
 <p>HAWAII HEALTH SYSTEMS CORPORATION "Quality Healthcare For All"</p> <p>PROCEDURE</p>	Department: Corporate Finance	Policy No.: PUR 0027B
	Issued by: Joe Evanoff , HHSC Director Contracts	Revision No.: N/A
Subject: Fleet Vehicle Inventory and Disposal	Approved by:  By: Alice Hall Acting President & CEO	Effective Date: October 30, 2014
		Supersedes Policy: NA
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Last Review: August 18, 2014; Next Review: August 18, 2017

I. PURPOSE:

To set forth principles of accountability regarding management of Active Fleet Vehicles, including disposition of vehicular assets, as a matter of good business practice.

II. DEFINITIONS:

Facility Administrator: Hospital administrator, regional CFO, or corporate officer, or their designee, as applicable

III. PROCEDURE:

A. Inventory:

HHSC-owned vehicles shall be inventoried on an annual basis as more fully outlined herein. This inventory is the responsibility of the Regional CEO/Facility Administrator and shall be conducted under his/her auspices. The Regional CEO/Facility Administrator may designate, in writing, a specific individual or position to be personally responsible for the vehicle within the Region/facility. The written designation shall be transmitted to the Director of Contract and Materials Management and General Counsel. The designation of a responsible individual or position does not relieve the Regional CEO/Facility Administrator of overall accountability and responsibility.

The designated individual, referred to as the Department Manager, shall maintain a copy of the master inventory listing and establish, maintain, and enforce written internal control procedures conforming to HHSC policies and procedures. Written procedures shall ensure that all employees are made aware regarding proper handling of HHSC property. The designated Department Manager or his/her designee will implement the written procedure, which will include the following:

1. Assignment of responsibility, which includes providing name and position of personnel (usually the department head) responsible for Vehicles at each location.
2. Recordkeeping of Vehicles, which includes accounting for new purchase property, conducting the annual physical inventory, updating the master inventory listing, maintaining an accurate audit trail, and conducting internal audits.

3. The designated Department Manager will also assure proper usage of Vehicles, safekeeping of Vehicles, safeguards for Vehicles, and care and maintenance of Vehicles.
4. Each HHSC facility shall establish, manage, and maintain a centralized Vehicle inventory record file for all vehicles. The file shall consist of the following information for each vehicle:
 - a. Facility responsible and individual responsible;
 - b. Physical location of vehicle;
 - c. Type of vehicle;
 - d. Description of vehicle (includes year, make, model, license Plate number, and DAGS vehicle code);
 - e. Date of acquisition;
 - f. Acquisition cost of vehicle (includes new, donated, purchased from DAGS Surplus, and transferred); and
 - g. Vehicle Identification Number (VIN #).
5. Annual Risk Management Self-Insurance Update:
 - a. Each HHSC facility shall conduct an annual physical inventory of its Vehicles and reconcile with Master List from Corporate Contracting. The annual inventory shall be conducted by June 10th and reported to the HHSC Corporate Director of Contracts and Materials Management or his/her Designee. The current vehicle inventory report needs to be submitted to DAGS by August 10th of each year to ensure coverage under the Automobile Self-insurance Program.
 - b. Whenever there is a change of designated Department Manager, or upon closure of an HHSC facility or vehicle location, each facility shall conduct an additional inventory at the direction of the Regional CEO/Facility Administrator or his/her designee.
 - c. Inventories shall include Vehicles set forth under section 4, a-g.
 - d. DAGS will send the HHSC fleet Automobile Self-Insurance Program invoices to HHSC's Director of Risk Management . The Corporate Contracts Fleet Manager will confirm with each region's Department Manager that their fleet inventory comprehensive/collision bills are accurate, making corrections as needed. Thereafter, the Department Manager will send the approved bills to Corporate fiscal staff for processing. Assuming sufficient funds, corporate fiscal staff will transmit payment to DAGS on behalf of the regions and then bill them accordingly. Payment is due to DAGS by January 13th of each year.

B. Purchase of New Vehicles:

Purchase of Vehicles, including new and previously owned vehicles from DAGS, must follow purchasing procedures consistent with good government procurement practices. Whenever a vehicle is purchased by HHSC, responsible staff shall comply with the following:

1. A Certificate of Self-Insurance should be requested immediately upon purchasing a vehicle by contacting HHSC Corporate Director of Contracts and Materials

Management or designee and providing vehicle information including Make, Model, Year, VIN No., and how purchased (Leased, financed, donation, cash). The Certificate is to be secured in the glove box of the vehicle along with original registration.

