYM.
6. ACRONYM will coordinate with their ASO to ensure the pCard limit of the designated pCard holder is increased to the appropriate amount, effective for a time period necessary to make the purchase, and GSA's MCC code of "9399" is added.
7. SASP is the administrator of the program with GSA and will provide all paperwork associated with the transaction, including payment confirmation, to ACRONYM for their pCard files.
8. After payment has been confirmed by SASP, ACRONYM can receive the vehicle(s).
9. SASP will separately invoice the administration fee, which shall be paid via journal voucher or check payable to SASP within 15 days.
10. Once the administration fee is received by SASP the vehicle title will be transferred to ACRONYM.

IN WITNESS WHEREOF, the Parties hereto have executed this Memorandum of Understanding on the date first above written.

APPROVED:

SARAH ALLEN, Administrator
State Procurement Office

NAME, Title
DEPARTMENT/AGENCY/JURISDICTION

Attachment:


["Memorandum for National Association for State Agencies for Surplus Property and GSA Fleet Users," December 30, 2008 \(hyperlink\).](#)



GSA Federal Acquisition Service

DEC 30 2008

MEMORANDUM FOR NATIONAL ASSOCIATION FOR STATE AGENCIES
FOR SURPLUS PROPERTY AND
GSA FLEET USERS

FROM: DAVID ROBBINS 
DIRECTOR, OFFICE OF PERSONAL PROPERTY
MANAGEMENT (QSC)

SUBJECT: SALE OF EXCHANGE SALE PROPERTY

It has been brought to the attention of the Office of Personal Property Management that some of the State Agencies are offering Fleet vehicles and other reimbursable items which they have acquired from the Federal government by fixed price or negotiated sale, to donees other than those which are not their State, territory, possession, political subdivision or tax-supported agency.

Fleet vehicles and other exchange sale/reimbursable items are offered to the States as "pre-sale" items by fixed price and negotiated sale as the Federal Management Regulation, Subchapter B, 102-39.40 suggests that *"an agency should arrange for a reimbursable transfer of exchange/sale property to a Federal agency or other eligible organization, or sell such property to a State Agency for Surplus Property to the maximum extent practicable..... When a SASP is known to have an interest in acquiring such property."*

Exchange Sale property is defined as property that is not excess or surplus, which Federal agencies have a continuing need for, but the current items are no longer adequately fulfilling the agency's requirements. Items that are obtained by the States on behalf of all eligible donees under the Federal Surplus Personal Property Donation Program must be surplus property not exchange/sale property.

The Federal Management Regulation 102.38-125 says we may offer property to any States, territories, possessions, political subdivision thereof, or tax-supported agencies therein prior to a public offering. These sales are to be conducted through a State Agency for Surplus Property (SASP).

U.S. General Services Administration
2200 Crystal Drive
Arlington, VA 20406-0003
www.gsa.gov