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ACQUISITION
TECHNOLOGY
AND LOGISTICS

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

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

ATTACHMENT 1

Purchase Card On-Line Deployment Strategy
(PCOLS)

Ground Rules

1. Minimize impact on Access On-Line conversions and end of year processing while supporting the SmartPay2 ® transition.
2. Initiate deployment at a limited number of sites to resolve functional and interface problems. This process will also ensure training materials mature.

Phase 1 Deployment (through November 30, 2008)

- Pilot deployment for DLA, DCMA, WHS, DoDEA and selected Air Force locations.
- Identification of other component pilot/deployment sites
- Training of program officials during the deployment at these locations
- Pilot deployment for Navy sites.
- Development and submission of Army, Navy and Air Force deployment plans and schedule
- Take corrective action on any bugs and issues identified

Phase 2 Deployment (December 1, 2008 through January 30, 2009)

- Deploy remaining Defense Agencies
- January scheduled release of U. S. Bank mass conversion functionality
- Pilot deployment of Army and further deployment
- Initial deployment of data mining to 4 locations
- Deploy AF sites
- June scheduled release of Citibank mass conversion functionality
- Continue to take corrective action on any bugs and issues identified

Phase 3 Deployment (July 1, 2009 through January 4, 2010)

- Continue deployment to Air Force, Army and Navy
- Continue deployment of Data Mining
- Risk Assessment scorecard deployed
- Continue to take corrective action on any bugs and issues identified

ATTACHMENT 2

PCOLS Training Approach

To train all DoD Government Purchase Card (GPC) participants in PCOLS the 'train the trainer' approach will be employed; Agency/Organization Program Coordinators (A/OPC) and Resource Managers (RM) are optimally situated within their GPC organizations to act as PCOLS trainers within their own organizations. Training must ensure an understanding of the operational concepts and acquisition of necessary skill sets, and aid the A/OPC and RM in efficiently and effectively disseminating PCOLS training throughout their GPC organization incident to PCOLS implementation.

PCOLS is comprised of four information systems: Enterprise Monitoring and Management of Accounts (EMMA); Authorization, Issuance and Maintenance (AIM); Data Mining (DM); and Risk Assessment (RA). To begin deployment of PCOLS, GPC participants must understand how to operate within EMMA and AIM. Data Mining and Risk Assessment training will be provided at a later date.

PCOLS training is currently comprised of three modules as follows:

Module I – Basic information augmented with an Overview / Background video presentation. Background information is comprised of a PCOLS white paper, PCOLS roles/responsibilities with definitions and a PCOLS hierarchical chart.
Module II – Comprehensive presentation of EMMA / AIM operational concepts with detailed definition of work flow processes and directions for use in teaching GPC participants how to use and operate within EMMA/AIM.
Module III – Informational review using role-based Defense Acquisition University (DAU) continuous learning modules (CLM), static information sources such as FAQs and User Guides and access to real-time follow-on support via the eBusiness Policy Support Center (eBPSC). Collectively, these allow the A/OPC and RM to obtain tailored and detailed responses to questions and concerns.

These materials are located on the DAU website,
https://acc.dau.mil/CommunityBrowser.aspx?id=213561&lang=en-US.

Suggested training segment development process:
Step 1. A/OPC and RM complete PCOLS training Modules I – III.
Step 2. A/OPC and RM capture senior level hierarchical structure within their GPC programs. Use this information in a top-down information dissemination process regarding PCOLS.
Step 3. Familiarize key senior personnel within their GPC programs with PCOLS (implementation and training requirements). Use PCOLS Phase I material, as appropriate, to baseline PCOLS level of understanding.
Step 4. A/OPC and RM capture and define their GPC organization.
Step 5. Develop GPC organization PCOLS training plan incorporating Module I – III It is recommended that large organizations be broken out into manageable components containing all requisite PCOLS roles and establish plan with milestones, completion dates and a mechanism to track successful training completion to ensure operational capability upon PCOLS implementation.

By January 4, 2010, no cards will be issued unless through the PCOLS capability. For components, under the cognizance of DNI, the targeted deployment date is not later than January 3, 2011.

ATTACHMENT 3

User Roles, Business Rules and Responsibilities

Purchase Card Program Management Office Representative (PCPMO):

- Assigns Acquisition Executive Agent
- Assigns Component Resource Manager
- May allocate a surrogate to act in his or her stead

Acquisition Executive Agent (Level 2):

- Assigns HCA Agent
- May allocate a surrogate to act in his or her stead

HCA Agent (Level 3):

- Assigns either a High-Level Agency/Organization Program Coordinator or Agency/Organization Program Coordinator Supervisor
- May allocate a surrogate to act in his or her stead

High Level Agency/Organization Program Coordinator:

- Assigns Agency / Organization Program Coordinator Supervisor
- May allocate a surrogate to act in his or her stead

Agency/Organization Program Coordinator Supervisor:

- Assigns Agency/Organization Program Coordinator
- May allocate a surrogate to act in his or her stead

Agency/Organization Program Coordinator (A/OPC):

- Assigns Approving / Billing Official Supervisor
- May allocate a surrogate to act in his or her stead
- Must approve all account requests prior to bank submittal

Approving / Billing Official Supervisor (A/BO Supervisor):

- Assigns Approving / Billing Official Pool Members
- Initiates new Managing Account requests
- Approves the Resource Manager nomination made by the Approving / Billing Official
- May approve Cardholder requests if the primary Approving / Billing Official is the same person as the Cardholder supervisor

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User Roles, Business Rules and Responsibilities

Approving / Billing Official Pool Member (A/BO Pool Member):

- Assigns Cardholder Supervisor
- Accepts nomination for Managing Accounts
- Primary Approving / Billing Official Nominates Resource Manager for Managing Accounts
- Enters in data for new Managing Account requests
- Initiates new Cardholder Account requests

Cardholder Supervisor:

- Approves Cardholder Account request if not acting as the primary Approving / Billing Official pool member

Cardholder (CH):

- Accepts nomination for Cardholder Account(s)

Component Resource Manager:

- Assigns Major Resource Manager
- May allocate a surrogate to act in his or her stead

Major Resource Manager:

- Assigns either a Intermediate Resource Manager or Resource Manager Supervisor
- May allocate a surrogate to act in his or her stead

Intermediate Resource Manager (Intermediate RM):

- Assigns Resource Manager Supervisor
- May allocate a surrogate to act in his or her stead

Resource Manager Supervisor:

- Assigns Installation Resource Manager
- May allocate a surrogate to act in his or her stead

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User Roles, Business Rules and Responsibilities

Installation Resource Manager (RM):

- Assigns Resource Manager Pool Members
- May allocate a surrogate to act in his or her stead
- Accepts nomination for Managing Accounts
- Allocates Lines of Accounting and ensures adequate funding

Resource Manager Pool Member (RM Pool Member):

- Accepts nomination for Managing Accounts
- Allocates Lines of Accounting and ensures adequate funding