



May 1, 2018

MEMORANDUM FOR DIRECTORS, GSA PERSONAL PROPERTY MANAGEMENT ZONES  
DIRECTORS, STATE AGENCIES FOR SURPLUS PROPERTY

FROM: SUSANNE COMBS  
DIRECTOR, OFFICE OF PERSONAL PROPERTY MANAGEMENT

SUBJECT: Clarification of Negotiated Sale at Fixed Price of Federal Personal  
Property to State Agencies

The purpose of this memorandum is to clarify the rules pertaining to the sale of Federal property via negotiated sale at fixed price and the role of State Agencies for Surplus Property (SASPs) in such sales as authorized by 40 U.S.C. 545(d).

This memorandum supersedes the following memoranda:

- *Subject: Fixed Price Sales to State and Local Governments*, dated May 6, 2011
- *Subject: Clarification of Fixed Price Sales to State Agencies*, dated October 2, 2017

**What is a negotiated sale at fixed price to/through a SASP prior to competitive sale?**

Negotiated sale at fixed price is when GSA sells Federal surplus or exchange/sale property prior to a public competitive sale to/through a SASP.

**How is this type of negotiated sale at fixed price executed?** This type of negotiated sale at fixed price can be executed in one of two ways:

- GSA can complete the sale directly to a SASP, either for use by the SASP, or for further distribution within the state; or
- GSA can complete the sale with an entity when the SASP provides positive confirmation to the GSA Sales Center that the buyer is an eligible entity within the SASP's jurisdiction. Per Federal Management Regulation (FMR) §102-38.125, an eligible entity is defined as "States, territories, possessions, political subdivisions thereof, or tax-supported agencies therein, which have expressed an interest in obtaining the property."
- The process to initiate this type of negotiated price at fixed sale for exchange/sale Federal Property can be found in Attachment 1.

**Who are eligible entities for this type of negotiated sale at fixed price?** A State, territory, or possession of the United States, or a political subdivision of, or a tax-supported agency in, a State, territory, or possession (40 U.S.C. § 545(b)(8)).

**What is meant by a tax-supported?** To meet the qualifications of tax-supported, such agency, organization, or institution must be supported in whole or in part with public funds. Public funds are such funds as may have been appropriated by the State, county, or local government in support of the function performed. An organization solely supported by a one-time grant or gift would not fall within the definition of tax-supported.

**How does the SASP communicate eligibility to GSA?** SASPs must inform GSA in writing that the entity interested in purchasing is eligible as required in the FMR. Without the SASPs confirmation of eligibility, GSA will not conduct the negotiated sale at fixed price with the entity.

**Why does GSA conduct this type of negotiated sales at fixed price?** GSA is authorized by statute to forego competitive sale to the public and make a negotiated sale at fixed price either directly to or through a SASP<sup>1</sup>. GSA does this to provide SASPs and eligible entities an opportunity to purchase Federal exchange/sale property prior to offering for public competitive sale.

**Can a SASP charge a fee for making negotiated sales at fixed price eligibility determinations?** The decision rests with each State to interpret its own State law when determining if such service charges are allowed.

For additional information on this topic, please contact Mike Wyckoff, Sales Director, at 703-605-5748.

## 2 Attachments

- GSA's Process to Initiated Negotiated Sale at Fixed Price for Exchange/Sale Federal Property
- Regulations Pertaining to Negotiated Sale at Fixed Price

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<sup>1</sup> "However, the sale must be publicized to an extent consistent with the value and nature of the property involved and the price established must reflect the estimated fair market value of the property." 40 U.S.C. §545(d)(1)

**GSA's Process to Initiate Negotiated Sale at Fixed Price  
for  
Exchange/Sale Federal Property**

This process does NOT include GSA Fleet Vehicle Sales

Exchange/sale items are featured in GSAXcess for 2 days:

- A. As soon as the SASP or public agency donee is aware of an interest in an item at a negotiated sale at fixed price sale, immediately inform the GSA Zone primary point of contact (POC) listed in the table below that corresponds to the location of the property.
- B. The GSA POC can stop the item from moving on to a public sale based on a negotiated sale at fixed price request.
- C. If you do not get a response from the GSA primary POC below within 2 business days, then contact the secondary POC. If neither the primary or secondary POCs are available, the SASP should contact the GSA Zonal U&D Branch Chief or Area Property Officer to request assistance.
- D. SASPs must inform GSA in writing that the entity interested in purchasing is eligible as required in the FMR. Without the SASPs confirmation of eligibility, GSA will not conduct the negotiated sale at fixed price with the entity.

