



UNDER SECRETARY OF DEFENSE
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WASHINGTON DC 20301-1100

MAY -5 1997



COMPTROLLER

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
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DIRECTORS OF THE DOD FIELD ACTIVITIES
DIRECTOR, DEFENSE MANPOWER DATA CENTER

SUBJECT: Purchase Card Reengineering Implementation Memorandum #4: Use of
International Merchant Purchase Authorization Card for Transactions with the
Defense Automated Printing Service

The Defense Automated Printing Service (DAPS) has experienced delays in the past with billings and collections from customers for its printing services. In order to resolve these delays, the DAPS, in August 1996, started accepting the International Merchant Purchase Authorization Card (IMPAC) from its DoD customers in payment for goods and services.

The IMPAC program uses established commercial credit card practices and has proven to benefit both DAPS and its customers. There are no card fees or administrative costs and it saves on every purchase. Use of the IMPAC makes it easier to monitor your organization's procurement activities. The IMPAC also allows your managers to have more fiscal and operational control over their organizations. Productivity can be improved because the wait for services is a matter of hours, not days. And your DFAS bill will be reduced as you increase the use of the IMPAC.

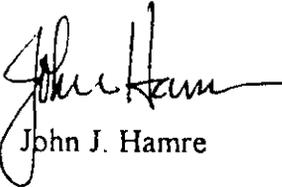
The Army was recently recognized by the GSA as the largest user of the IMPAC within the Federal Government. More than 36,000 purchase cards were issued by the Army in fiscal year 1996. Those cardholders have made approximately 1.6 million purchases valued in excess of \$740 million. In addition, the Army Audit Agency found that when compared to using purchase orders, the purchase card provided a savings of \$92 per transaction; this kind of savings will be passed on by DFAS through the billing rate structure. The IMPAC is now considered by the Army organizations as the preferred method of obtaining goods and services valued at or less than \$2500. They now order and receive goods and services within days rather than waiting weeks for them.



Effective July 1, 1997, all orders for printing services placed by customers of the DAPS within the Continental United States (CONUS) and Hawaii are to be acquired using the IMPAC. This mandate is in conjunction with the Under Secretary of Defense (Acquisition and Technology) memorandum of March 20, 1997, "Micro-purchases," which states that effective October 1, 1997, no contracts or purchase orders for micro-purchases at or below the threshold will be awarded and that the Government-wide commercial purchase card will be the preferred method for these types of purchases.

Please advise your organizations of this mandate to use the IMPAC for purchases from DAPS and emphasize the importance of this tool in streamlining the Department's financial management processes. The use of the IMPAC is an important step in improving the business processes in the DAPS and in its customers' organizations.

The DAPS-HQ point of contact is Mr. Richard DeNeane, (703) 767-4269 or DSN 427-4269. Customers also may call the DAPS Customer Service Line at 800-594-3349 or the local DAPS offices. Accounting inquiries may be directed to Mr. Ron Bishop, DFAS-HQ/A at (703) 607-0741 or DSN 327-0741.



John J. Hamre