OFFICE OF THE UNDER SECRETARY OF DEFENSE
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ACQUISITION,
TECHNOLOGY
AND LOGISTICS

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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

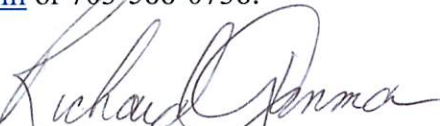Subject: Purchase Card OnLine System Deployment Update

This memorandum updates the November 19, 2008 Defense Procurement and Acquisition Policy (DPAP) memorandum (http://www.acq.osd.mil/dpap/pdi/pc/docs/DoD_Deployment_of_PCOLS_Capability__Nov_2008.pdf) that directed Department-wide use of the Purchase Card OnLine System (PCOLS). The memorandum directed all Component Procurement Executives to develop a plan and schedule to implement PCOLS in accordance with a phased deployment strategy. This memorandum establishes that full deployment of PCOLS is achieved when at least 90 percent of the legacy managing and cardholder accounts have been migrated into PCOLS.

I congratulate the components listed in the attached for achieving and maintaining full deployment. The Air Force has been fully deployed for over a year and is to be commended for their efforts. Also, I want to recognize the Army's initial deployment of the PCOLS capability and look forward to their achievement of full deployment status. Navy deployment of PCOLS will be determined after the DoD Inspector General (IG) review of PCOLS and Citibank's Program Audit Tool capability. Reporting on deployment status is compiled at the MAJCOM/MACOM level for the Services and at the agency level for the Defense Agencies by DPAP/Program Development and Implementation. This reporting will now be posted on a monthly basis to the DPAP website at http://www.acq.osd.mil/dpap/pdi/eb/pcols.html.

As cardholder accounts are migrated into PCOLS, all at-risk transactions that have been flagged in the data mining capability will be marked as legacy to allow that Component to achieve a new baseline for the associated control within the Risk Assessment Scorecard. This functionality is operational in the Data Mining/Risk Assessment application. Legacy transactions will still be available to the Component for reconciliation and resolution, which is highly encouraged.

Recently, the DoDIG conducted an audit of high-risk Army transactions. This audit recognizes that the DoD Purchase Card Program continues to be a high risk environment and that PCOLS is an effective risk management tool. To assist in the mitigation of program risks, it is essential that all Components quickly achieve full deployment of PCOLS. For Defense Agencies who have not accomplished deployment in PCOLS at the end of the 3rd QTR FY2012, I will refer all high-risk transactions to the DoDIG. The initial capability to flag cards upon employee departure from federal service will be operational in PCOLS by the 4th QTR FY2012.

If there are operational or security reasons why cards should be issued directly from the issuing banks to the fully deployed Component instead of through PCOLS, please contact DPAP directly. Alternate procedures can be arranged on a case by case basis. My action officer for this matter is Mr. Dennis Idol, Dennis.Idol@osd.mil or 703-588-0738.

Richard Ginman
Director, Defense Procurement
and Acquisition Policy

Attachment:
As stated

<u>Defense Agencies with PCOLS Fully Deployed Status:</u>

Defense Commissary Agency (DeCA)

Defense Contract Management Agency (DCMA)

Defense Finance and Accounting Service (DFAS)

Defense Human Resources Activity (DHRA)

Defense Information Systems Agency (DISA/DITCO)

Defense Inspector General (DoD IG)

Defense Logistics Agency (DLA)

Defense Microelectronics Activity (DMEA)

Department of Defense Education Activity (DoDEA)

Missile Defense Agency (MDA)

Tricare Management Agency (TMA)

Uniformed Services University of the Health Sciences (USUHS)

Washington Headquarters Service (WHS)