2. A request for State license plates must be sent to HHSC Corporate Director of Contracts and Materials Management or Department Manager along with bill of sale, current safety check, Title or Certificate of origin, and a \$6.00 check made out to City and County of Honolulu.
3. Titles to all HHSC vehicles will be under the custodial care of HHSC at the Corporate Office and titled "State of Hawaii, Hawaii Health Systems Corporation."
4. HHSC Corporate Director of Contracts and Materials Management or his/her Department Manager or delegates will submit letter requesting state license plates on behalf of the Corporate Office and the regional facilities to the Department of Motor Vehicles for all HHSC vehicles requesting new license plates, or replacements for lost, stolen, damaged plates.
5. DAPS Transfer Vehicles. Once the region informs Department Manager of purchase from DAPS surplus and all paperwork is received from DAPS, Department Manager must retrieve vehicle(s) from DAPS surplus lot and obtain a safety check. Regions shall send a blank check to Department Manager for the cost of safety check(s) for each vehicle to be transferred. As of 2014, the statutory amount for each safety check is \$20.09. After safety checks are obtained, Department Manager will obtain Registration at City and County DMV. Regions are responsible for shipping vehicles from Honolulu to their region once the paperwork for the transfer is completed by Department Manager. Each region shall be responsible for paying for Department Manager's time for completing a transfer from DAPS surplus vehicles program
6. Once all paperwork is completed, Department Manager shall notify DAPS Risk Management for Insurance and Inventory department of the added fleet vehicle to HHSC's inventory list so it can be covered by Self-Insurance program. Department Manager must always request both comprehensive and collision insurance for fleet vehicles. Fire insurance is provided with the comprehensive insurance.

C. Disposal:

No HHSC Vehicles shall be sold, traded, destroyed, or otherwise disposed of except in accordance with the following rules:

1. No HHSC Vehicle may be given or loaned to an individual or non-governmental organization; however, HHSC may furnish State vehicles to a private contractor or individual to facilitate the performance of a HHSC related service. Note that in this circumstance, HHSC and DAPS vehicle insurance will not apply.
2. Approval for the disposal of vehicles shall be obtained from the Facility Administrator.
3. Each facility shall be responsible for maintaining adequate records to account for disposal.
4. Whenever a Department Manager desires to dispose of a Vehicle from inventory, the Manager must submit a written disposal application to the Facility Administrator (see attached forms).
5. Surplus Vehicles shall be disposed of using one of the following methods:

- a. Disposal by trade-in to a vendor for credit on an acquisition. Prior written approval from the Facility Administrator is required before a Vehicle can be disposed of by trade-in to a vendor for credit on an acquisition. The approval must be based upon a determination of urgency and trade-in value.
- b. Facility transfer or interdepartmental transfers of vehicles.
- c. Disposal by sale of vehicle through competitive sealed bids.
- d. Sale to dealers for recycling, salvaging, or scrap.
- e. Sale to an employee, provided that no employee in HHSC be given any unfair advantage over another employee.
- f. Other disposition methods, including but not limited to phone appraisal or barter, if disposing facility makes a determination that it would be advantageous to the HHSC and receives written approval by the Facility Administrator.
- g. Donation to a non-profit tax-exempt charitable activity as defined in Hawaii Administrative Rules 3-130-10(a)(2)(G). Requires written justification by the Facility Administrator that the donation is advantageous to HHSC; Regional CEO must approve in writing. If appropriate, State Ethics Commission approval shall be sought and documented.

D. Step One: Application:

The disposal application shall be submitted by the Department Manager to the Facility Administrator (or, for the corporate office, the corporate CFO designee). The custodian shall propose the method of disposals that have been previously addressed.

Lost, stolen, or damaged Vehicles shall not be reported on the same disposal application with other Vehicles to be disposed of by choice, but shall be reported separately. A number of Vehicles may be listed on the same application provided the circumstances surrounding the loss, theft, or damage are the same (see Report of Lost, Stolen, or Damaged Vehicles attached).

E. Step Two: Facility Administrator Evaluation:

Upon receipt of the application, the Facility Administrator shall evaluate the request and:

1. Ask for additional information;
2. Grant or deny the application; and/or
3. Direct disposition in another manner than requested on the application.

