



Get Smart

The GSA SmartPay® Newsletter

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In this issue of *Get Smart*, we have added a new section entitled "Transition to GSA SmartPay® 2" (SP2). In this section, we provide valuable information that will help you prepare your agency/organization for the transition from the existing GSA SmartPay® contracts to the successor GSA SmartPay® 2 contracts.

The GSA SmartPay® Program Office is proud to announce that the SP2 Master Contracts were awarded on June 7, 2007. Four awardees were named: Citibank, GE Capital Financial, JPMorgan Chase, and U.S. Bancorp. Now that the acquisition is complete, the transition to SP2 is the next challenge. Agencies/organizations should already be planning and preparing for the transition – regardless of agency/organization size, complexity, or spend. All agencies/organizations will need to complete transition activities before November 2008. Many agencies/organizations will need the entire time between now and then to complete the transition. Keep in mind that every active charge card issued under GSA SmartPay® (purchase, travel, fleet, and integrated) will need to be replaced with a new, SP2 charge card. That's 3 million cards!

The GSA SmartPay® Program Office is here to support our customer agencies through the transition. We want to help make the transition as smooth as possible. Our approach to supporting you consists of three components. First, we will provide you with tools and information about the transition to SP2 through monthly A/OPC

meetings and training sessions such as Transition Boot Camp. These sessions are intended to be educational and directly relevant for those of you coordinating transition activities. Second, we reinforce this training by providing you with transition tools on our website (www.gsa.gov/gsmartpay), and frequent communications to keep you up to date on transition news. Finally, to be sure we are providing the types and level of support that you need, we want to obtain your feedback through your assigned GSA SmartPay® Point of Contact.

At this point in time I hope that you have begun developing your transition plans. The sooner we are all ready for the transition, the better the chances of having a smooth transition government-wide. My staff and I are here to help you as needed. Please do not hesitate to reach out to us to ask questions and to let us know what we can do to better serve you.

Sincerely,
 David J. Shea, CPCCM, PMP
 Director, Office of Charge Card Management

PROGRAM NEWS

Website Updates

The GSA SmartPay® Program Office is renovating its website. The new GSA SmartPay® website will make it easier for program customers to find the information they need. Many of the current pages will be updated with new information (e.g., the GSA SmartPay® Point of Contact page, News and Updates pages, Tax Information pages, Program Statistics page). We will also add new pages on contracting, GSA SmartPay® 2 (SP2) updates and publications, and the GSA SmartPay® card background designs and logos. In addition, some pages, including the page which hosts the GSA SmartPay® *Get Smart* newsletter, will be moved to make the information easier to locate.

Many of these website improvements will be implemented soon. We hope that you will browse the website for these new improvements, and let us know what you think. You can provide your feedback about the website at www.gsa.gov/gsasmartpay, under “GSA SmartPay® Program Feedback Form”, or contact Susan Farrar at susan.farrar@gsa.gov; 703-605-2825.



Legislation Affecting GSA SmartPay® and its Customers

Recently, several pieces of legislation have targeted government procurement policies. H.R. 1362, S. 680, and S. 789, in particular, seek to achieve a more transparent system through modified acquisition procedures and tighter purchase card controls.

Introduced by Congressman Henry Waxman (D-CA) on March 6th, 2006, H.R. 1362, the “Accountability in Contracting Act,” focuses on “limiting the use of abuse prone contracts.” Waxman’s legislation seeks to accomplish this goal by restricting the contracting period, minimizing sole source and cost-reimbursement contracts, and asks that agencies make a public disclosure of and justification for non-competitive contracts.

Senator Susan Collins’ (R-ME) “Accountability in Government Contracting Act” S.680, introduced on February 7th, 2007, centers on micro-purchases, and also calls for the OMB and GSA to set new guidelines for the management of purchase cards. The principal concern is to create agency savings by negotiating discounts with major vendors, and informing cardholders who these preferred vendors are and what deals they have made available.

