



ACQUISITION,
TECHNOLOGY
AND LOGISTICS

OFFICE OF THE UNDER SECRETARY OF DEFENSE

3000 DEFENSE PENTAGON
WASHINGTON, DC 20301-3000

June 5, 2003

MEMORANDUM FOR DIRECTORS OF DEFENSE AGENCIES
DEPUTY ASSISTANT SECRETARY OF THE ARMY
(POLICY AND PROCUREMENT), ASA(ALT)
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE
(CONTRACTING), SAF/AQC
DEPUTY ASSISTANT SECRETARY OF THE NAVY
(ACQUISITION MANAGEMENT), ASN(RDA)
EXECUTIVE DIRECTOR, ACQUISITION, TECHNOLOGY,
AND SUPPLY DIRECTORATE, DLA

SUBJECT: Optimizing Component Purchase Card Purchasing Power

Management Initiative Decision (MID) 904 Recommendation PC-13 requires all Components to review FY 2002 purchase card transaction files and stratify the volume of purchases by vendors. This intelligence would be used to determine if any Component-wide contracts should be established to optimize purchasing power.

Each of the DoD Military Departments has initiated a strategic sourcing plan, contract or Blanket Purchase Agreement (BPA) to take advantage of purchase card demand (sales volume) data. For example, the Army awarded a BPA for Office Supplies last year to address longstanding concerns over cardholder compliance with mandatory sourcing requirements (JWOD and small business). Likewise, the Air Force entered into a BPA with a large provider of office supplies and anticipates others. The Navy expects to complete their volume analysis shortly and enter into similar arrangements based on the vendors and products identified.

Clearly, taking a DoD strategic approach to purchase card demand data is an integral part of our future card capability. Going forward, the Acquisition Governance Board (AGB) will oversee a coordinated effort by the Department to make more widespread use of strategic sourcing arrangements. This oversight will also attempt to balance the concerns of the small business community relative to this effort. I appreciate everyone's efforts in this regard and look forward to hearing your additional steps in this important area.

Questions regarding this memo should be directed to Mr. Dan Carro in the DoD Purchase Card Joint Program Management Office at 703-681-3417 or dan.carro@saalt.army.mil.

Deidre A. Lee
Director, Defense Procurement
and Acquisition Policy