F. Step Three: Distribution:

After being signed by the Facility Administrator, all applications, except for lost, stolen, or damaged Vehicles, will be handled as follows:

The Facility Administrator or his/her designee will assign a vehicle disposal application number, and retain the original and distribute one copy of the approved vehicle disposal application to the Department Manager. A disposal log with copies of all disposal documentation will be maintained at the facility.

G. Step Four: Disposal:

Once approval is granted and a signed copy of the application is returned to the custodian, disposal is authorized at the facility. It also may be taken to an incinerator or landfill. The following steps will be adhered to:

1. Vehicle is inoperable and/or economically infeasible to repair. Remove or obliterate State of Hawaii License Plates and State of Hawaii Seal or HHSC Decals;
2. Destroy in such a manner that will prevent reuse; and
3. Property Manager will complete and return the Certificate of Disposal to the Facility Administrator or his/her designee for their records. These will be retained for audit purposes.

IV. APPLICABILITY: All HHSC facilities and corporate office.

V. AUTHORITY: Hawaii Revised Statutes Chapter 323F and Section 103D-1202; Hawaii Administrative Rules Chapter 3-130 (Inventory Management).

VI. REFERENCES: Policy PUR0009 (Corporate Office Material and Equipment Inventory and Disposal), Policy CMP0013 (Use of State Resources in Support of Community Charities; Donations Prohibited), Policy ADM0006 (Use of HHSC/State Vehicles).

HAWAII HEALTH SYSTEMS CORPORATION

FLEET VEHICLE Disposal Application Number: _____

Date: _____

FLEET VEHICLE Disposal Application

Fleet Vehicle Application is hereby made for the disposal of HHSC Fleet Vehicle under my custody and control. Pursuant to Hawaii Health Systems Corporation policies and procedures, I do solemnly swear and affirm the accuracy of this application.

Department Manager's
Signature: _____

Department Manager's
Name: _____

Official Position/Facility: _____

Phone Number/Fax: _____

1. Fleet Vehicle Information (as shown in the current inventory printout):

2. Present Condition and Estimated Value:

3. Reason for Requesting Deletion or Disposal of Fleet Vehicle:

4. Proposed Method of Disposal with Detail (policies and procedures). Detailed information required on this application varies with method of disposal selected.

Facility Administrator: _____
(Print: _____) Date

Regional CFO: _____
(Print: _____) Date

HAWAII HEALTH SYSTEMS CORPORATION

Date: _____

Fleet Vehicle Report of Lost, Stolen, or Damaged Vehicle

Application is hereby made for the disposal of HHSC Fleet Vehicle under my custody and control. Pursuant to HHSC policies and procedures, I do solemnly swear and affirm the accuracy of this application.

Department Manager's
Signature: _____

Department Manager's
Name: _____

Official Position/Facility: _____

Phone Number/Fax: _____

1. Fleet Vehicle Information (as shown in the current inventory printout):
2. Present Condition and Estimated Value:
3. Reasons for Requesting Deletion or Disposal of Fleet Vehicle:
4. Date and Explanation of Circumstances of Loss, Theft, or Damage:
5. Applicant's Conclusion or Opinion as to the Cause of the Loss, Theft, or Damage:
6. Description of Internal Control Procedures and Security Measures in Effect at the Time and Recommendation of Additional Effective Measures and Procedures:
7. State Whether Police or Attorney General's Office was notified, and if so, attach any supporting documents:

Facility Administrator: _____
(Print: _____) Date _____

Regional CFO: _____
(Print: _____) Date _____

PUR Form 027b DRAFT

HAWAII HEALTH SYSTEMS CORPORATION

Date: _____

Fleet Vehicle Certificate of Disposal

This is to certify the disposal of HHSC Fleet Vehicle under my custody and control. Pursuant to Hawaii Health Systems Corporation policies and procedures, I do solemnly swear and affirm the accuracy of this certification.

Department Manager's
Signature: _____

Department Manager's
Name: _____

Official Position/Facility: _____

Phone Number/Fax: _____

- 1.
2. Fleet Vehicle Disposal Application No.:

3. Method/Location of Disposal:

4. Time and Date of Disposal:

Facility Administrator: _____
(Print: _____) Date

Regional CFO: _____
(Print: _____) Date

Send original to the Facility Administrator; retain one copy for your records.

PUR Form 027c DRAFT