Subscribe to the Newsletter

Want to receive a copy of the GSA SmartPay® newsletter, *Get Smart*, in your email inbox upon its release? Then subscribe online at the GSA SmartPay® website:

www.gsa.gov/qsasmartpay, under "Hot Topics / Library".

You can also access archived issues of the GSA SmartPay® newsletter, *Get Smart*, on this page as well.

Exactly one month later, Senator Chuck Grassley (R-IA) introduced his "Government Credit Card Abuse Prevention Act." This initiative, S. 789, emphasizes limiting card abuse, but seeks to do so through split-disbursements – an automated system of payment for DoD personnel on travel – and mandating credit checks for agency employees who are assigned travel cards.

All of these bills are still in committee and subject to change. While many of the actions they require are already in practice at the agency level, it is evident that legislators are increasingly concerned with improving Government charge card programs.

Recompete News

Status Update

The current GSA SmartPay® contract will expire on November 29, 2008. The acquisition for the successor contract, SP2, is complete. The SP2 Master Contracts were awarded June 7, 2007 to four banks: Citibank, GE Capital

Financial, JPMorgan Chase, and U.S. Bancorp. The GSA SmartPay® program office will host a Kick-off Conference on July 17, 2007 at the Grand Hyatt in Washington, DC. This conference will provide customers with an opportunity to learn more about SP2 products and services and to speak with representatives from the new charge card vendors (i.e., the banks). Space is limited on a first come, first serve basis. Only agency personnel directly involved in the GSA SmartPay® 2 transition process should attend.

Upcoming Events (GSA-Sponsored)

GSA SmartPay® 2 Kick-Off Conference

Date: July 17, 2007

Place: Grand Hyatt, Washington, DC

Registration: www.gsa.gov, under "About GSA / Events / GSA SmartPay® 2 Kick-Off Conference"

The 9th Annual GSA SmartPay® Training Conference

Dates: August 21 - 23, 2007

Place: Philadelphia, PA

www.qsasmartpayconference.org

For additional information, contact Rosemarie Dunn at 703-605-2810, or rosemarie.dunn@gsa.gov.

Upcoming Events (Industry-Sponsored)

FedFleet 2007

Dates: July 24 - 26, 2007

Place: Orlando, FL

Statistics

Travel IBA Delinquency Accounts

The delinquency rates of government-wide travel individually billed accounts (IBAs) was 2.55% in April 2007.

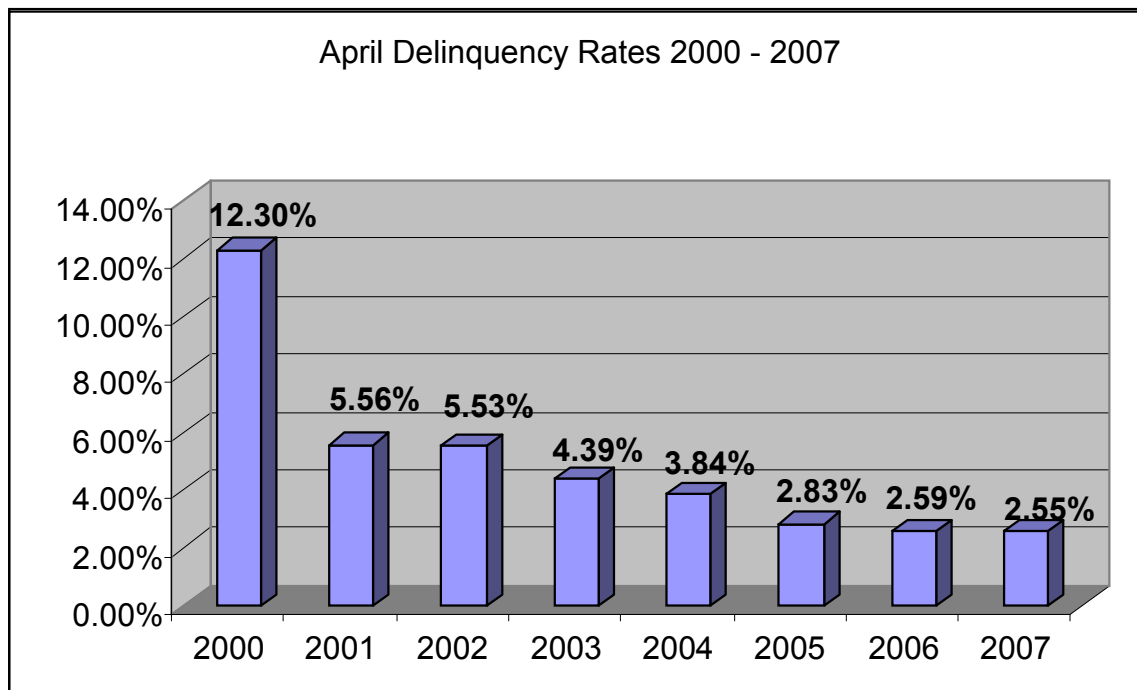
GSA SmartPay® would like to acknowledge the following agencies whose delinquency rates were 1% or less in April 2007: Agency for International Development, Corporation for National Service, Department of Commerce, Department of Education, Department of Energy, Department of Housing and Urban Development, Department of Justice, Department of State, Department of Transportation, Department of the Treasury, Department of Veteran's Affairs, Environmental Protection Agency, General Services Administration, and the Nuclear Regulatory Commission.

