



ACQUISITION,
AND SUSTAINMENT

OFFICE OF THE UNDER SECRETARY OF DEFENSE

3000 DEFENSE PENTAGON
WASHINGTON, DC 20301-3000

OCT 11 2018

MEMORANDUM FOR COMMANDER, UNITED STATES SPECIAL OPERATIONS
COMMAND (ATTN: ACQUISITION EXECUTIVE)
COMMANDER, UNITED STATES TRANSPORTATION
COMMAND (ATTN: ACQUISITION EXECUTIVE)
COMMANDER, UNITED STATES CYBER
COMMAND (ATTN: ACQUISITION EXECUTIVE)
DEPUTY ASSISTANT SECRETARY OF THE ARMY
(PROCUREMENT)
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE
(CONTRACTING)
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS OF THE DOD FIELD ACTIVITIES

SUBJECT: Mandated Closure of Purchase Card on Line System Data Mining Open Cases - SP3
Transition Memorandum #2

Reference: (a) OUSD(A&S) DPC CeB memorandum, "Award of DoD SmartPay®3
Government Purchase Card Tailored Task Orders," August 27, 2018

To facilitate the orderly sunset of the subject process and comply with the requirements to close all Data Mining (DM) cases no later than 21 December 2018 as set forth in TAB B of Reference A, DPC/CeB conducted an analysis of open DM cases.

Due to the high number of open cases requiring adjudication, DPC/CeB has determined that a stratified sampling review of the DM Open Case Backlog will be required. DPC/CeB plans to release two iterations of a spreadsheet listing all open DM cases, for the past 18 months, valued at \$1,000.00 or greater, on approximately 15 October 2018 and 5 December 2018. These open cases must be adjudicated prior to 21 December 2018. Program officials shall continue to disposition all current cases in a timely manner.

The use of stratifying samples to conduct reviews is an accepted auditing standard. Furthermore, it will optimize use of the limited resources available to the purchase card community, focus on the highest dollar value transactions, and provide the department with the highest rate of return.

If you have any questions regarding this matter, my point of contact is Ms. Sheila McGlynn, A&S, 703-697-4402, sheila.a.mcglynn.civ@mail.mil.

LeAntha Sumpter,
Director, Contracting eBusiness
Defense Pricing and Contracting



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AUG 27 2018

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MEMORANDUM FOR COMMANDER, UNITED STATES SPECIAL OPERATIONS
COMMAND (ATTN: ACQUISITION EXECUTIVE)
COMMANDER, UNITED STATES TRANSPORTATION
COMMAND (ATTN: ACQUISITION EXECUTIVE)
DEPUTY ASSISTANT SECRETARY OF THE ARMY
(PROCUREMENT)
DEPUTY ASSISTANT SECRETARY OF THE NAVY
(ACQUISITION AND PROCUREMENT)
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE
(CONTRACTING)
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS OF THE DOD FIELD ACTIVITIES

SUBJECT: Award of DoD SmartPay®3 Government Purchase Card Tailored Task Orders

The Department of Defense (DoD) recently awarded two SmartPay®3 (SP®3) Tailored Task Orders (TTO) to U.S. Bank: the Department of the Army/Department of the Air Force/Defense Agencies and Activities TTO was awarded in June 2018, and the Department of the Navy TTO was awarded in July 2018. The terms of the subject TTOs and applicable GSA SP®3 Master Contract require that the transition from SP®2 to SP®3 include the closing of all SP®2 accounts, creation of new accounts, and issuance of new purchase cards to DoD.

Accordingly, new accounts and cards will be established for all purchase cardholders. Existing SP®2 accounts will expire at 11:59 pm Central Standard Time (CST) on 29 November 2018. Charges made prior to that time will be processed through the regular/billing/payment cycle of the old accounts. New SP®3 accounts will commence at midnight CST on November 30, 2018.

All components must be in a position to begin operations under SP®3 by this date. The attached provides specific guidance on how the department plans to achieve its goals for SP®2 closeout and a successful transition to SP®3.

If you have any questions regarding this matter, my point of contact is Mr. Dennis Idol, DPC/CeB, 703-697-4435, Dennis.W.Idol2.civ@mail.mil.

LeAntha Sumpter,
Director, Contracting eBusiness

Attachment:
As stated

To prepare for the closeout of SmartPay®2, the following steps should be taken:

1. **Delinquent Accounts.** All Components are directed to immediately start additional monitoring of delinquent accounts (any undisputed account that is unpaid for 61 or more days past the statement date). All current SP®2 accounts and the successor account(s) in SP®3 should have transaction authority of \$1 until bank confirmation that delinquency is resolved.

2. **Spending Limits and Reconciliation.** From 15 November on (earlier if possible):
 - a. Component A/OPCs should determine which cards should be reduced to a \$1 transaction limit. This action will greatly reduce risk from theft or loss of the card.
 - b. All SP®2 card transactions must be reconciled within the bank EAS or alternately approved system within one business day.

3. **Disputes.** Disputes may occur up to 90 days from transaction date. Cardholders, Approving Officials, and Certifying Offices are to dispute transactions as soon as possible to minimize risk in this area. No purchases should be allowed using a card issued under SP®2 if delivery/acceptance will occur after 7 December 2018. This action is necessary to provide time to dispute transactions before the calendar year-end.

4. **Data Mining.** The department plans to sunset the current data mining processes in the Purchase Card On Line System (PCOLS) and Program Audit Tool (PAT) with closure of SP®2 accounts. The planned timeline is below. The successor account(s) in SP®3 should have transaction authority of \$1 until the Agency/Organization Program Coordinator (A/OPC) validates that all referred transactions under SP®2 have been adjudicated within the timelines established below. The SP®3 data mining solution, Insights on Demand, will be provided by U.S. Bank.

Timeline to sunset current data mining applications:

Event	Days	Thur, Nov 29	thru	Mon, Dec 31
SmartPay®2 ends		Thur, Nov 29		
SmartPay®3 begins		Fri, Nov 30		
(SP®2 – PCOLS/PAT) Last transactions go through DM (email notifications sent)		Mon, Dec 03		
(SP®2 – PCOLS) A/BOs close all cases in DM	11 days	Tue, Dec 04	thru	Tue, Dec 18
(SP®2 – PCOLS) A/OPCs complete all independent reviews	3 days	Wed, Dec 19	thru	Fri, Dec 21
(SP®2 – PAT) A/BOs close all cases in DM	50 days	Tue, Dec 04	thru	Tue, Feb 19, 2019