**Example of How Process Works:**

- A. City of Macon, GA is looking for a truck in good condition. While looking in GSAXcess®, they see a 2012 Chevrolet pickup truck listed as exchange/sale. The truck is physically located in New Orleans, LA.
- B. Macon contacts the Georgia SASP to let them know they are interested in buying this truck.
- C. The Georgia SASP immediately looks at the point of contact chart below to see who handles property in LA. The GSA POC is Mark Maxwell.
- D. The SASP reaches out to Mark Maxwell to let him know they have a donee interested in a negotiated sale at fixed price.
- E. If the SASP does not get a response from Mark within 2 days, they should contact the secondary POC. If neither the primary or secondary POCs are available, the SASP should contact the GSA Zonal U&D Branch Chief or Area Property Officer to request assistance.

**GSA POC LIST FOR NEGOTIATED SALES AT FIXED PRICE**

<b>ZONE</b>	<b>POCS</b>	<b>TELEPHONE #</b>	<b>EMAIL</b>	<b>STATES COVERED</b>
<b>Mid-Atlantic</b>				
(Primary)	Karen Craig	215-446-5071	karen.craig@gsa.gov	CT DE MA MD ME NH NJ NY PA RI VT WV VA PR VI
(Secondary)	George Elefante	215-446-5072	george.elefante@gsa.gov	
<b>National Capital</b>				
(Primary)	Corlette Bumbrey	703-605-9319	corlette.bumbrey@gsa.gov	DC, Metro MD, Metro VA
(Secondary)	Antonio Williams	703-605-9340	antonio.williams@gsa.gov	
<b>Southeast-Great Lakes</b>				
(Primary)	Antino Harmon	404-215-8693	antino.harmon@gsa.gov	AL FL GA IL IN KY MI MN MS NC OH SC TN WI
(Secondary)	Tonya Dillard	404-331-0535	tonyar.dillard@gsa.gov	
<b>Southwest-Central</b>				
(Primary)	Mark Maxwell	817-850-8154	mark.maxwell@gsa.gov	AR, IA, KS, LA, MO, NE, NM, OK, TX
(Secondary)	Greg Schwartz	303-236-7704	gregory.schwartz@gsa.gov	
(Primary)	Greg Schwartz	303-236-7704	gregory.schwartz@gsa.gov	CO, MT, ND, SD, UT, WY
(Secondary)	Mark Maxwell	817-850-8154	mark.maxwell@gsa.gov	
<b>Pacific Rim</b>				
(Primary)	Sindi Nishimura	415-522-3032	sindi.nishimura@gsa.gov	AK AZ CA HI ID NV OR WA AS CM GU NMI
(Secondary)	Bonnie Powell	253-931-7569	bonnie.powell@gsa.gov	

**Regulations Pertaining to Negotiated Sales at Fixed Price**

**(1) Title 40 United States Code (U.S.C). § 545(d)**

GSA is authorized by statute to forego competitive sale to the public and make a negotiated sale at fixed price through a State Agency for Surplus Property (SASP) to a “State, territory, or possession of the United States, or to a political subdivision of, or a tax-supported agency in, a State, territory, or possession.” 40 U.S.C. § 545 (b)(8). This authority is implemented in the Federal Management Regulation (FMR), codified in Title 41 of the Code of Federal Regulations.

**(2) Title 41 of the Code of Federal Regulations (C.F.R.):**

**(a) §102-38.125 May we sell personal property at fixed prices to State agencies?**

Yes, before offering to the public, you may offer the property at fixed prices (through the State Agencies for Surplus Property) to any States, territories, possessions, political subdivisions thereof, or tax-supported agencies therein, which have expressed an interest in obtaining the property. For additional information, see subpart G of this part.

**(b) §102-38.340 How may we sell personal property to State and local governments?**

You may sell Government personal property to State and local governments through—

- (a) Competitive sale to the public;
- (b) Negotiated sale, through the appropriate State Agency for Surplus Property (SASP); or
- (c) Negotiated sale at fixed price (fixed price sale), through the appropriate SASP. (This method of sale can be used prior to a competitive sale to the public, if desired.)

**(c) §102-39.55 When should I offer property I am exchanging or selling under the exchange/sale authority to other Federal agencies or State Agencies for Surplus Property (SASP)?**

If you have property to replace which is eligible for exchange/sale, you should first, to the maximum extent practicable, solicit:

[...]

(b) State Agencies for Surplus Property (SASPs) known to have an interest in acquiring such property. If a SASP is interested in acquiring the property, you should consider selling it to the SASP by negotiated sale at fixed price under the conditions specified at §102-38.125 of this title. The sales proceeds must be applied in whole or part payment for property acquired to replace the transferred property.