Recoveries and Write-offs

In April 2007, travel IBA write-offs totaled \$393,044, and travel IBA recoveries totaled \$213,223.

GSA SmartPay® would like to acknowledge the following agencies which had no write-offs in April 2007: Agency for International Development, Corporation for National and Community Service, National Aeronautics and Space Administration, National Science Foundation, Nuclear Regulatory Commission, and Office of Personnel Management.

GSA SmartPay® would also like to acknowledge the following agencies whose recoveries exceeded write-offs in April 2007: Department of Energy, Department of Justice, Department of Labor, Department of Transportation, National Aeronautics and Space Administration, Nuclear Regulatory Commission, Office of Personnel Management, Small Business Administration, and the Social Security Administration.



TRANSITION TO GSA SMARTPAY® 2

What's so Important About Transition?

What would happen if \$26 billion in government purchases, travel transactions, and fuel/maintenance purchases stopped? If the transition to GSA SmartPay® 2 does not go smoothly, cardholders may not be able to use their cards, which means that agencies/organizations would need to find another way to make the approximately \$71 million in charge card purchases per day that they currently make to support delivery of their important missions. Therefore, it is up to each agency/organization to do their part to ensure a smooth transition to SP2.

The current GSA SmartPay® contracts end on November 29, 2008; all transition tasks must be completed by this time, and all agencies/organizations must be ready to begin processing transactions. As mentioned previously in the newsletter, the GSA SmartPay® Program Office will support agencies/organizations through three avenues:

- **Education:** regular A/OPC meetings; training sessions
- **Reinforcement:** transition tools; regular communications (e.g., emails to A/OPCs, *Get Smart* newsletter)

- **Feedback:** possible one-on-one meetings and other contact with the GSA SmartPay® Program Office as needed

