

GSA PURCHASE CARD PROGRAM REQUIREMENTS

(OR - WHY IS THIS CHANGE NECESSARY?)

For the past ten years, we have been operating our Purchase Card program under the GSA contract vendor selected by DHHS, U.S. Bank. The last day of this ten-year GS contract is November 30, 2008. The five new GSA contracts are also for ten years. DHHS has selected a different bank awardee to manage the purchase card banking services for the agency. Therefore, there will be a complete close out of our current bank data and we will be transitioning to the new bank, J.P. Morgan Chase.

In addition, the new GSA Purchase Card system statement of work has been updated and will now be called SmartPay II (SP2). New Cards and new banking software and integration will be required to implement SP2. Our reconciliation program, ExpensePath, will not change.

New cards will be distributed the last week of November in preparation for their use beginning December 1, 2008.

The Transition Team is abiding by the GSA transition plan as established for the entire federal government and prime contractors. Adhering to this plan is intended to allow the smoothest transition with the least amount of frustration for everyone.

TRANSITION TIMEFRAME

DATE	TIME	DEADLINE
September 18, 2008	COB	CY 08 P-card orders placed and entered in ExpensePath
September 26, 2008	12:00 am	Resume P-card orders for CY09
October 20, 2008	COB	Current purchase cards suspended and returned
November 12, 2008	COB	Reconciliation to Card Approving Official
November 19, 2008	COB	Reconciliation to Accounting
November 24, 2008	COB	Current Fleet cards suspended and returned
November 28, 2008	COB	Last business day before GSA Bank Contract end
November 29, 2008	11:59 pm	U.S Bank contract expires and service ends
December 1, 2008	12:00 am	Cardholders begin using new purchase card

**CARDHOLDER AND CARD APPROVING OFFICIAL (CAO)
TRANSITION RESPONSIBILITIES**

The following actions are necessary to ensure the success of the transition by minimizing the number of issues or problems that could occur.

REQUIREMENT	RESPONSIBLE PERSON	ACTION
No trailing transactions	Cardholder	Ask if item backordered and don't place if it will exceed last current card posting date
	Cardholder	Cancel all recurring charges and reissue to new card
	Cardholder	Reconcile all U.S. Bank transactions promptly
Return U.S. Bank P-card	Cardholder	Cut up card and return to Purchasing
Receive new JPM Chase Card	Cardholder	Cardholder must pick up new activated card at distribution point and sign annual Terms and Conditions.
Handling disputes on U.S. Bank system	Cardholder	Contact Purchasing Department and work together to resolution
Handle any unforeseen issues	Cardholder	Contact Purchasing
Activate new Card	Cardholder	Call Bank to activate
Smooth transition	Cardholder	Adhere to requirements and coordinate with Purchasing and Accounting for unforeseen issues
	CAO	Ensure cardholders meet all their responsibilities

INTERIM PROCUREMENT PROCEDURES

To accommodate the procurement normally made with purchase cards during the downtime, the following steps must be addressed and followed in order of preference listed for proper accountability.

1. Place Blanket Orders whenever available
2. Set up as new Blanket Order user
3. Obtain items from another source allowing invoicing if possible
4. A cash box will be provided for Fleet fuel expenses
5. Submit a Purchase Requisition

Purchase Requests. The Purchasing Department will place orders according to best practices in relation to competition and throughput of requests. Please exhaust all program area ordering mechanism prior to utilizing Purchasing and Accounting ordering and payment mechanisms for those purchases normally placed by the program area staff prior to sending a PR. Program Areas should submit a PR when necessary, but doing so only when absolutely necessary will expedite the ordering process for the enduser. Purchasing remains committed to processing all requisitions with the most expediency possible given the requirements and workload.

Purchase Order with prepayment. Please refrain from submitting a Purchase Request for a credit card **ONLY** purchase since all purchase cards fall under DHHS IMPAC program. If absolutely necessary, a PR can and should be submitted to the Purchasing Department if no other mechanism is possible. A prepayment will be sent with a purchase order to the vendor if absolutely necessary.

NOTE: Do not place an order and submit under the Direct Pay process for payment.

TRANSITION PLAN

The migration from SP1 to SP2 coupled with a change in the Bank results in a complex transition with a myriad of steps. The following is an outline of the main categories of actions that must be accomplished in a short amount of time.

1. Establish a transition team from Purchasing, Accounting, DMS and FAS to coordinate all efforts.
2. Purchasing attend initial week-long GSA SmartPay II Conference and Training
3. Establishing a new Task Order with DHHS-awarded Bank
4. Developing a project plan and timelines based on GSA contract requirements
5. Working with SmartPay II Point of contact to coordinate transition
6. Developing and implementing a communication plan
7. Working with JP Morgan Chase point of contact to set up account, workflow and cardholder and CAO profiles.
8. Coordinating the integration of bank systems with existing infrastructure, such as reconciliation program.
9. Managing the logistics of deactivating the U.S. Bank system and cards
10. Developing, testing and commissioning the new JP Morgan Chase bank system and cards.
11. Provide information to Cardholders and CAOs.
12. Cleanse data (such as remove illegal characters or standardize data formats or delete invalid data) from current system for efficient transfer to new system.
13. Obtaining new cards for the endusers

How is SAIC-Frederick making this transition easier?

1. Providing the shortest downtime possible to accomplish all the transition steps
2. Obtaining cards for the cardholders and distributing prior to December 1st.
3. Providing information, communication and support during transition
4. Providing convenient locations for card return and pickup
5. Allowing PR processing for procurements normally reserved for purchase cards as cited in the FAR.

OVERVIEW OF SMARTPAY II SYSTEM

With a new bank, a different operating system will be put in place. The new JP Morgan Chase system will be used to issue cards, set up hierarchy, make changes to dollar threshold and merchant codes as well as process the transactions. These changes will be transparent to the cardholders and card approving officials since they utilize only the ExpensePath reconciliation program. All bank transactions must be mapped to our existing reconciliation program, which will continue as it currently does.

CURRENT U.S. BANK CARD COLLECTION SCHEDULE

All cards must be returned by the end of the collection schedule to the designated location between the hours of 8:00 am and 5:00 pm. For ease of return, please adhere to the following schedule organized by last name.

October 21	A – F
October 22	G – L
October 23	M – Q
October 24	R – Z

Contact Cindy Farling, ext. 5415, cfarling@nciferf.gov to coordinate an alternative time to this schedule.

DISTRIBUTION OF NEW J.P. MORGAN CHASE CARDS

New cards must be distributed to the cardholder and an annual agreement must be signed. Purchase Cards will be distributed in Building 549 on November 24, 25 and 26, 2008 from 1-3pm each day. After that, cards can be picked up in the Purchasing Department, Building 1050.