

**WASHINGTON HEADQUARTERS SERVICES
ACQUISITION AND PROCUREMENT OFFICE
OSD/WHS PURCHASE CARD PROGRAM
PURCHASE CARD ALERT NUMBER 60**

(Issue date: 19 June 2009)

SUSPENSE: 26 JUNE 2009

APPROVING OFFICIALS



CARDHOLDERS



**SUBJECT: TRANSITION TO PURCHASE CARD ONLINE SYSTEM
(PCOLS) – PHASE I - HIERARCHY UPDATE**

The purpose of this Purchase Card Alert is to provide an opportunity for organizations to review their purchase card hierarchy and realign/consolidate purchase card roles in preparation for the implementation of PCOLS.

PCOLS is a DoD-wide, DoD-operated electronic system designed to improve government purchase card program management and accountability, in part by requiring more direct involvement of the approving officials' supervisor of record. Presently, the accountability for appropriate purchase card use extends only to cardholders and approving officials.

The Director of Defense Procurement has mandated all DoD purchase card programs implement PCOLS by not later than January 4, 2010 (see Attachment 1, DPAP memo).

It is recognized that, if left unchanged, direct involvement of approving officials' supervisors under the current p-card structure will, in some instances, require the participation of individuals at senior levels who had no former involvement in p-card operations. Although participation will be minimal, the approving official's supervisor (this must be of record) will be required to complete PCOLS training, nominate approving officials, approve cardholder appointments, and answer system inquiries in the absence of the approving official.

Each approving official is requested to coordinate with his/her supervisor of record and reply via e-mail to janette.ray@whs.mil or Claudia.colvin@whs.mil in the Purchase Card Program Office. If hierarchy role changes are desired, please include the proposed changes in the e-mail. If the structure is to remain "as is", please send an e-mail stating that as well.

The Purchase Card Program Office A/OPC's are available to discuss existing program role structure and proposed changes. Your response is requested as soon as possible, but not later than 26 June 2009. Attachment 2 depicts the proposed timeline for final PCOLS implementation.

We hope you will continue to tell us when we are doing a good job of satisfying your needs as well as when we need to improve our efforts. You may submit your comments through the ICE Program at [ICE Purchase Card Program](#) or send them to the Agency Program Coordinators at purchasocard@bfd.whs.mil or directly to the Program Manager at Claudia.colvin@whs.mil.



ACQUISITION
TECHNOLOGY
AND LOGISTICS

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NOV 19 2008

MEMORANDUM FOR COMPONENT PROCUREMENT EXECUTIVES AND
FINANCIAL MANAGEMENT OFFICERS

SUBJECT: DEPARTMENT OF DEFENSE (DOD) DEPLOYMENT OF PURCHASE
CARD ON-LINE SYSTEM (PCOLS) CAPABILITY

On April 8, 2008, the Government Accountability Office (GAO) issued a report on internal management control weaknesses in the GSA charge card program citing numerous instances of fraudulent, improper, and/or abusive charge card activity. DoD's purchase card program continues to be a high risk environment, witnessed by the 600 plus audits conducted over the past 10 years. Since 2002, the DoD has implemented a variety of measures to buttress the purchase card internal management control environment. Improvements have yet to address all of the existing portfolio of controls; specifically the ability to control cards upon personnel departure and to employ a data mining capability.

The Purchase Card On-Line System (PCOLS), a web-based system capability developed by the Defense Manpower Data Center (DMDC) is designed to address these deficiencies. PCOLS is a suite of automated capabilities that include the Authorization, Issuance, and Maintenance (AIM) system and a Data Mining (DM) third-party service.

- AIM, a workflow tool, complements the data mining capability; taken together they will identify questionable purchase card transactions for managerial review, enabling the Department to systemically screen every purchase made with the card.
- Data mining algorithms will be used to identify purchases that have the greatest likelihood of being fraudulent, improper or abusive allowing cognizant program officials to focus their attention on what is expected to be a relatively small population of suspect transactions.
- A Risk Assessment application (part of the DM capability) will allow both auditors and commanders in the field to assess the relative "health" of local card programs; thereby, targeting problem programs for remediation and sparing compliant programs from unnecessary levels of review.

On March 29, 2008, AIM version 1.2 was deployed by the DMDC. This version provides program officials with the ability to issue purchase cards and to perform maintenance through AIM and provides the functionality needed to accelerate DoD deployment of AIM. By January 4, 2010, no cards will be issued unless through the



ATTACHMENT #1

PCOLS capability. For components, under the cognizance of the Director of National Intelligence (DNI), the targeted deployment date is not later than January 3, 2011.

All Component Procurement Executives are directed to develop a plan and schedule to implement this capability in accordance with the phased deployment strategy (see attachment 1). This plan should be submitted to the Director, Program Development and Implementation, Defense Procurement, Acquisition Policy, and Strategic Sourcing (DPAP), by January 9, 2009. Components that have already submitted deployment plans have fulfilled this requirement. Pilot deployments for each of the planned components will test verify and validate PCOLS integration capability. The DoD-wide Data Mining and Risk Assessment capability will commence initial deployment during the 2nd Quarter of FY 2009 at Defense Contract Management Agency (DCMA), Defense Logistics Agency (DLA), Washington Headquarters Services (WHS) and one Air Force location. Attachment two provides information on available training. The roles and responsibilities of all cognizant officials who will use AIM are provided in attachment three.

Points of contact for DoD are: Dennis Idol, purchase card policy, 703-325-9516 or dennis.idol@us.army.mil; Dave Armstrong, ebusiness help desk, 717-303-2832 or alden.d.armstrong@saic.com; and Darroll Love, DMDC, 831-583-2500 or darroll.love@osd.pentagon.mil.



Shay D. Assad
Director, Defense Procurement,
Acquisition Policy, and
Strategic Sourcing

Attachments:
As stated

PCOLS IMPLEMENTATION TIMELINE

NOTE: THESE DATES ARE ESTIMATES BASED ON CURRENTLY AVAILABLE INFORMATION. IF CHANGES TO THIS TIMELINE ARE REQUIRED, THEY WILL BE BROADCAST VIA PURCHASE CARD ALERT.

PHASE #	DATES	ACTION
I	JUNE 19 – 26, 2009	<p>Approving officials coordinate with their supervisor of record and forward a response containing one of the following:</p> <ul style="list-style-type: none"> i) The proposed updated purchase card program heiararchy for PCOLS implementation, or ii) A statement that the hierarchy will remain unchanged for PCOLS implementation. <p>SUSPENSE: 26 JUNE 2009</p>
II	JUNE 29 – 3 AUG 2009	Purchase Card Program Office works with approving officials to implement new account structure, receive application forms for new accountholders, train new accountholders, build accounts in the US Bank Access Online System and issue purchase cards.
III	July 1 – 31, 2009	All accountholders under OSD/WHS Purchase Card Program complete PCOLS Defense Acquisition University (DAU) on-line tutorial, slated to be launched early July 2009.
IV	JULY 1 – DECEMBER 31, 2009	Purchase Card Program Office and account holders work together to migrate each account to PCOLS after account holder completes PCOLS DAU tutorial.
V	JANUARY 10, 2010	Deadline for final PCOLS implementation

ATTACHMENT #2