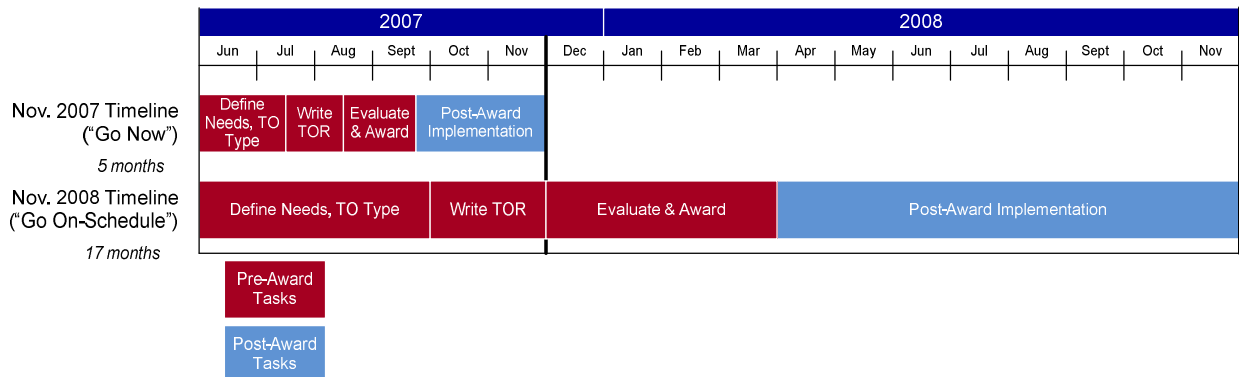
This section of the newsletter will be dedicated to transition related topics which agencies/organizations should keep in mind as November 2008 approaches.

Transition Timing Considerations

The timeline at the bottom of the page reflects the high-level Pre-Award and Post-Award transition activities needed to complete the transition to SP2. This is an estimated timeline, based on a medium to large-sized agency/organization with dedicated resources to support the transition. The actual duration of each task may vary, depending on the agency's/organization's size, level of preparedness, and available resources. Agencies/organizations should revise these estimates as needed so that they reasonably reflect the effort required.

Agencies/organizations have three timing options for transitioning to SP2:

- **Go Now:** The option to transition in November 2007 is probably most feasible for smaller, non-mandatory agencies/organizations, as the timeline for completion of transition tasks is short.



- **Go Soon:** Some agencies/organizations may decide to transition between November 2007 and November 2008. This option is generally not recommended due to complex contractual issues and potential additional costs. For more information on this option, please contact the GSA SmartPay® Program Office.
- **Go On-Schedule:** Perhaps the most feasible option for most agencies/organizations (especially larger, mandatory agencies/organizations) is to transition no later than November 29, 2008.

available as shown in the box on this page.

So, where should you begin? Level 1 A/OPCs should:

- ✓ Review the Pre-Award Checklist
- ✓ Use the Executive Briefing Tool to obtain executive support for your agency's/organization's transition
- ✓ Use the Transition Communications Planning Tool to develop a communications plan
- ✓ Define agency/organization needs using the Needs Assessment Tool
- ✓ Attend regular A/OPC meetings, Transition Boot Camp (July 10, 2007) and the SP2 Master Contract Kick-Off Conference (July 17, 2007)

Tools Posted on the GSA SmartPay® Webpage
www.gsa.gov/gsmartpay
 (Click on "Transition to GSA SmartPay® 2")

- Transition Quick Reference
- Executive Briefing
- Pre-Award Checklist

Available in Draft

- Communications Planning Tool
- IT Quick Reference
- Transition FAQs
- Needs Assessment Tool

Coming Soon

- Task Order Type Tool
- Sample SOW
- Transition IT Considerations
- Post-Award Checklist

Finally, if you have questions or concerns, please contact your GSA SmartPay® Point of Contact (www.gsa.gov/gsmartpay, under Agency Information/GSA SmartPay® Points of Contact).

Transition Tool Spotlight: Executive Briefing Tool

When should I use this tool? This tool should be used very early in transition planning.

How to use it: The tool includes page-by-page instructions to help you customize the presentation with agency/organization-specific information.

Why it's important: Executive support is a critical success factor for transition. You will need executive support to obtain any additional resources or funding, as well as decisions on program structure.

Transition Planning: Start Now!

Completing the transition to SP2 will involve numerous activities to be completed by multiple agency/organization personnel. All agencies/organizations, regardless of their size, should start planning now. The GSA SmartPay® Program Office has already made a number of transition tools

KNOWLEDGE SHARING

Success Stories

Communicating With Cardholders

Providing cardholders with clear and consistent information is critical to managing a successful charge card program. As part of the upcoming transition to SP2, A/OPCs will need to rely

on cardholders to take on additional responsibilities as new SP2 cards are issued and activated.

Nicole Bellville, an Agency Program Coordinator with the U.S. Department of the Army, based in Rhode Island, has already seen the benefit of communicating with her cardholders. Her story is included below. Thanks to Nicole for sharing her story with us!

In August 2005, I attended the GSA SmartPay® Conference in Boston, MA. I came away with so much new knowledge that I wanted to share with my cardholders. That's how I came up with the idea for a newsletter. That October, I published the first issue of "The Informed Traveler", a newsletter about the Government Travel Card (GTC). It covered information such as how to apply for a card, benefits of using the GTC, answers to frequently asked questions, and contact information.

Since that first issue, I have published five more issues, covering such topics as EAGLS self-registration, per diem rates, mandatory use, credit balances, and fraud alerts. I also include tips from the travel branch on frequent travel voucher issues, since correctly filed travel vouchers and timely payment of the GTC go hand in hand.

The newsletter has proven to be very helpful and popular. It is available to cardholders online and in print, and it's even posted on the Guard Knowledge Online website. When cardholders pick up their new cards, I provide them with additional training and handouts, such as the newsletter, travel voucher samples and the GSA SmartPay® "Helpful Hints for Travel Card Use".

Since developing the newsletter, our card program has experienced improvements. Cardholders understand who I am and what my role is; they are more likely to contact me for questions, and I'm able to address any potential issues they may have in advance. In addition, we are making great strides in reducing the delinquency rates.

Nicole Belleville
Agency Program Coordinator
U.S. Department of the Army, Rhode Island

Share Your Success!

Have you achieved success in streamlining operations through using the GSA SmartPay® purchase, travel, and fleet cards? Have you found innovative ways to improve your program?

Other agencies/organizations can benefit from learning about the best practices of individual agencies/organizations. We'd like to highlight your achievements in an upcoming issue.

Please submit your success story (in 250 words or less) to Susan Farrar at susan.farrar@gsa.gov. GSA SmartPay® reserves the right to edit contributions for publication.

Best Practices

Reconsidering Refunds for GSA SmartPay® 2

Many agencies/organizations view refunds as the primary criteria for success of their charge card programs. At first glance, the concept of money being returned to the agency/organization is appealing, however it is important to understand the entire process, including where the refunds come from. While refunds are a great benefit that agencies/organizations receive as a part of the GSA SmartPay® program, the GSA SmartPay® Program Office cautions agencies/organizations to not focus solely on refunds when planning their future charge card program.

How refunds work:

The money that banks refund to agencies/organizations is collected from merchants as part of a per transaction fee known as “interchange”. Interchange is the fee that banks charge merchants to process the charge card transaction; and is the primary source of revenue for the banks in this program. Since this is a cost of business for merchants, they may pass this cost along to their customers in the form of higher prices for the goods/services purchased. In effect, the agencies/organizations pay for the refunds they earn.

Considerations for SP2:

Don't over-emphasize the importance of refunds! Increased pressure for higher refunds has the

potential to backfire on agencies/organizations. It is these revenues that banks use to fund their products, develop technology, and provide customer service to agencies/organizations and cardholders. Receiving too much of it as cash back can limit the level of services that banks are willing to provide. When defining needs and considering task order requirements for SP 2, agencies/organizations should resist focusing solely on refunds, and try to “obtain the best competitive deal from charge card vendors in terms of sales and productivity refunds offered balanced against the services provided” as directed in the OMB Circular A-123, Appendix B. Refunds are only a small part of the total benefits that an effective card program provides to the government.

Agencies/organizations should focus on the products and services under SP2 that most effectively support their mission, such as better internal controls, or program management support.

Submit Your Feedback Online

Provide your feedback and thoughts about the current and future program at www.gsa.gov/gsmartpay, under “GSA SmartPay® Program Feedback Form.”

Contact Us

If you have suggestions or comments about *Get Smart*, please contact Erin VanDagna at (703) 605-5589 or via email at erin.vandagna@gsa.gov.